PEEL HUNT

ANNUAL REPORT 2025

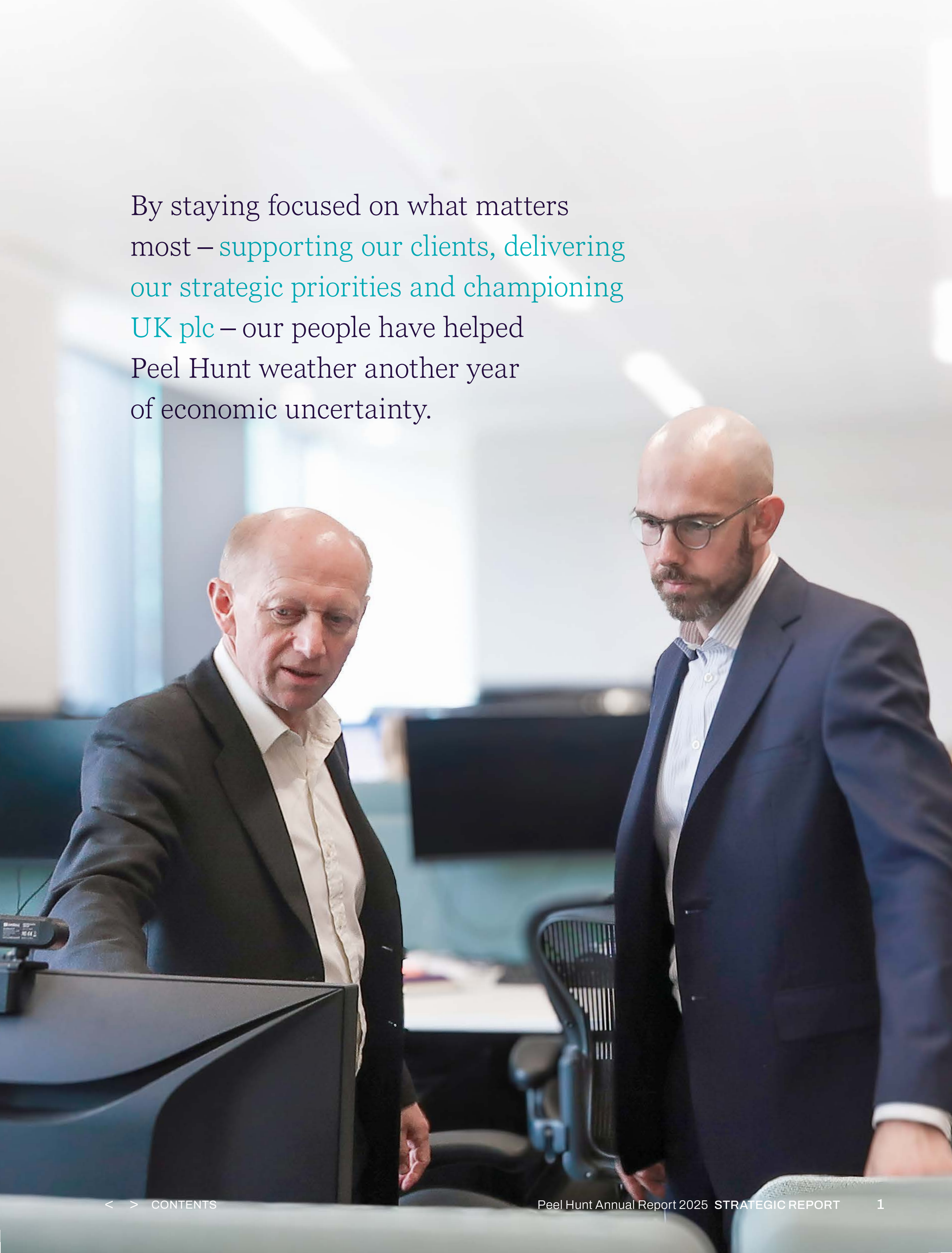
We are a specialist UK investment bank with a talented team of people in London, New York and Copenhagen, who demonstrate our purpose to guide and nurture our clients through the evolution of business.

Strategic report

Governance

Financial statements

By staying focused on what matters most – supporting our clients, delivering our strategic priorities and championing UK plc – our people have helped Peel Hunt weather another year of economic uncertainty.



