Shore Capital Group Limited

Annual Report and Financial Statements

Year ended 31 December 2024

Annual Report and Financial Statements for the year ended 31 December 2024

Contents

Officers and Professional Advisers

Directors
Howard Shore (Chairman)
Andrew Whittaker
Simon Fine
David Kaye
Heydan von Frankenberg

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Carey Olsen
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Secretary
Apex Fund and Corporate Services
(Guernsey) Limited

Independent Auditor
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Chairman's Statement

Financial highlights

	2024	2023
Revenue	£72.2m	£65.2m
Profit before tax	£10.6m	£7.5m
Basic earnings per share	23.6p	18.0p

Chairman's Statement

The Group recorded revenues of £72.2m and pre-tax profits of £10.6m for the year to 31 December 2024, delivering basic earnings per share of 23.6p. This represents an increase in pre-tax profits and earnings per share of 42% and 31% respectively. Our diversified business model continues to serve us well.

Our Asset Management business has delivered a strong performance, attracting excellent inflows across its suite of retail investment products, growing market share and expanding operations with the opening of a third UK office, in Edinburgh.

Our Capital Markets business continued to operate profitably in ongoing challenging market conditions. The business has supported its clients on sale, take-private and secondary fundraising activities in the period, as well as winning new retained clients and investing across its team to position ourselves well as market sentiment starts to improve.

Asset Management

The Asset Management division continued its growth trajectory, with annual revenues growing by 18% to £41.0 million, delivering pre-tax profits of £10.4 million, 54% higher than in the previous year.

Puma Investments, the UK fund management business, has recorded strong inflows across its suite of retail investment products, whilst deployment levels have grown in a more benign investment environment. The Puma offerings are increasingly being selected on preferred panels for a growing number of wealth management networks and platforms. Ongoing momentum in the business led to the opening of the business' third UK office during the year, in central Edinburgh, providing direct access to origination in the Scottish market.

Our Puma Growth Partners division secured a record £60 million of new funding in the calendar year, including again filling both the initial and extended fundraising targets for our flagship evergreen Venture Capital Trust, Puma VCT 13. The business therefore benefits from available deployable funds both to support existing portfolio companies and to take advantage of a lower valuation environment for new investments. The year also saw external recognition in the shape of the Most Impactful Investment award at the Growth Investor Awards for our investment into Transreport, and the Fintech of the Year award for our investment into Aveni.

In our Puma Property Finance division, our Puma Heritage Estate Planning Service is rapidly approaching £400m of net asset value, and during the year exceeded its target investor return for the eighth year in succession. The Service continues to raise funds at an impressive rate, providing significant firepower to grow further market share in UK development and stabilisation lending to the commercial and residential property markets. The business arranged over £300 million of new loans during the year, with borrowers

Chairman's Statement

often including global asset management and private equity houses. Additionally, we have been making progress towards the launch of a discretionary institutional platform to deploy funds in the lending strategy and have been advancing discussions with potential partners.

Demand for our Puma AIM Service has remained robust during the year, supported by our long term and consistent outperformance of our benchmark indices, albeit with some slowing of inflows following the announcements made in the Budget in October. AUM at the year-end was £237m, at which date the Service had delivered a compound annual growth rate since inception of 6.0% vs -0.8% for the AIM Index and 2.1% for the FTSE All Share Index.

The Group continues to assist Brandenburg Realty with the implementation of its strategies for residential and commercial real estate assets. During the period, the sale of condos continued, with sales notarised at a number of Berlin properties, allowing the fund to make further reductions to its gearing.

Capital Markets

The Capital Markets business recorded revenues of £31.7 million in the year, an increase of 7%, delivering pre-tax profits of £1.0 million, an increase of 33% on the previous year.

Market conditions remained challenging throughout 2024, with the UK Election and then concerns around the Budget in October contributing to reduced capital markets activity. The subdued level of IPOs seen in the first half of the year persisted into the second half. However, there was a pick-up in secondary fundraisings towards the end of the year with investors particularly supportive of companies seeking to finance acquisitions with new equity.

The strong positive reputation of the firm around its entrepreneurism, high-quality equity research and strong service levels has meant that ten new brokerships were won, further strengthening our franchise across a number of sectors, with several clients upgrading Shore Capital to sole broker in recognition of our continuing high level of client service.

Our Market Making business performed particularly strongly in the year, increasing revenues by over 50% and growing market share, and was ranked 2nd largest on LSE by volume of shares traded during 2024. The team was further strengthened with some key new hires joining in the year.

Within a challenging primary and secondary market context, our Research and Equity Sales teams remained focused on seeking to identify equity valuation anomalies and to support our strong corporate client list with market understanding and largely secondary fundraising activities.

Our Capital Markets franchise remains highly respected and valued in the equity research market, which in turn supports our high-quality corporate broking list and execution presence. Backed by further investment across our teams, the business remains well placed to benefit as and when equity markets sustain better primary and secondary momentum.

Chairman's Statement

Principal Finance

Principal Finance investments recorded a decrease in net valuations during the year of £0.5m, this reduction being offset by £0.6m interest earned on our strong cash holdings.

Howard Shore
Chairman
7 April 2025

Financial review

Income and expenditure

Revenue for the year increased by 10.8% to £72.2 million (2023: £65.2 million), whilst administrative expenses increased by 7.7% to £63.0 million (2023: £58.4 million).

Group operating profit increased by 38.1% to £9.3 million (2023: £6.7 million). Statutory profit before tax was £10.6 million (2023: £7.5 million).

Divisional performance was as follows:

- Asset Management: revenue of £41.0 million (2023: £34.7 million). Profit before tax was £10.4 million (2023: £6.8 million) with a net margin of 25.5% (2023: 19.6%).
- Capital Markets: revenue of £31.7 million (2023: £29.6 million). Profit before tax was £1.0 million (2023: £0.8 million) with a net margin of 3.2% (2023: 2.6%).
- Principal Finance: profit before tax was £0.1 million (2023: £1.1 million).

Further commentary on the performance of each division is given in the Chairman's Statement.

Basic Earnings per Share

The Group generated earnings per share of 23.6p (2023: 18.0p).

Liquidity

As at the balance sheet date, available liquidity was £45.3 million, comprising solely of cash (2023: £44.7 million). In addition, the Group had a working capital facility of £10 million which was unused at the year end.

Capital resources

Capital resources in our regulated businesses were on average more than four times FCA requirements.

Balance sheet

The Group's balance sheet remains strong. Total equity at the year end was £76.1 million (2023: £74.4 million), the movement reflecting the profit generated in the year less dividends and capital distributions paid to shareholders and minority interests.

In addition to the £45.3 million of cash referred to above, at the year end the Group held £3.1 million (2023: £4.2 million) in various of its Puma Funds; £7.0 million (2023: £3.3 million) net in quoted equities and a further £0.5 million (2023: £0.5 million) in other unquoted holdings. Other non-current assets included £4.0 million (2023: £4.4 million) of fixed assets, and £2.1 million (2023: £2.3 million) of investment properties.

The remainder of the balance sheet was £14.1 million net (2023: £15.0 million), which included £12.1 million (2023: £6.1 million) of net market and other debtors in the Company's stockbroking subsidiary.

Financial Review (continued)

Net Asset Value per Share

Net asset value per share at the year end was 304.3p (2023: 302.4p).

Dividend

Following a vote at a General Meeting held on 19 February 2025, it is expected that the Group will be delisting from the Bermuda Stock Exchange on Wednesday, 21 May 2025. The last day that the company will purchase any remaining shares arising from underlying fractional entitlements will be on Wednesday, 14 May 2025. The Group proposes to pay an ordinary dividend of £500.00 per new share (equivalent to 20.0 pence per old share) for the year ended 31 December 2024 (2023: £375.00 per new share, equivalent to 15.0 pence per old share). The shares will be marked ex-dividend on Tuesday, 27 May 2025 and the dividend is expected to be paid on Friday, 6 June 2025 to shareholders on the register as at Wednesday, 28 May 2025.

Board of Directors

Howard Shore
Chairman
Howard Shore founded Shore Capital in 1985. He began his career in private client discretionary fund management with Grieveson Grant & Co. After obtaining a degree in Economics from Cambridge, he worked as a financial futures broker when LIFFE was being established. As Chairman he is responsible for the strategy of the Group, having relinquished all operational responsibilities in 2017. He is a Director of Brandenburg Realty Limited, as well as being a Director of Puma Brandenburg Limited, an investment vehicle through which he conducts private investment activities. He is also a trustee of the Tate.

Simon Fine
Co-Chief Executive Officer
Simon Fine joined as Chief Executive Officer of Shore Capital Markets in 2002 and became co-CEO of Shore Capital Group Limited in April 2017. He is the former Managing Director and Co-Head of Pan European Equity Cash Trading at Lehman Brothers. Prior to joining Lehman Brothers, Simon spent the previous 14 years at Dresdner Kleinwort Benson, latterly as Head of Pan European Equity Cash Trading – developing its UK operations into one of the leading players in UK and German equities.

David Kaye
Co-Chief Executive Officer
David Kaye graduated from Oxford University with a degree in law and was called to the Bar in 2000. David practised as a barrister at a leading London set of chambers for five years, advising on a range of complex commercial legal issues with a particular focus on financial investments and real estate. He joined Shore Capital in January 2006 and, having been Commercial Director and General Counsel for the Group, he became Chief Executive Officer of the asset management division in 2012. David became Co-CEO of Shore Capital Group Limited in April 2017.

Andrew Whittaker
Director
Andrew Whittaker is a Chartered Management Accountant and is a Member of the Chartered Institute for Securities and Investment, having gained over twenty years of experience in the investment sector and the fund industry across multiple jurisdictions. Andrew is currently Managing Director of Aver Partners, having previously been Managing Director at Ipes (Barings/Apex) and preceding that Managing Director at Capita. He has held senior management roles at Moscow Narodny and DML, having qualified whilst at Midland (HSBC/Montagu). Andrew is currently Chair of the British Venture Capital Association (BVCA) Channel Islands Working Group and is a previous Chair of the Guernsey Investment Fund Association (GIFA).

Heydan von Frankenberg
Director
Heydan von Frankenberg joined Shore Capital in 2017 as the Managing Director of Shore Capital International and is responsible for the German real estate and asset advisory activities. Prior to joining Shore Capital, Heydan was a director at EY, having worked for 15 years in their Frankfurt, Abu Dhabi and Berlin offices where he advised banks, institutional investors and private equity firms on all real estate related matters. He is a qualified chartered surveyor (MRICS) and graduated with a degree in business administration from Freie Universität Berlin.

Directors' Report

The Directors present their annual report and the audited financial statements of the Group for the financial year ended 31 December 2024.

Activities and business review

The main activities of the Group consist of investment related activities, including stockbroking, market-making, corporate finance advice, asset management including specialist fund management, and principal finance.

A review of the year and future developments is contained in the Chairman's Statement and financial review on pages 3 to 7. The statement also includes details of the key performance indicators which management use.

Results and dividends

The results for the financial year are set out on page 25. No interim dividend was paid during the year (2023: nil). The Group proposes to pay an ordinary dividend of £500.00 per new share (equivalent to 20.0 pence per old share) for the year ended 31 December 2024 (2023: £375.00 per new share, equivalent to 15.0 pence per old share). The shares will be marked ex-dividend on Tuesday, 27 May 2025 and the dividend is expected to be paid on Friday, 6 June 2025 to shareholders on the register as at Wednesday, 28 May 2025.

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 22 of the financial statements. Subsequent to the year end, the group carried out a share consolidation (see note 24). The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provision of the Articles of Association. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Regulatory Capital

Three of the Group's operating subsidiaries are regulated by the Financial Conduct Authority in the UK which imposes a minimum level of regulatory capital which must be maintained by each company. Each company has maintained a surplus throughout the year over its regulatory capital requirements.

Risk management

The Group's policies for managing the financial risks arising from its activities, including the use of derivative instruments, are set out in note 23. In addition, the Group has policies and procedures in place to mitigate the other risks to which it is exposed, including reputational risk, operational risk, cyber risk and insurance risk. The Group's activities comprise equity market activities, asset management and principal finance and its income is therefore subject to the level of general activity, sentiment and market conditions in each of the markets in which it operates.

Directors' Report (continued)

Directors

The Directors who served the Company during the financial year and their beneficial interests in the ordinary shares of the Company as at 31 December 2024 were:

	Ordinary shares of Nil par value	
	31 December 2024	**31 December 2023**
Howard Shore	10,802,433	10,802,433
Andrew Whittaker	-	-
Simon Fine	-	-
David Kaye	57,944	57,944
Dr Zvi Marom*	95,182	95,182
James Rosenwald III *	538,412	538,412
Heydan von Frankenburg	-	-

*Resigned 20 February 2025

The beneficial interests of the Directors in share options over ordinary shares of the Company are set out in note 7e.

The Company makes qualifying third-party indemnity provisions for the benefit of its Directors which are in force at the date of this report.

Charitable donations

The Group made charitable donations of £97,000 (2023: £137,000) during the year.

Going concern

As set out above in the Chairman's statement, the Group had a debt-free balance sheet and liquidity at the year end of approximately £45.3 million, as well as a further £10 million undrawn working capital facility available. In addition, each of the Group's regulated entities has a very high level of Capital adequacy, on average more than four times FCA requirements.

The Directors have reviewed highly stressed forecasts which include material reductions in variable revenues from the base case forecasts across both Capital Markets and Asset Management divisions. On the basis of these, the Directors consider that the Group has the financial resources to continue in operation for at least 12 months from the date of these financial statements being approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Environmental policy

The Group aims wherever appropriate to be environmentally conscious. During the year, it recycled a large amount of waste paper and arranged for used printer cartridges and office furniture and equipment to be collected for recycling and environmentally sound disposal. It has adopted low energy lighting systems where appropriate.

Directors' Report (continued)

Major shareholdings

Other than Directors, the following shareholders had notified the Company of holdings of 3% or more of the shares of the Company as at 31 December 2024:

	Ordinary Shares	%
G B Shore (direct and beneficial interest)	2,116,009	9.94
M van Messel (direct and beneficial interest)	967,127	4.54

Independent Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps which they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s249(2) of the Companies (Guernsey) Law, 2008.

BDO LLP has expressed its willingness to continue in office. A resolution to re-appoint them as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Directors' Report (continued)

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable rules and regulations.

International Accounting Standard 1 requires that IFRS financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

The Directors are required to prepare Group financial statements for each financial year, in accordance with applicable Guernsey law and those International Financial Reporting Standards (IFRS) as adopted by the European Union, which give a true and fair view of the financial position of the Group and the financial performance and cash flows of the Group for that period.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: "Accounting Policies, Changes on Accounting Estimates and Errors" and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state whether the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

Directors' Report (continued)

Statement of director's responsibilities (continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website.

By order of the Board

Andrew Whittaker
Director
9 April 2025

1 Royal Plaza
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Guernsey GY1 2HL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of Shore Capital Group Limited (the 'Parent Company') and its subsidiaries ('the Group') for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Discussing, evaluating and challenging the Directors' assessment of the Group's ability to continue as a going concern;
- Assessed the directors' trading and cash flow forecasts for a period of at least 12 months from the date when the financial statements were authorised for issue;
- Substantiating key inputs into forecasts used in the directors' cash flow forecasts;
- Evaluating the ability of the directors to forecast accurately, by comparing actual performance to forecasts in the prior year;
- Challenging the directors' assessment including their stress test analysis and reverse stress testing, to determine the risk posted to the Group in respect of going concern;
- Critically assessing the assumptions used by the directors' in making their assessment and have considered whether the events or conditions that impact going concern give rise to management bias; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

- We have read the disclosures in the financial statements regarding the directors' going concern assessment and assessed whether it met the requirements of the financial reporting framework and was in line with our understanding gained throughout the audit.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

<table>
<tr><td rowspan="5">Key audit matters</td><td></td><td>2024</td><td>2023</td></tr>
<tr><td>KAM 1: Revenue recognition – Capital Markets division - corporate finance and research commissions</td><td>✔</td><td>✔</td></tr>
<tr><td>KAM 2: Revenue recognition – Asset Management division – management fees</td><td>✔</td><td>✔</td></tr>
<tr><td>KAM 3: Valuation of principal finance investments – unlisted</td><td>×</td><td>✔</td></tr>
<tr><td colspan="3">'Valuation of principal finance investments- unlisted' is no longer considered to be a key audit matter as it does not have the greatest impact on our audit strategy or the allocation of resources throughout the audit.</td></tr>
<tr><td>Materiality</td><td colspan="3">Group financial statements as a whole £1,442,000 (2023: £1,328,000) based on 2% of revenue (2023: 2% of revenue).</td></tr>
</table>

An overview of the scope of our audit

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

Components in scope

The Group manages its operations from various locations in Europe including Guernsey, London, Liverpool, Caymen Islands, Isle of Man, Luxemburg and Berlin and consists of the Parent Company and a number of subsidiary undertakings. The group operates under three business divisions namely Asset Management, Capital Markets and Principle Finance. Majority of the entities in the group are centrally managed by the group finance team which is UK based with the exception of Shore Capital International Limited, which is managed by a finance team in the Berlin office. There are over 15 separate entities across the group. There are centralised functions which include IT and Treasury and the control environment has similar business characteristics using a common system of internal control, including the IT systems.

Due to the introduction of ISA 600 revised, we have re-evaluated the scope of the audit to focus on the group risk and the sources of that risk, which determined the scope of work at components of the group. In line with ISA (UK) 600 Revised, we established and updated as necessary, an overall group audit strategy. Furthermore, we are required to determine the components at which audit work will be performed and evaluate whether we will be able to be sufficiently and appropriately involved in the work of the components.

As part of performing our Group audit, we have determined the components in scope as follows:

Component Name	Entities	Geographic location(s)	Nature of operations	Rationale for determination of component
SCGL	Shore Capital Group Limited ('SCGL')	Guernsey	Parent and Holding company	SCGL, the parent company, holds investments in subsidiaries and unquoted investments.
Asset Management ('AM')	Puma Investment Management Limited ('PIML') and STACC Properties Limited ('STACC')	United Kingdom	Trading entity	PIML primarily focuses on investment management services. PIML is a major source of revenue for the group and Asset Management operating division. STACC holds investment properties from which rental income is derived.
Capital Markets ('CM')	Shore Capital Stockbrokers Limited ('SCS'); Shore Capital and Corporate Limited ('SCC')	United Kingdom	Trading entities	These entities provide similar services within the capital markets division and are a key driver of revenue for the group. Furthermore, they have the same operations, systems, geographical location, and accounting function.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

SCINT	Shore Capital International Limited ('SCINT')	Germany	Trading entity	SCINT operations are situated in Germany and it has a different financial reporting system to other entities within the group. The financial reporting is managed by a separate finance team which reports to the group finance team.
Limited Risk Entities	All remaining group entities	Guernsey, United Kingdom, Germany, Cayman Islands, Luxemburg and Isle of Man	Holding companies, trading entities and non-trading/dormant entities	These entities are primarily holding companies, non-trading or dormant entities with the exception of Puma Property Finance Limited, Puma Private Equity Limited, and Shore Capital Treasury limited, which are trading entities but with limited/no risk associated with them. The holding entities hold investments in subsidiaries which are eliminated on consolidation and derive income from intercompany dividend income. The remaining entities are dormant/non trading entities and thus do not generate Group revenue. All these entities have been grouped as a single component as they have limited/no risks.

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

- procedures on the entire financial information of the component, including performing substantive procedures.
- procedures on one or more classes of transactions, account balances or disclosures.
- specific audit procedures

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component Name	Entity	Group Audit Scope
1	SCGL	Shore Capital Group Limited	Procedures on one or more classes of transactions, account balances or disclosures.
2	Asset Management	Puma Investment Management Limited; STACC Properties Limited	Statutory audit and procedures on the entire financial information of the component.
3	Capital Markets	Shore Capital Stockbrokers Limited; Shore Capital and Corporate Limited	Statutory audit and procedures on the entire financial information of the component.
4	SCINT	Shore Capital International Limited	Specific audit procedures.
5	Limited Risk Entities	All remaining group entities	Statutory audit on specific entities and procedures on one or more classes of transactions, account balances or disclosures on the other entities.

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit.