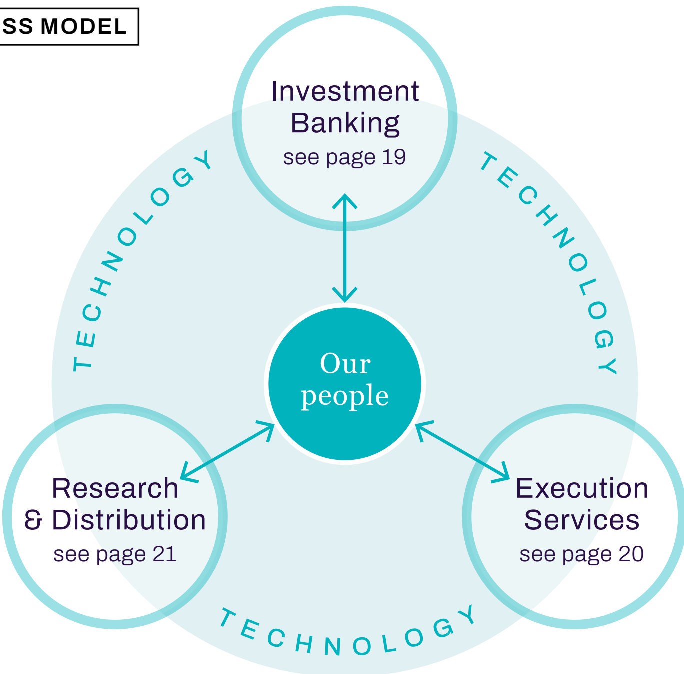
Our business at a glance

Through our strategic advice, market intelligence and depth of liquidity provision, we have become the independent partner of choice in the UK for mid-cap and growth companies. We are known for excellence in the UK equity markets, acting for 147 listed companies and over 1,300 institutional clients, through our offices in London, New York and Copenhagen. Our sector specialist model allows our Investment Banking business to act for public and private companies alike. Through our Research and Distribution teams we can access major investors globally. Handling, on average, over 17% of daily trading volumes on the London Stock Exchange, our Execution Services business is an important liquidity provider. We offer our services as one business in a joined-up manner to achieve the best outcomes for our clients.

147	£869.3m	1,307	17.8%	383
corporate clients	average market cap of corporate clients	institutional clients	of daily trading volume on the LSE	stocks covered

All figures as at 31 March 2025

OUR BUSINESS MODEL



The business has continued to make strategic progress despite subdued capital markets activity. We have maintained a focus on Group costs and continued to invest carefully, wherever possible, to position the business for future success. Whilst the Group made a loss in the year, we are confident in our strategy and have maintained our financial resilience, which has positioned us to take advantage of future growth opportunities while navigating ongoing market challenges.

Scan to see our full year results

Our year in numbers

Revenue

£91.3m

(2024: £85.8m)

Earnings per share

(2.3)p

2024: (2.7)p

Net assets

£88.7m

2024: £91.8m

(Loss) before tax

£(3.5)m

2024: £(3.3)m

Dividend per share

0p

2024: 0p

Total liquid assets*

£84.5m

2024: £110.1m
(*cash and settled securities)

Adjusted profit/(loss) before tax

£0.8m

2024: £(2.7)m

See page 23 for more information.

Our people

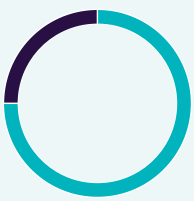
287

employees
2024: 303

>45%

are shareholders*
2024: >50%
(*this includes Directors)

Gender breakdown



- Male 216 (75%)
  2024: 230 (76%)
- Female 71 (25%)
  2024: 73 (24%)

Our communities

£67,584

donated*
2024: £57,403
(*cash donation and in kind)

56%

of our people spent 726 hours volunteering in FY25
2024: 63% (563 hours)

Our clients

£599.5m

Total funds raised for corporate clients
2024: £1.03bn

22,988

Average number of trades executed per day for retail investors
2024: 27,500

Lucinda Riches (CHAIR)

Stability and consistency of service through the market cycle

This year, the Board has focused on supporting the management team in three key areas: carefully managing our costs; ensuring that we capitalise on opportunities to grow our market share; and investing prudently in the business in pursuit of our long-term strategic ambitions. While there is still much more to achieve, I was reassured to see our people's collective effort lead to a better revenue performance in FY25 with revenues up 6% year on year to £91.3m (FY24: £85.8m). In spite of this performance, the business ended the year with a loss on a statutory basis of £(3.5)m. As we move into FY26, the Board will continue to work with the management team in managing our costs to support profitability through the cycle.

Excellent client service through the market cycle

The prolonged period of difficult market conditions has seen acquisition, consolidation and rationalisation amongst our competitors. As well as the obvious challenges, difficult markets also present opportunities. As a people business, our aim is to have the best possible talent to consistently provide a best-in-class service to our clients, regardless of the market backdrop. Since our IPO, we have supported management in selectively attracting talent to the Group that further strengthens our offering. As a Board, we are pleased to observe the results that our people and platform have achieved for our clients, steadily growing the average market capitalisation of our clients since our IPO. We are encouraged by the quality of companies that have turned to Peel Hunt for support and advice, with the number of FTSE 350 clients also increasing every year. Peel Hunt is proud to now count five

"Our stability and consistency of service through the market cycle have enabled us to support our clients and be increasingly seen as the investment banking partner of choice for mid-cap and growth companies."

FTSE 100 clients and 47 FTSE 250 clients, and some of the highest quality and most ambitious growth companies as retained corporate clients.

Focus on cost management

In an inflationary environment where competition for talent is fierce, managing costs remains a fine balance. Our management team constantly assesses the optimal staffing level needed to provide a stable and consistent service to our clients, rigorously testing the long-term benefits of hiring new talent against the short-term impact on costs. As a Board, it remains our job to guide and support the management team in making these judgements, providing challenge where necessary, to ensure we preserve and create long-term value for our shareholders.