Procedures performed centrally

The group operates a centralised IT function that supports IT process for certain components. This IT function is subject to specified risk focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Locations

We worked remotely, holding calls and video conferences with the group finance team, and with digital information obtained through our internal secure portal.

Changes from the prior year

For the audit for the year to 31 December 2023, which was conducted under ISA (UK) 600 – Revised November 2019, we determined that each legal entity was a separate component. We scoped in the significant components based on either their financial size relative to certain benchmarks (eg profit before tax) or the level of risks associated with that component. Full scope audit procedures were performed on 14 significant components including the parent

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

company, while specified audit procedures including analytical procedures were performed on the 19 non-significant components.

The scope of our audit in the current year was based on the group risk and the source(s) of the risk in contrast to the designation of components as either significant or non-significant in the previous year. The components and rationale for grouping the components has been disclosed under 'Components in Scope' section of this report.

Key audit matters

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

Key audit matter		**How the scope of our audit addressed the key audit matter**
Revenue recognition – Capital Markets division- Corporate finance and research commissions The Group's accounting policy for revenue is described in Notes 1 and 3 to the financial statements.	There is a risk that revenue is not recognised in line with the contractual obligations resulting in the wrong fee being recognised, due to the non-standard nature of the terms. There is also a risk that revenue is recognised at the incorrect point in time, i.e. before the work is completed, or in the incorrect period. The risks are increased if contractual terms, including amounts to be billed change during the period or if additional fees are agreed however engagement letters are not updated. Based on the above, the revenue recognition of the Capital Markets division is considered to be a key audit matter and a fraud risk.	We performed the following procedures: • We have obtained a listing of corporate finance and research commissions and agreed this to the trial balance as at 31 December 2024; • We recalculated the amount due in respect of a sample of corporate finance transactions based on the terms set out in the relevant engagement letters. • We considered the status of open projects at the year end to determine whether it was appropriate for revenue to be recognised during the year and confirmed appropriate posting of this to the general ledger. • We have tested cut off for fees booked around the year end and assessed whether revenue had been recorded in the correct period. • We have reviewed board meeting minutes in order to identify significant fee changes which haven't otherwise been captured.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

		Key observations: Based on the procedures performed, no issues have been identified regarding the recognition of revenue in respect of the Capital Markets division.
Revenue recognition – Asset Management division – management fees and advisory fees The Group's accounting policy for revenue is described in Note 1 and Note 3 to the financial statements.	Management fee income for heritage and VCT fees was considered to be an area of focus for our audit as there is a risk of fraud due to the management fee being based as a percentage of net asset value (NAV). There is a risk that the fund NAV is inflated in order to recognise higher management fees. In addition, for advisory fees, PIML is entitled to an annual advisory fee if a specified annualised return is achieved. Therefore, there is an incentive to inflate the NAV in order to meet the minimum annualised return.. Furthermore, there is a risk of human error in the inputting of data into the manually maintained advisory fee schedule. Based on the above, the revenue recognition of management fees, is considered to be a key audit matter and fraud risk.	Our procedures performed included: • We have verified a sample of the inputs into the management fee calculation by agreeing the underlying fund asset values to audited accounts or the latest available financial information for the intervening periods. • We have obtained the latest audited information available for the underlying funds and have considered the impact on the unaudited values used in the calculation of management fees. • We have obtained the heritage advisory fee schedule and inspected the formulae in spreadsheet for consistency and verified a sample of inputs into management's spreadsheet and agreed details to supporting documentation. • We recalculated the advisory fees for arithmetic accuracy and confirmed that fees were only recognised if a minimum annualised return was achieved. **Key observations:** Based on the procedures performed no issues have been identified regarding the recognition of management fee revenue.

Our application of materiality

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

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

Group financial statements		
	2024 £	2023 £
Materiality	1,442,000	1,328,000
Basis for determining materiality	2% of adjusted revenue (2023: 2% of revenue)	
Rationale for the benchmark applied	Profits are impacted by different parts of the business and fluctuate significantly such that profit before tax is less representative of the Group's underlying performance. Therefore, revenue is considered to be the most appropriate benchmark for users of the financial statements.	
Performance materiality	1,081,500	996,000
Basis and rationale for determining performance materiality	75% of materiality on the basis of our risk assessment, together with our assessment of the Group's overall control environment and history of past misstatements.	

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentage of between 4% and 60% of Group performance materiality (2023: 75% of component materiality) dependent on a number of factors including number of components and aggregation risk and our assessment of the risk of material misstatement of those components. Component performance materiality levels ranged from £40,500 to £648,900 (2023: 75% of Component materiality levels which ranged from £8,000 to £745,000).

Reporting threshold

We agreed with the Board that we would report to them all individual audit differences in excess of £72,100 (2023: £66,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

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

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

Non-compliance with laws and regulations

Based on:

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

we considered the significant laws and regulations to be IFRSs as adopted by the European Union, Companies (Guernsey) Law, 2008, the Financial Conduct Authority (FCA) rules, requirements of UK PAYE and UK VAT legislation, the Guernsey tax legislation and the Bermuda Stock Exchange listing rules.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. Our procedures in respect of the above included:

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

Fraud

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHORE CAPITAL GROUP LIMITED

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

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria as well as a sample outside this defined risk criteria by agreeing to supporting documentation;
- Assessing whether the judgements made in making accounting estimates could be indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business, including management's assessment of going concern.

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

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

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London UK
Date: 9 April 2025

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

Consolidated Income Statement
For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Revenue	**3**	**72,226**	65,157
Administrative expenditure		**(62,952)**	(58,443)
Operating profit	**4**	**9,274**	6,714
Interest income	**5**	**1,796**	1,245
Finance costs	**6**	**(400)**	(468)
Share of results in associates	**15**	**(80)**	(39)
		1,316	738
Profit before taxation	**2**	**10,590**	7,452
Taxation	**8**	**(1,998)**	(1,425)
Profit for the year		**8,592**	6,027
Attributable to:			
Equity holders of the parent		**5,032**	3,871
Non-controlling interests		**3,560**	2,156
		8,592	6,027
Earnings per share			
Basic	**10**	**23.6p**	18.0p
Diluted	**10**	**23.4p**	17.8p

All transactions are in respect of continuing operations.

The accompanying notes form part of the financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	2024 £'000	2023 £'000
Profit after tax for the year	**8,592**	6,027
Items that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations	**(85)**	(68)
Other comprehensive loss during the year, net of tax	**(85)**	(68)
Total comprehensive income for the year, net of tax	**8,507**	5,959
Attributable to:		
Equity holders of the parent	**4,951**	3,828
Non-controlling interests	**3,556**	2,131
	8,507	5,959

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position
As at 31 December 2024

	Notes	2024	2023
		£'000	£'000
Non-current assets			
Property, plant & equipment	**13**	**4,017**	4,368
Right of use assets	**11**	**5,474**	5,128
Investment properties	**14**	**2,120**	2,279
Investments in associates		**131**	111
Investments	**15**	**3,214**	4,269
Deferred tax asset	**8**	**1,326**	1,057
		16,282	17,212
Current assets			
Trading assets	**16**	**9,825**	4,300
Trade and other receivables	**11, 17**	**48,243**	37,894
Derivative financial instruments		**112**	35
Tax assets		**-**	1,118
Cash and cash equivalents	**18**	**45,273**	44,699
		103,453	88,046
Total assets	**2**	**119,735**	105,258
Current liabilities			
Trading liabilities	**12**	**(2,426)**	(530)
Trade and other payables	**19**	**(33,634)**	(24,850)
Tax liabilities	**8**	**(485)**	-
Lease liabilities	**11**	**(1,737)**	(7)
		(38,282)	(25,387)
Non-current liabilities			
Lease liabilities	**11**	**(5,306)**	(5,404)
Provision for liabilities and charges	**20**	**(64)**	(59)
		(5,370)	(5,463)
Total liabilities	**2**	**(43,652)**	(30,850)
Net assets		**76,083**	74,408
Capital and reserves			
Share capital	**22**	**-**	-
Share premium		**1,866**	1,866
Merger reserve		**14,336**	14,336
Other reserves		**1,572**	1,572
Retained earnings		**47,015**	46,600
Equity attributable to equity holders of the parent		**64,789**	64,374
Non-controlling interests		**11,294**	10,034
Total equity		**76,083**	74,408

The accompanying notes form part of the financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 9 April 2025. Signed on behalf of the Board of Directors:

Andrew Whittaker
Director

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Non-controlling interests £'000	Total £'000
At 1 January 2023	**-**	**1,866**	**14,903**	**1,572**	**44,377**	**10,066**	**72,784**
Profit for the year	**-**	**-**	**-**	**-**	**3,871**	**2,156**	**6,027**
Foreign currency translation	**-**	**-**	**-**	**-**	**(42)**	**(26)**	**(68)**
Total comprehensive income	**-**	**-**	**-**	**-**	**3,829**	**2,130**	**5,959**
Dividends paid to non controlling interests/ rebalancing of non controlling interest	**-**	**-**	**-**	**-**	**(759)**	**(1,509)**	**(2,268)**
Repurchase/cancellation of own shares (note 1)	**-**	**-**	**(567)**	**-**	**-**	**-**	**(567)**
Capital distribution from subsidiary to non controlling interests (note 15)	**-**	**-**	**-**	**-**	**-**	**(160)**	**(160)**
Increase in controlling interest in subsidiary	**-**	**-**	**-**	**-**	**(847)**	**(505)**	**(1,352)**
Investment by non controlling interest in subsidiaries	**-**	**-**	**-**	**-**	**-**	**12**	**12**
At 31 December 2023	**-**	**1,866**	**14,336**	**1,572**	**46,600**	**10,034**	**74,408**

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Non-controlling interests £'000	Total £'000
At 1 January 2024	**-**	**1,866**	**14,336**	**1,572**	**46,600**	**10,034**	**74,408**
Profit for the year	**-**	**-**	**-**	**-**	**5,032**	**3,560**	**8,592**
Foreign currency translation	**-**	**-**	**-**	**-**	**(81)**	**(4)**	**(85)**
Total comprehensive income	**-**	**-**	**-**	**-**	**4,951**	**3,556**	**8,507**
Equity dividends paid (note 9)	**-**	**-**	**-**	**-**	**(3,193)**	**-**	**(3,193)**
Dividends paid to non controlling interests/ rebalancing of non controlling interest	**-**	**-**	**-**	**-**	**(1,343)**	**(2,304)**	**(3,647)**
Investment by non controlling interest in subsidiaries	**-**	**-**	**-**	**-**	**-**	**8**	**8**
At 31 December 2024	**-**	**1,866**	**14,336**	**1,572**	**47,015**	**11,294**	**76,083**

The accompanying notes form part of the financial statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2024

	Notes	2024	2023
		£'000	£'000
Cash flows from operating activities			
Profit for the year		**8,592**	6,027
Adjustments for:			
Depreciation and impairment charges	**2**	**2,391**	1,998
Loss on disposal of fixed assets		**27**	31
Net fair value losses/(gains) on Investments	**15**	**227**	(484)
Revaluation of investment properties	**14**	**34**	-
Share of results of associate		**80**	39
Increase in provision for national insurance on options		**5**	-
Interest income		**(1,796)**	(1,245)
Finance costs		**400**	468
Tax expense	**8**	**1,998**	1,425
Operating cash flows before movements in working capital		**11,958**	8,259
(Increase)/decrease in trade and other receivables		**(10,426)**	4,191
Increase/(decrease) in trade and other payables		**8,784**	(6,423)
Increase/(decrease) in trading liabilities		**1,896**	(42)
(Increase)/decrease in trading assets		**(5,525)**	1,176
Cash generated by operations		**6,687**	7,161
Corporation tax paid		**(689)**	(1,288)
Net cash generated by operating activities		**5,998**	5,873
Cash flows from investing activities			
Purchase of property, plant & equipment	**13**	**(775)**	(1,251)
Disposal of investment property	**14**	**125**	-
Investment in associate		**(100)**	(50)
Purchase of investments	**15**	**(28)**	(38)
Sale of Investments	**15**	**856**	5,433
Interest received	**5**	**1,796**	1,245
Net cash generated by investing activities		**1,874**	5,339
Cash flows from financing activities			
Repurchase of own shares		**-**	(567)
Increase in controlling interest in subsidiary		**-**	(1,320)
Investment from/ (capital distribution to) non controlling interests		**8**	(148)
Payment of lease liabilities	**11**	**(14)**	(1,397)
Interest paid on lease liabilities	**11**	**(306)**	(334)
Other interest paid	**6**	**(94)**	(134)
Dividends paid to equity shareholders	**9**	**(3,193)**	-
Dividends paid to non controlling interests		**(3,647)**	(2,268)
Net cash used in financing activities		**(7,246)**	(6,168)
Net increase in cash and cash equivalents		**626**	5,044
Effects of exchange rate changes		**(52)**	(85)
Cash and cash equivalents at the beginning of the year	**18**	**44,699**	39,740
Cash and cash equivalents at the end of the year	**18**	**45,273**	44,699

The accompanying notes form part of the financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2024

1. Accounting Policies

Basis of preparation
These consolidated annual financial statements of Shore Capital Group Limited (the "Company") and its subsidiaries (together referred to as the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Going concern
As set out above in the Chairman's statement, the Group had a debt-free balance sheet and liquidity at the year end of approximately £45 million, as well as a further £10 million undrawn working capital facility available. In addition, each of the Group's regulated entities has a very high level of Capital adequacy, on average more than four times FCA requirements.

The Directors have reviewed highly stressed forecasts which include material reductions in variable revenues from the base case forecasts across both Capital Markets and Asset Management divisions. On the basis of these, the directors consider that the Group has the financial resources to continue in operation for at least 12 months from the date of these financial statements being approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Presentation of the financial statements and financial information
In accordance with Section 244(5) of the Companies (Guernsey) Law, 2008, the financial statements of the parent company are not presented as part of these financial statements.

Adoption of new and revised standards

Standards, amendments and interpretations in issue
• IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
• IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
• IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).
• Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

These have not materially affected the Group.

New standards, amendments and interpretations in issue but not yet effective
There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:
• Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the period beginning 1 January 2026:
• Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
• Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:
• IFRS 18 Presentation and Disclosure in Financial Statements
• IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)

General information
The Group is incorporated and registered in Guernsey and is listed on the Bermudan Stock Exchange. These financial statements are presented in pounds sterling, this being the currency of the primary economic environment in which the Group operates.

Basis of accounting
The financial statements have been prepared on the historical cost basis, except for the treatment of certain financial instruments and investment properties. The financial statements are rounded to the nearest thousand (expressed as thousands and with no decimal place - £'000), except where otherwise indicated. The principal accounting policies adopted are set out below.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Rebalancing of non-controlling interest occurs where (i) the Group has waived its right to a portion of the dividends from subsidiaries with non-controlling interest and (ii) on changes in the level of economic entitlement attributable to non controlling interests.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue
There is minimal judgement in determining the timing of satisfaction of performance obligations and the transaction price and the amounts allocated to performance obligations because contracts with each customer contain the defined performance obligations and transaction price associated with it.

However, some of the Group's revenue within the asset management division is variable on the performance of the underlying funds or companies managed by the Group. In these circumstances, the Group prepares a series of projections for potential scenarios and recognises variable revenue based on a blend of the outputs generated by those scenarios felt to be most reflective of likely future outcomes.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)

Fair value of unquoted equity instruments
Where there is no available representative external valuation, judgement is required to determine the most appropriate valuation method for unquoted equity instruments. Further details are set out later in this note 1 and in notes 15, 16 and 23(f).

Deferred tax assets
Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Management forecasts of business performance are analysed as part of this judgement. The carrying value of deferred tax assets is set out in note 8.

Investment properties
Investment property which is held to earn rental income is held at fair value at the balance sheet date. Fair value is determined by the directors with reference to appropriate investment yields and comparable market values as well as reference to an investment appraisal by an external independent qualified valuer with recent experience valuing investment properties held by the Group.

Revenue

Performance obligations and timing of revenue recognition
The following revenue streams have been recognised applying IFRS 15 Revenue from Contracts with Customers: commission income, corporate advisory fees, fund management and advisory fees, and other ancillary fees.

Revenue Recognition Principles

- Commission Income: Revenue is recognized when the Group has satisfied its performance obligation, which typically occurs when the transaction is executed. Commission income is measured based on the gross commission earned.

- Corporate Advisory Fees: Fees from advisory engagements for which the work is substantially complete or which are at a stage where work for which separate payment is due, and which will become due but are not yet invoiced are recorded on a right to consideration basis. Where such fees are contingent on the outcome of a transaction they are only accounted for after the transaction has exchanged.

-Corporate Retainer Fees: Revenue is recognized over time as the Group provides ongoing access to its expertise and services. Fees are fixed as per the contract.

- Fund Management Fees: Revenue is recognized over time as the Group provides ongoing investment management services to clients.

- Advisory Fees: Fees from advisory engagements for which the work is substantially complete or which are at a stage where work for which separate payment is due, and which will become due but are not yet invoiced are recorded on a right to consideration basis. Where such fees are contingent on the outcome of a transaction they are only accounted for after the transaction has exchanged.

- Other Ancillary Fees: Revenue is recognized when the Group has satisfied its performance obligation, which typically occurs when the service is rendered.

Determining the transaction price
Revenue is measured based on the consideration specified in a contract with a customer. Where the contract includes multiple obligations, the contract states the consideration per obligation.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)

Revenue (continued)
Included within revenue is the net profit/loss on principal trading and principal finance investments which are classified as financial assets at fair value through profit or loss. The fair value is determined in accordance with IFRS 13 fair value measurement. Principal Finance, trading assets and liabilities as are valued at closing out prices at the close of business on the balance sheet date, namely trading assets at the bid price and trading liabilities at the offer price.

Dividends and interest arising on trading assets and liabilities in securities form part of dealing profits and, because they are also reflected by movements in market prices, are not identified separately.

Revenue, including revenue from Stock Exchange transactions, is accounted for at trade/contract date rather than settlement date.

Contract assets and contract liabilities are included within “trade and other receivables” and “trade and other payables” respectively on the face of the statement of financial position. Contract assets arise primarily in the Asset Management operating segment and relate mainly to fees earned at a point in time but are not necessarily due from the customer at that point. Contract liabilities refer largely to retainers invoiced in advance each quarter.

Foreign currency translation
The Group's consolidated financial statements are presented in sterling, which is the parent company’s functional currency. That is the currency of the primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange prevailing at the balance sheet date and their income statements are translated at average exchange rates for the period which approximate the transaction date rates. The exchange differences arising on the translation are recognised in Other Comprehensive Income and accumulated in retained earnings. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)

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

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible tax losses and temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, 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 and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share-based payments
The Group has applied the requirements of IFRS 2 Share-based Payments.

The Group engages in equity settled share-based payment transactions in respect of services received from certain employees and directors. The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the share options granted is recognised in the income statement over the period that the services are received, which is the vesting period, together with a corresponding increase in equity. The fair value of the options granted is determined using the Black-Scholes Option Pricing Model, which takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the Company's share price over the life of the option and other relevant factors.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense for the year represents the movement in cumulative expense recognised at the beginning and end of the year.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)

Share-based payments (continued)
Employer's National Insurance ("NI") is accrued at the current rate of NI on differences between the market value at the balance sheet date of the shares that would be acquired when the options are exercised and the exercise price of those options.

The dilutive effect of outstanding share options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in note 22).

Impairment of non-financial assets
At each balance sheet date, the Group reviews the carrying amounts of its assets 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).

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Depreciation is calculated so as to write off the cost of property, plant and equipment by equal annual instalments over their estimated useful lives at the following rates:

Leasehold additions	-	over the unexpired term of the lease
Fixtures and equipment	-	25-33% per annum
Motor vehicles	-	16.7% per annum

Depreciation of an asset commences when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Leases
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 group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of 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 group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)
Leases (continued)

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 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 a revised discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases 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.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the above policy in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right of use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Investment property

Investment property which is held to earn rental income is held at fair value at the balance sheet date. Fair value is determined by reference to comparable market values. Gains or losses arising from changes in the fair value of the investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Rental income is receivable in relation to short term occupancy licences in place on the Group's investment properties.

Financial instruments

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

Financial assets and liabilities

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)
Financial instruments (continued)

The three principal classification categories for financial assets are: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a

financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assets held at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets
IFRS 9 uses an ‘expected credit loss’ (ECL) model. The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs for trade receivables and contract balances and 12 month ECLs for all other financial assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.
Measurement of ECLs
The expected loss rates are based on the Group’s historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group’s customers.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

1. Accounting Policies (continued)

Impairment of financial assets (continued)
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

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

Merger reserve
This reserve comprises the capital reserves acquired by the Company when it acquired the entire share capital of Shore Capital Group plc on 26 March 2010 and subsequent cancellation of shares.

Repurchase of share capital (own shares)
Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Such shares may either be held as own shares (treasury shares) or cancelled. Where own shares are subsequently re-sold from treasury, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

Other reserves
This reserve comprises amounts taken to equity in respect of i) share based payments and ii) deferred tax movements.

Dividends
Dividends are recognised when they become legally payable.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

2. Segment Information

Additional analysis of revenue and results is presented in the Chairman's Statement.

For management purposes, the Group is organised into business units based on their services, and has four reportable operating segments as follows:

- Asset Management provides advisory services, and manages specialist funds.
- Capital Markets provides research in selected sectors, broking for institutional and professional clients, market making in small and mid cap stocks, fixed income broking and corporate broking and advisory for large, mid and small cap companies.
- Principal Finance comprises investments and other holdings acquired, together with principal finance activities conducted, using the Group's own balance sheet resources.
- Central Costs comprises the costs of the Group's central management team and structure.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated based on revenue and profit or loss before tax. Transfer prices between operating segments are on an arms-length basis in a manner similar to transactions with third parties.

Year ended 31 December 2024	**Asset Management £'000**	**Capital Markets £'000**	**Principal Finance £'000**	**Central costs £'000**	**Total £'000**
Revenue	**40,971**	**31,738**	**(483)**	**-**	**72,226**
Depreciation	**(1,333)**	**(922)**	**-**	**(136)**	**(2,391)**
Interest income	**258**	**921**	**610**	**7**	**1,796**
Interest expense	**(139)**	**(234)**	**-**	**(27)**	**(400)**
Profit/(loss) before tax	**10,443**	**1,013**	**81**	**(947)**	**10,590**
Assets	**17,567**	**69,628**	**30,345**	**2,195**	**119,735**
Liabilities	**(12,524)**	**(29,650)**	**(82)**	**(1,396)**	**(43,652)**

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

2. Segment Information (continued)

Year ended 31 December 2023	Asset Management £'000	Capital Markets £'000	Principal Finance £'000	Central costs £'000	Total £'000
Revenue	34,706	29,630	821	-	65,157
Depreciation	(943)	(905)	-	(150)	(1,998)
Interest income	74	764	400	7	1,245
Interest expense	(164)	(279)	-	(25)	(468)
Profit/(loss) before tax	6,774	761	1,103	(1,186)	7,452
Assets	10,952	63,148	27,911	3,247	105,258
Liabilities	(8,093)	(21,148)	(342)	(1,267)	(30,850)

Year ended 31 December 2024	**Asset Management £'000**	**Capital Markets £'000**	**Principal Finance £'000**	**Central costs £'000**	**Total £'000**
Additions to non-current assets	**1,167**	**1,260**	**28**	**5**	**2,460**

Year ended 31 December 2023	Asset Management £'000	Capital Markets £'000	Principal Finance £'000	Central costs £'000	Total £'000
Additions to non-current assets	1.100	116	-	13	1,229

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

3. Revenue
a) Revenue disaggregated by division and geographical market below:

Year ended 31 December 2024	**Asset Management £'000**	**Capital Markets £'000**	**Principal Finance £'000**	**Total £'000**
UK	**37,317**	**31,738**	**-**	**69,055**
Rest of Europe	**3,654**	**-**	**(483)**	**3,171**
	40,971	**31,738**	**(483)**	**72,226**

Year ended 31 December 2023	Asset Management £'000	Capital Markets £'000	Principal Finance £'000	Total £'000
UK	30,768	29,630	21	60,419
Rest of Europe	3,938	-	800	4,738
	34,706	29,630	821	65,157

b) Revenue disaggregated by division and timing of recognition below:

Year ended 31 December 2024	**Asset Management £'000**	**Capital Markets £'000**	**Principal Finance £'000**	**Total £'000**
Point in time	**16,979**	**13,397**	**-**	**30,376**
Over time	**23,714**	**5,320**	**-**	**29,034**
Other revenues	**278**	**13,021**	**(483)**	**12,816**
	40,971	**31,738**	**(483)**	**72,226**

Year ended 31 December 2023	**Asset Management £'000**	**Capital Markets £'000**	**Principal Finance £'000**	**Total £'000**
Point in time*	13,698	15,409	-	29,107
Over time	20,763	5,876	-	26,639
Other revenues*	245	8,345	821	9,411
	34,706	29,630	821	65,157

Of the total revenues recorded in the year, £59,410,000 (Restated 2023: £55,746,000*) related to IFRS 15.
*Revenues that are not related to IFRS 15 were incorrectly included in ‘point in time’ revenue in prior year. The above table has been restated to reflect the change.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

3. Revenue (continued)

c) Contract assets
Contract asset balances included in Trade and Other receivables arise largely in the Group's Asset Management division in relation to management and advisory fees from its fund management business.

	2024	**2023***
	£'000	**£'000**
At 1 January	2,315	1,861
Excess of revenue recognised over cash received	803	454
At 31 December	**3,118**	**2,315**

* The 2023 figures have been restated to remove accrued income.

4. Operating Profit

	2024	2023
	£'000	£'000
Operating profit has been arrived at after recognising /(charging):		
Depreciation on property, plant and equipment	**(1,091)**	(858)
Depreciation of right to use assets	**(1,300)**	(1,140)
Exchange differences, excluding those arising on financial instruments		
Exchange differences	**2**	8

5. Interest Income

	2024	2023
	£'000	£'000
Bank interest	**1,695**	1,220
Other interest receivable	**101**	25
	1,796	1,245

6. Finance Costs

	2024	2023
	£'000	£'000
Interest on bank overdrafts	**94**	134
Interest on lease liabilities	**306**	334
	400	468

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

7. Employees and Directors

a) Employee numbers

The average number of employees, including Executive Directors, employed by the Group during the financial year was:

	2024 No.	2023 No.
Capital Markets	**122**	123
Asset Management	**145**	137
	267	260

b) The costs incurred in respect of these employees comprise

	2024 £'000	2023 £'000
Salaries and commission	**34,752**	32,183
Social security costs	**4,439**	4,108
Pension costs	**880**	767
	40,071	37,058

c) Employee Share Option Plan

The Group maintains a Share Option Plan (the "Plan") under which present and future employees of the Group may be granted options to subscribe for new share capital of the Company. The Plan is used to attract and retain high-calibre employees to continue to develop and expand the business of the Group. Such options are granted by the Board at a price no less than the average quoted market price of the Company's ordinary share on the date of grant. Options granted under the Plan are subject to vesting periods which are based on continuing service. Thereafter the options may be exercised for the rest of their 10 year life without further test. Options are forfeited if the employee chooses to leave the Group before the options vest under certain circumstances. If an employee holding vested options leaves the Group, the options held must be exercised within 6 months of the date of leaving. As at 31 December 2024 there were 1,717,727 (2023: 1,742,727) options in issue under the Plan that were exercisable at prices ranging from 110p to 250p. Details of the share options outstanding during the year were as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price**	Number of share options	Weighted average exercise price
Outstanding at the beginning of the year	1,742,727	185p	1,742,727	185p
Share options lapsed	(25,000)		-	
Outstanding at the end of the year	**1,717,727**	**182p**	1,742,727	185p
Exercisable at the end of the year	**1,717,727**		1,742,727	

The options outstanding at 31 December 2024 had a weighted average remaining contractual life of 5.2 years (2023: 6.1 years).

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

7. Employees and Directors (continued)
d) Emoluments of the Directors of the Company

2024

	Gross salary £'000	Bonus, commission and other income £'000	Benefits £'000	Total £'000
Howard Shore	**200**	**-**	**78**	**278**
Andrew Whittaker	**35**	**-**	**-**	**35**
Simon Fine	**300**	**250**	**9**	**559**
David Kaye	**400**	**-**	**12**	**412**
Heydan von Frankenberg	**190**	**203**	**-**	**393**
Dr Zvi Marom	**45**	**-**	**-**	**45**
James Rosenwald III	**45**	**-**	**-**	**45**
	1,215	**453**	**99**	**1,767**

2023

	Gross salary £'000	Bonus, commission and other income £'000	Benefits £'000	Total £'000
Howard Shore	200	-	62	262
Andrew Whittaker	35	-	-	35
Simon Fine	270	200	8	478
David Kaye	392	-	11	403
Heydan von Frankenberg	196	261	-	457
Dr Zvi Marom	45	-	-	45
James Rosenwald III	45	-	-	45
	1,183	461	81	1,725

e) The following options over unissued ordinary shares of nil par value have been granted to the directors:

	Number of options over unissued ordinary shares	Date of grant	Exercise price per ordinary share	Last Exercise date
Howard Shore	1,000,000	23 March 2020	200p	23 March 2030
David Kaye	245,000	Various between 2009 to 2012	250p	23 March 2030
Simon Fine	472,727	21 November 2002	110p	23 March 2030

The closing price of the ordinary shares at 31 December 2024 was 200.0p (2023: 200.0p) and the range during the year was 180.0p to 220.0p.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

7. Employees and Directors (continued)

f) Related parties

The Directors and all other staff are entitled to deal in securities through a subsidiary company in accordance with in-house dealing rules, which include the provision that staff are entitled to reduced commission rates. The Directors are of the opinion that such transactions are not material to either the Group or the individual concerned. Transactions between Group companies comprise management charges for central overheads which are recharged throughout the Group.

The Group received income from Puma Brandenburg Limited ("PBL") as follows: £3,578,000 (2023: £3,851,000) to Puma Property Investment Advisory Limited. Amounts owed to the Group at the year end from PBL were £3,263,000 (2022: £2,000,000). PBL is a related party as it has a high degree of common ownership.

The Group holds an investment of £4,367,000 (2023: £6,146,000) in Brandenburg Realty Limited ("BRL"), a related party due to common key management personnel. Amounts owed to the Group at the year end from BRL were £1,298,000 (2023: £854,000).

The Group disposed of its investment in Nippon Active Value Fund plc during the prior year, an investment trust listed on the London Stock Exchange targeting capital growth through the active management of a focused portfolio of quoted small cap Japanese equity investments. The Group had a 15% share in Rising Sun Management, the investment adviser to Nippon Active Value Fund plc. This holding was sold during the year for £0.9m. Both the Fund and its investment adviser were related parties to the Group as they have a director in common with the Group and Rising Sun Management is controlled by a Group director. The sale in the year of the 15% share in Rising Sun Management is a related party transaction as it was sold to an entity ultimately controlled by a Group director.

Howard Shore is considered to be the ultimate controlling party of the Group.

g) Compensation of key management personnel

Including Directors of the parent company (see note 7.d) the remuneration of key management during the year was as follows:

	2024	2023
	£'000	£'000
Salaries and other short-term benefits	**5,924**	5,408

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

8. Taxation

The tax charge comprises:	**2024 £'000**	2023 £'000
Current tax	**2,890**	1,273
Prior year adjustment	**(623)**	(32)
Movement in deferred tax	**(269)**	184
	1,998	1,425

Tax in Guernsey is charged at 0%. Tax on the Group's UK subsidiaries is charged at 25.00% (2023: 23.50%) as detailed below:

	2024 £'000	2023 £'000
Profit on ordinary activities before tax	**10,590**	7,452
Tax thereon at 0% (2023: 0%)	**-**	-
Effects of:		
Effect of different tax rates in other jurisdictions	**3,066**	1,457
Utilisation of tax losses	**(445)**	-
Prior year adjustment	**(623)**	(32)
	1,998	1,425

The average tax rate on the profit before tax for the Group's UK activities for 2024 was 25.0% (2023: 23.5%). The Group has used 25% to calculate the deferred tax. To the extent that deferred tax reverses at a different rate from that at which it is recognised, this will change the impact on the net deferred tax liability.

Deferred Taxation	**Share-based payments £'000**	**Temporary differences £'000**	**Total £'000**
At 1 January 2023	81	1,160	1,241
Debit to income statement	-	(184)	(184)
At 31 December 2023	81	976	1,057
Credit to income statement	-	269	269
At 31 December 2024	81	1,245	1,326

The deferred tax asset largely relates to tax losses carried forward in connection with the trade of Stockdale Securities business prior to its acquisition by the Group in 2019. The total value of the losses carried forward as at 31 December 2024 amounts to £8.8 million (2023: £12.6 million). A deferred tax asset has only been recognised in respect of those losses anticipated to be relieved in the short term as this is the extent to which management can consider future profits to be probable.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

9. Rates of Dividends Paid and Proposed

	2024	2023
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 15.0p per share	**3,193**	-
	3,193	-

The directors propose to pay an ordinary dividend of £500.00 per new share (equivalent to 20.0 pence per old share) for the year ended 31 December 2024 (2023: £375.00 per new share, equivalent to 15.0 pence per old share).

10. Earnings per Share

The earnings and number of shares in issue or to be issued used in calculating the earnings per share and diluted earnings per share in accordance with IAS 33 were as follows:

	2024		2023	
	Basic	**Diluted**	Basic	Diluted
Earnings (£)	**5,032,000**	**5,032,000**	3,871,000	3,871,000
Number of shares	**21,289,915**	**21,502,642**	21,522,852	21,735,579
Earnings per share (p)	**23.6**	**23.4**	18.0	17.8

Calculation of number of shares	**2024**		2023	
	Basic	**Diluted**	Basic	Diluted
Weighted average number of shares	**21,289,915**	**21,289,915**	21,522,852	21,522,852
Dilutive effect of share option schemes	**-**	**212,727**	-	212,727
	21,289,915	**21,502,642**	21,522,852	21,735,579

As at 31 December 2024 there were 21,289,915 ordinary shares in issue (2023: 21,289,915) (see note 22). The total number of options in issue is disclosed in note 7 and were all included in the calculation of diluted earnings per share.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

11. Right of Use Assets and Lease Liabilities

Nature of leasing activities
The Group leases a number of properties in the jurisdictions from which it operates. Rent is fixed over the lease term.

Right of use assets

	Land & Buildings £'000	Total £'000
At 1 January 2023	6,268	6,268
Amortisation	(1,140)	(1,140)
At 31 December 2023	5,128	5,128
Additions	1,646	1,646
Amortisation	(1,300)	(1,300)
At 31 December 2024	**5,474**	**5,474**

Lease liabilities

	Land & Buildings £'000	Total £'000
At 1 January 2023	6,808	6,808
Interest expense	334	334
Lease payments	(1,731)	(1,731)
At 31 December 2023	5,411	5,411
Additions	1,646	1,646
Interest expense	306	306
Lease payments (total cash outflow)	(320)	(320)
At 31 December 2024	**7,043**	**7,043**
Of which Current and non Current at 31 December 2024:		
Current	**1,737**	**1,737**
Non-current	**5,306**	**5,306**
Of which Current and non Current at 31 December 2023:		
Current	7	7
Non-current	5,404	5,404

Additions to both the Right of Use Asset and Lease Liability of £1,646,000 is a result of an upward rent review of the lease in the Group’s London office and also an extension of the lease in the Berlin office.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

11. Right of Use Assets and Lease Liabilities (continued)

The table below reflects the contractual maturities including interest, of the Group's lease liabilities:

At 31 December 2024

	Up to 3 months £'000	**Between 3 and 12 months £'000**	**Between 1 and 2 year £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**
Lease commitments including interest	82	1,985	2,066	3,784	-

At 31 December 2023

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 year £'000	Between 2 and 5 years £'000	Over 5 years £'000
Lease commitments including interest	154	428	1,789	5,013	198

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

12. Categories of Financial Assets and Liabilities

As at 31 December 2024	Note	Fair value through profit or loss £'000	Amortised cost £'000	Total £'000
Financial assets				
Cash and cash equivalents	**18**	-	45,273	45,273
Trading assets	**16**	9,825	-	9,825
Trade receivables in the course of collection	**17**	-	34,636	34,636
Interests in associates		-	131	131
Financial investments	**15**	3,214	-	3,214
Derivatives		112	-	112
Other assets		-	4,445	4,445
		13,151	84,485	97,636
Prepayments and contract balances				9,162
Property, plant & equipment	**13**			4,017
Right of use assets	**11**			5,474
Investment properties	**14**			2,120
Deferred tax asset	**8**			1,326
Total assets per balance sheet				**119,735**
Financial liabilities				
Trading liabilities	**23**	2,426	-	2,426
Trade creditors	**19**	-	16,794	16,794
Lease liabilities	**11**	-	7,043	7,043
Other liabilities	**19**	-	13,443	13,443
Accruals	**19**	-	1,947	1,947
		2,426	39,227	41,653
Tax liabilities				485
Other taxation and social security	**19**			1,450
Provision for liabilities and charges	**20**			64
Total liabilities per balance sheet				**43,652**

Financial assets and liabilities not held at fair value are held at a carrying value considered to be approximate to the fair value.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

12. Categories of Financial Assets and Liabilities (continued)

As at 31 December 2023	Fair value through profit or loss	Amortised cost	Total
	£'000	£'000	£'000
Financial assets			
Cash and cash equivalents	-	44,699	44,699
Trading assets	4,300	-	4,300
Trade receivables in the course of collection	-	24,418	24,418
Interests in associates	-	111	111
Financial investments	4,269	-	4,269
Derivatives	35	-	35
Other assets	-	4,585	4,585
	8,604	73,813	82,417
Tax assets			1,118
Contract balances			8,891
Property, plant & equipment			4,368
Right of use assets			5,128
Investment properties			2,279
Deferred tax asset			1,057
Total assets per balance sheet			105,258
Financial liabilities			
Trading liabilities	530	-	530
Trade creditors	-	13,206	13,206
Lease liabilities		5,411	5,411
Other liabilities	-	8,577	8,577
Accruals	-	2,029	2,029
	530	29,223	29,753
Tax liabilities			-
Other taxation and social security			1,038
Provision for liabilities and charges			59
Total liabilities per balance sheet			30,850

Financial assets and liabilities not held at fair value are held at a carrying value considered to be approximate to the fair value.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

13. Property, Plant and Equipment

	Leasehold improvements	Fixtures and equipment	Motor vehicles	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2023	3,505	7,575	164	11,244
Additions	4	1,247	-	1,251
Disposals	-	(36)	-	(36)
Retranslation movement	-	(17)	(2)	(19)
At 31 December 2023	3,509	8,769	162	12,440
Additions	5	770	-	775
Disposals	-	(1,720)	-	(1,720)
Retranslation movement	-	(34)	(4)	(38)
At 31 December 2024	**3,514**	**7,785**	**158**	**11,457**
Depreciation				
At 1 January 2023	1,741	5,323	159	7,223
Charge for the year	274	580	4	858
Disposals	-	(5)	-	(5)
Retranslation movement	-	(2)	(2)	(4)
At 31 December 2023	2,015	5,896	161	8,072
Charge for the year	272	818	1	1,091
Disposals	-	(1,693)	-	(1,693)
Retranslation movement	-	(26)	(4)	(30)
At 31 December 2024	**2,287**	**4,995**	**158**	**7,440**
Net Book Value				
At 31 December 2024	**1,227**	**2,790**	**-**	**4,017**
At 31 December 2023	1,494	2,873	1	4,368
At 1 January 2023	1,764	2,252	5	4,021

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

14. Investment property

	Total
	£'000
At 1 January 2023 and 31 December 2023	2,279
Fair value decrease	(34)
Disposals	(125)
At 31 December 2024	**2,120**

The investment properties are held at fair value and were subject to a director's valuation assessment as at 31 December 2024. This assessment has considered the prior year property value, as well as whether there were significant market movements which may impact the carrying value of the assets. As part of their assessment, they made reference to a desktop review by an independent third party assessor, which was based on vacant possession value. Investment properties are level 3 on the fair value hierarchy.

The last full red book valuation of the properties was conducted on 31 December 2019, with an external desktop review being performed as at 31 December 2020 by Rob Gascoigne MRICS. There may be uncertainty about a valuation, resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting such uncertainties and are deduced from the fair value produced by valuation techniques.

The Group received rental income of £212,000 (2023: £278,000) in the year and incurred direct operating costs of £127,000 (2023: £96,000).

15. Investments

	Listed investments	Unlisted investments	Total
	£'000	£'000	£'000
At 1 January 2023	4,414	4,766	9,180
Additions	-	38	38
Disposals	(5,433)	-	(5,433)
Revaluation in the year	1,019	(535)	484
At 31 December 2023	-	4,269	4,269
Additions	-	28	28
Disposals	-	(856)	(856)
Revaluation in the year	-	(227)	(227)
At 31 December 2024	**-**	**3,214**	**3,214**

Classification	Investments mandatorily designated at FVTPL	Total
	£'000	£'000
At 31 December 2024	**3,214**	**3,214**
At 31 December 2023	4,269	4,269

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

15. Investments (continued)

Additional information on principal subsidiaries
The below subsidiaries are all included in these consolidated financial statements.

Subsidiary		Country of registration and principal place of business	Activity	Proportion of ownership interests	
				2024	2023
Trading Companies					
Shore Capital Group Treasury Limited		Guernsey	Treasury company	100%	100%
Shore Capital Group Investments Limited		England and Wales	Holds investments	100%	100%
Puma Property Investment Advisory Limited		Guernsey	Advisory services	100%	100%
Spectrum Investments Limited	[1]	Cayman Islands	Holds investments	64.3%	64.3%
DBD Deutsche Breitband Dienste	[1]	Germany	Telecoms	64.3%	64.3%
Shore Capital Markets Limited	[2]	England and Wales	Intermediate Holding Co.	82.2%	82.2%
Shore Capital Stockbrokers Limited	[2]	England and Wales	Broker/dealer	82.2%	82.2%
Shore Capital and Corporate Limited	[2]	England and Wales	Corporate adviser	82.2%	82.2%
Shore Capital International Asset Management Limited	[3,6]	Guernsey	Intermediate Holding Co.	56.0%	68.2%
Puma Investment Management Limited	[3,4,5]	England and Wales	Fund Management	51.4%	62.4%
Shore Capital Limited	[3]	England and Wales	Intermediate Holding Co.	56.5%	68.2%
Shore Capital Group plc		England and Wales	Intermediate Holding Co.	100%	100%
Shore Capital Treasury Limited		England and Wales	Treasury company	100%	100%
Shore Capital International Limited		England and Wales	Advisory services	100%	100%
Puma Property Finance Limited	[4]	England and Wales	Fund Management	46.0%*	56.0%*
Puma Private Equity Limited	[5]	England and Wales	Fund Management	40.1%*	48.9%*
EA Capital Limited	[6]	Isle of Man	Intermediate Holding Co.	42.0%*	51.1%*
EA Northampton Limited	[6]	England and Wales	Holds investment property	42.0%*	51.1%*
EA Bedford Limited	[6]	England and Wales	Holds investment property	42.0%*	51.1%*
Nominee Company					
Puma Nominees Limited		England and Wales	Nominee company	100%	100%
Investment in associate					
BB Technology Limited	[7]	England and Wales		20%	20%

* Entities with which we hold less than 50% proportion of economic interests are still controlled by the Group as it has over 50% of ownership in each entity, and their immediate parent. Further ownership details for each entity are described below.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

15. Investments (continued)

[1] Spectrum Investments Limited is the intermediate holding company of, and holds 100% of the ordinary shares and voting rights in, DBD Deutsche Breitband Dienste. As at 31 December 2024, the Company had a direct holding of 64.3% in Spectrum Investments Limited. The balance of the shares in Spectrum Investments Limited are held by external investors.

[2] Shore Capital Markets Limited is the intermediate holding company of, and holds 100% of the ordinary shares and voting rights in, each of Shore Capital Stockbrokers Limited, Shore Capital and Corporate Limited. As at 31 December 2024 the Company had a direct holding of 82.2% in Shore Capital Markets Limited. The balance of the shares in Shore Capital Markets Limited are held by senior executives of that company and its subsidiaries.

[3] Shore Capital International Asset Management Limited is the intermediate holding company of, and holds 100% of the ordinary shares and voting rights in, Shore Capital Limited. As at 31 December 2024 the Group had a direct holding of 56.5% in Shore Capital International Asset Management Limited. The balance of the shares is held by the senior executive of that company. Shore Capital Limited is the intermediate holding company of, and holds 91.8% of the ordinary shares and voting rights in, Puma Investment Management Limited. The balance of the shares in Puma Investment Management Limited are held by senior executives of that company.

[4] Puma Investment Management Limited is the intermediate holding company of, and following the acquiring of shares held by non controlling interests during the year, now holds 89.5% of the economic interests in, Puma Property Finance Limited.

[5] Puma Investment Management Limited is the intermediate holding company of, and holds 78.0% of the ordinary shares and voting rights in, Puma Private Equity Limited. The balance of the shares are held by senior executives of that company.

[6] Shore Capital International Asset Management Limited is the intermediate holding company of, and holds 75.0% of the ordinary shares and voting rights in, EA Capital Limited. EA Capital Limited holds 100% of the ordinary shares in and voting rights in STACC Properties Limited, EA Northampton Limited and EA Bedford Limited.

[7] Shore Capital Stockbrokers owns 20% holding in BB Technology Limited. This has been included in the consolidated financial statements using the equity method and is immaterial to the Group. BB Technology recorded a loss of £408,000 in 2024.

Non-controlling interests

Summarised financial information about subsidiaries in the Group with non-controlling interests is as follows:

			Relating to non-controlling interests		
	Profit/(loss) for the year	**Net assets at 31/12/2024**	**Profit/(loss) for the year**	**Net assets at 31/12/2024**	**Dividends paid in the year**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Spectrum Investments Limited / DBD	(37)	36	(13)	14	-
Shore Capital Markets Limited	979	39,979	175	7,129	535
Puma Investment Management Limited	6,699	5,746	552	500	731
Puma Private Equity Limited	949	988	209	166	230
Puma Property Finance Limited	3,492	1,839	368	224	247
EA Capital Limited	(99)	847	(25)	16	-
Shore Capital International Asset Management Limited	6,835	1,608	2,296	3,246	1,851
Shore Capital Management Limited	(9)	-	(2)	(1)	-
			3,560	11,294	3,594

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

15. Investments (continued)
Non-controlling interests (continued)

			Relating to non-controlling interests		
	Profit/(loss) for the year	Net assets at 31/12/2023	Profit/(loss) for the year	Net assets at 31/12/2023	Dividends paid in the year
	£'000	£'000	£'000	£'000	£'000
Spectrum Investments Limited / DBD	(100)	49	(36)	18	-
Shore Capital Markets Limited	531	42,000	94	7,486	-
Puma Investment Management Limited	4,032	5,822	320	534	327
Puma Private Equity Limited	907	737	200	27	302
Puma Property Finance Limited	1,895	697	282	54	92
EA Capital Limited	(26)	946	(7)	40	-
Shore Capital International Asset Management Limited	4,093	774	1,303	1,848	1,547
Shore Capital Management Limited	-	-	-	27	-
			2,156	10,034	2,268

16. Trading assets

	2024	2023
	£'000	£'000
Mandatorily designated at fair value through profit or loss		
Listed holdings at market value		
Equities	**9,435**	3,861
	9,435	3,861
Unlisted holdings:		
Other (including hedge funds)	**390**	439
	390	439
	9,825	4,300

The fair value of financial assets has been determined as follows:
1. for listed holdings the fair value is determined, in whole, by reference to published bid price quotations (level 1); and
2. for unlisted holdings the fair value is estimated wherever possible using observable direct or indirect inputs other than level 1 inputs (level 2). Where none exist, the fair value is determined by the Directors at the most recent available representative arm's length price or valuation (level 3).

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

17. Trade and Other Receivables

	2024 £'000	2023 £'000
Trade receivables	**34,636**	24,418
Other receivables	**4,445**	4,585
Prepayments, accrued income and contract balances	**9,162**	8,891
	48,243	37,894

The Directors consider that the carrying value of trade and other receivables approximates to their fair value. The table below shows the ageing of trade debtors which are past their due date for payment.

The expected loss rate for the Group is a forward looking assessment. Due to expected low levels of write offs of less than 1% and it is not considered material to the Group.

	2024 £'000	2023 £'000
Between 30 and 60 days	**5**	80
Between 60 and 90 days	**900**	408
Greater than 90 days	**2,799**	912
	3,704	1,400
Amounts not yet due	**42,934**	34,521
	46,638	35,921
Prepayments	**1,605**	1,973
Total trade receivables and other receivables	**48,243**	37,894

18. Cash and Cash Equivalents

Analysis of Changes in Net Funds

	As at 1 January 2024 £'000	Cash flows £'000	As at 31 December 2024 **£'000**
Cash at bank and in hand	44,699	574	45,273
	44,699	574	45,273

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

19. Trade and Other Payables

	2024	2023
	£'000	£'000
Trade creditors	**16,794**	13,206
Other creditors	**13,443**	8,577
Other taxation and social security	**1,450**	1,038
Accruals	**1,947**	2,029
	33,634	24,850

The Directors consider that the carrying value of trade and other payables approximates their fair value.

20. Provision for Liabilities and Charges

	National insurance on options £'000	Total £'000
At 1 January 2023	59	59
At 31 December 2023	59	59
Increase in the year	5	5
At 31 December 2024	**64**	**64**

The provision for National Insurance contributions on share options will be utilised when staff exercise their options during the period of 1 January 2025 to 23 March 2030.

21. Capital Commitments

There were no amounts which were contracted for but not provided in the financial statements (2023: £nil).

22. Share Capital

Shore Capital Group Limited – ordinary shares of nil par value	**Number of shares**	**£'000**
At 1 January 2023	21,573,322	-
Shares repurchased and cancelled	(283,407)	-
At 31 December 2023 and 31 December 2024	21,289,915	-

Subsequent to the year end, the Group carried out a share consolidation (see note 24).

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings (see Consolidated Statement of Changes in Equity).

The Group's financial instruments comprise cash and liquid resources, trade and other receivables and trade and other payables, trading assets and liabilities in equities, financial assets designated at fair value and derivative instruments.

The profit and loss arising from dealings in financial instruments is included within Revenue. This is analysed by financial instrument as follows:

Net gains arising from dealings in financial instruments	**Fair value through P&L**	**Total**
	£'000	**£'000**
2024		
Equities	**13,156**	**13,156**
Debt	**-**	**-**
	13,156	**13,156**

Net gains arising from dealings in financial instruments	Fair value through P&L	Total
	£'000	£'000
2023		
Equities	9,090	9,090
Debt	7	7
	9,097	9,097

The main risks arising from the Group's financial instruments are market risk, currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)

a) Market Risk

The Group is exposed to market risk in respect of its trading in equities and other holdings. The carrying value at the year end of positions arising from these activities as disclosed in note 16 for trading assets and the carrying value of the trading liabilities as disclosed on the face of the balance sheet are equal to their fair value.

Other holdings mainly comprise of other investments that are held in the Principal Finance division.

The year end positions arising from market-making activities are in line with those maintained throughout 2024. Both the permitted size of each trading book and the size of individual positions are predetermined and dealers are set prescribed limits within which they can deal. Day-to-day risk monitoring is carried out by the Head of the Capital Markets division, the Finance Department and the Compliance Department.

Based on a 10% movement in the market price of equities, with all other variables remaining unchanged, the effect on profit for the year and equity would be as set out in the table below. The Group's sensitivity to equity prices has not changed significantly from the prior year.

			2024			2023
		Change in price of UK equities	**Effect on profit and on equity**		Change in price of UK equities	Effect on profit and on equity
	£'000	**%**	**£'000**	£'000	%	£'000
Trading assets - equities (note 16)	**9,435**	**10%**	**944**	3,861	10%	386
Trading liabilities - held for trading	**(2,426)**	**10%**	**(243)**	(530)	10%	(53)

b) Currency Risk

The Group's foreign currency cash and bank balances at the year end were not material and are not separately disclosed in the financial statements. Where relevant, currency is bought or sold at the time of trading in order to meet the funds due or receivable on settlement.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)

b) Currency Risk (continued)

The Group enters into forward contracts for the sale of foreign currencies in order to hedge its exposure to fluctuations in currency rates in respect of trading assets and other holdings, including its unlisted principal finance investments. These forward contracts are fair valued at the balance sheet date on a discounted cash flow basis using relevant market data on foreign exchange and interest rates, with any change in value taken to the income statement. They are reported in derivative financial instruments in the Statement of Financial Position.

The table below illustrates the sensitivity of the profit for the year and of equity with regards to currency movements on net currency exposure.

Based on a 10% movement in the Euro and US Dollar against sterling exchange rates, the effect on profit for the year and equity would be as follows:

	2024		2023	
	Euro £'000	**US Dollar £'000**	Euro £'000	US Dollar £'000
10% Stronger against GBP	**467**	**32**	788	15
10% Weaker against GBP	**(382)**	**(26)**	(645)	(12)

Profits shown as positives, losses as negatives.

c) Interest Rate Risk

The interest bearing financial assets and liabilities of the Group comprise cash and cash equivalents and bank overdrafts as shown in the consolidated statement of financial position. Cash and cash equivalents receive, and bank overdrafts pay, interest at floating rates linked to either bank base rates or money market rates. The Group has a £10m (2023: £20m) revolving credit facility which is renewable annually. The Group pay interest for the facility at rates linked to money market rates if it is drawn down.

A positive 100 basis point movement in interest rate applied to the average value of balance sheet items which are subject to floating interest rates would result in the following impact on profit for the year:

	2024 £'000	2023 £'000
+100 basis point movement in interest rates	**89**	104
As percentage of total shareholders' equity	**0.137%**	0.159%

The Group would experience an equal and opposite impact on profit should the interest rate move by negative 100 basis points.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)

d) Credit Risk

The Group's principal financial assets which are subject to credit risk are cash and cash equivalents, trade and other receivables.

The Group's cash and cash equivalents are held with a diversified range of banks, each of which is a major UK clearing bank.

The Group's main credit risk is attributable to its trade and other receivables. The amounts shown in the balance sheet arise from trading in equities. The Group seeks to deal with credit-worthy counterparties and the majority are financial institutions. As a result, the counterparties are generally subject to certain minimum capital requirements which serves to limit the credit risk to the Group.

The Group monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available, external credit ratings and/or reports on customers and other counterparties are obtained and used. The carrying value of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group's top five trade receivables counterparty exposures are as follows:

	2024 **£'000**
Hargreave Lansdown Stockbrokers	**2,481**
Interactive Investor Trading	**1,983**
Barclays Investment Solutions	**549**
Optiva Securities Limited	**506**
Hobart Capital Markets Llp	**475**
	5,994

	2023 £'000
Interactive Investor Trading	1,182
Hargreaves Lansdown	1,161
Clear Capital Markets	1,031
Novum Securities	331
Shard Capital Partners	318
	4,023

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)

e) Liquidity Risk

Ultimate responsibility for liquidity management rests with the board of Directors. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and borrowing facilities to meet its actual and forecast cash flows and matching maturity profiles of financial assets and liabilities. Note 23 (c) includes details of undrawn facilities available to the Group.

Maturity profile of financial liabilities

The table below reflects the contractual maturities, including interest payments, of the Group's financial liabilities as at 31 December

2024	**Repayable on demand**	**Due within 3 months**	**Due between 3 months and 12 months**	**Due between 1 year and 5 years**	**Due after 5 years**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Trading liabilities	-	2,426	-	-	-	2,426
Trade payables	803	15,991	-	-	-	16,794
Lease liabilities	-	82	1,985	5,850	-	7,917
Other liabilities	-	13,082	361	-	-	13,443
Accruals	-	1,947	-	-	-	1,947
	803	33,528	2,346	5,850	-	42,527

2023	Repayable on demand	Due within 3 months	Due between 3 months and 12 months	Due between 1 year and 5 years	Due after 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trading liabilities	-	530	-	-	-	530
Trade payables	382	12,707	117	-	-	13,206
Lease liabilities	-	154	428	6,802	198	7,582
Other liabilities	-	8,577	-	-	-	8,577
Accruals	-	2,029	-	-	-	2,029
	382	23,997	545	6,802	198	31,924

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)

f) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Based on the established fair value and model governance policies and the related controls and procedural safeguards the Group employs, management believe the resulting estimates in fair values recorded in the statement of financial position are reasonable and the most appropriate at the balance sheet date.

For trading assets and liabilities, financial assets and liabilities designated at fair value and financial investments through other comprehensive income which are listed or otherwise traded in an active market, for exchange-traded derivatives, and for other financial instruments for which quoted prices in an active market are available, fair value is determined directly from those quoted market prices (level 1).

For financial instruments which do not have quoted market prices directly available from an active market, fair values are estimated using valuation techniques, based wherever possible on assumptions supported by observable market prices or rates prevailing at the balance sheet date (level 2). This is the case for some unlisted investments and other items which are not traded in active markets.

For some types of financial instruments, fair values cannot be obtained directly from quoted market prices, or indirectly using valuation techniques or models supported by observable market prices or rates. This is the case for certain unlisted investments. In these cases, fair value is estimated indirectly using valuation techniques for which the inputs are reasonable assumptions, based on market conditions (level 3).

At 31 December 2024	**Level 1** Quoted market price	**Level 2** Market observable inputs	**Level 3** Non-market observable inputs	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Principal Finance Investments	-	-	3,214	3,214
Trading assets and other holdings at fair value	9,436	86	303	9,825
Derivative financial instruments	-	112	-	112
Total financial assets	**9,436**	**198**	**3,517**	**13,151**
Trading liabilities	2,426	-	-	2,426
Total financial liabilities	**2,426**	**-**	**-**	**2,426**

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)
f) Fair value of financial instruments

At 31 December 2023	Level 1 Quoted market price	Level 2 Market observable inputs	Level 3 Non-market observable inputs	Total
	£'000	£'000	£'000	£'000
Principal Finance Investments	-	-	4,269	4,269
Trading assets and other holdings at fair value	3,911	86	303	4,300
Derivative financial instruments	-	35	-	35
Total financial assets	3,911	121	4,572	8,604
Trading liabilities	530	-	-	530
Total financial liabilities	530	-	-	530

Included in the fair value of financial instruments carried at fair value in the statement of financial position are those estimated in full or in part using valuation techniques based on assumptions that are not supported by market observable prices or rates (level 3). For such financial instruments, the Directors have generally made reference to published net asset values (derived by the manager of such investments) and used judgement over the use of those net asset values. The net asset values are generally derived from the underlying portfolios which are themselves valued using unobservable inputs. The significant unobservable inputs comprise the long term revenue growth rate, long term pre-tax operating margin and discounts for lack of marketability. A change in any of these inputs may result in a change in the fair value of such investments.

There may be uncertainty about a valuation, resulting from the choice of valuation technique or model used, the assumptions embedded in those models, the extent to which inputs are not market observable, or as a result of other elements affecting such uncertainties and are deduced from the fair value produced by valuation techniques.

An increase / (decrease) of 10% in the underlying NAV per share of our Principal Finance Investments would result in an increase/ (decrease) in value of £321,000 / (£321,000).

There have been no significant movements between Level 1 and Level 2 during the year.

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

	At 1 January 2024	**Gains recorded in profit or loss**	**Purchases and transfers**	**Sales and transfers**	**At 31 December 2024**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Total financial assets	**4,572**	**(227)**	**28**	**(856)**	**3,517**

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2024

23. Financial Instruments (continued)
f) Fair value of financial instruments (continued)

	At 1 January 2023	Gains recorded in profit or loss	Purchases and transfers	Sales and transfers	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000
Total financial assets	**4,766**	**(535)**	**341**	**-**	**4,572**

24. Subsequent events

(i) On 20 February 2025, the Company issued 85 existing ordinary shares.

(ii) On 2 February 2025 the share capital of the Company was reorganised by way of a share consolidation whereby every 2,500 existing ordinary shares was consolidated into 1 new ordinary share. Where this led to shareholders holding fractions of new shares, these were aggregated and bought back by the Company.

(iii) Between 20 February 2025 and 8 April 2025, the Company has repurchased 281 new ordinary shares.