Progress against diversification strategy

Sustained periods of lower equity issuance and market volumes have tested the efficacy and breadth of our diversification strategy.

FY25 was a year of two halves for our core equity capital markets (ECM) business, with more conducive market conditions in the first few months of the year seeing Peel Hunt act on two significant London IPOs. The second half saw deal volumes affected by uncertainty around the UK government's budget, the US election, global trade wars and fears around a possible US recession, but the Board was reassured to see that M&A revenues were once again a significant contributor to overall deal fees, and we are encouraged by the size and quality of financial advisory mandates that Peel Hunt now regularly acts on.

Our Execution Services platform continued to support Group revenues through challenging markets, with liquidity provision in investment trusts, fixed income, international equities and exchange traded products augmenting revenues in our core UK equities business.

Extending our distribution capabilities

In Research & Distribution, we continue to broaden our reach to global investors, through our broader product offering including Electronic Trading, Risk Arbitrage and our international platforms. We will take another important step in the coming year with, subject to regulatory permissions, the opening of an office in Abu Dhabi following a thorough cost benefit analysis by the management team. The office will give our corporate clients greater access to investors and deep pools of capital in the Middle East, supplementing the access we have today in Europe and North America.

Building on our strong governance framework

While our governance framework has worked effectively to support our strategic progress this year, we always look for ways to improve. We fully implemented the recommendations of the first external effectiveness review of the Board and its committees. We have enhanced our business key performance indicators and management information to more systematically oversee management of the business. I am pleased to provide more detail in the Governance report on pages 40 to 85.

Looking ahead

Shortly after year-end we announced changes in Board composition, with Sunil Dhall taking the decision to step down from his role of CFOO at Peel Hunt and leave the firm on 4 July 2025. As a result of this, and in line with our succession plan, the Board appointed Michael Lee as Group COO and Billy Neve as Group Finance Director, both of whom will join the Group Board, subject to regulatory approval. On behalf of the Board, we would like to thank Sunil for his dedication over the last 16 years, and wish him well for the future.

While large parts of FY25 have been challenging, we enter FY26 well positioned in our core market and with growing revenue diversification across the Group. In the coming year, the Board will focus on supporting the management team in three key areas: cementing Peel Hunt's reputation as the investment banking partner of choice for mid-cap and growth companies; ensuring the Group is efficiently managed; and continuing to diversify revenues.

Lucinda Riches Chair
13 June 2025

Steven Fine (CEO)

An improved revenue performance despite ongoing market uncertainty

Geopolitical risk, elections on both sides of the Atlantic, the first Labour government budget in over a decade, fears of stagflation, rising taxes, global trade wars and tariffs were all features of FY25. With the exception of the first few months of the financial year, these challenges weighed heavily on market-wide ECM activity. So it is encouraging that we achieved an improved revenue performance of £91.3m (FY24: £85.8m), and an adjusted profit before tax of £0.8m, excluding exceptional items and share-based payment charges. After taking account of these we made a loss before tax of £3.5m.

In challenging markets, we have, as ever, focused on what we can control – supporting our existing clients and building a more diversified and efficient business. Over the last several years, we have helped our clients grow, with a number of index promotions, and we have continued to win new, high-quality mid-cap and growth companies, including our first client win of an existing FTSE 100 company. We acted on our largest M&A transaction to date, representing our longstanding FTSE 250 client Redrow plc on its acquisition by FTSE 100 Barratt Developments plc, and we acted on the successful IPO of Raspberry Pi Holdings plc. During FY25, the average market capitalisation of our clients has grown from £752.3m to £869.3m and we now act for 52 of the FTSE 350 (5 FTSE 100 and 47 FTSE 250 companies).

> "By staying focused on delivering against our five strategic priorities we have improved our revenue performance in the face of ongoing macroeconomic turbulence."

Investment Banking	Research & Distribution	Execution Services
£31.5m	£26.1m	£33.7m
Revenue	Revenue	Revenue

At the time of writing, there is a continuing trend of equity outflows from the UK market. We have a government committed to growth; however there cannot be a domestic growth agenda without a viable domestic capital market. Equally, a viable domestic capital market cannot exist without sufficient domestic capital. In line with this, we continue to use our voice and thought leadership to shape policy reform that we believe is key to the future success of UK capital markets and the wider health of the UK economy. Our publications relating to policy reform and the work the team has undertaken in engaging with policymakers have supported our advocacy efforts. See pages 10 to 11 for more detail on why we believe public markets matter.

In light of the challenging markets, we continue to focus on taking measures to rationalise both staff and non-staff costs. This will allow us to navigate the increasing pressure from the cost of doing business, while preserving the long-term stability of the Group. More details on how we have addressed costs in FY25 can be found in the Operating and Financial review (pages 19 to 23).

We enter FY26 in a strong position. In a market where many of our competitors have been subject to all manner of change and disruption, we have been able to provide consistent, excellent service and be the trusted adviser to our clients. We have built our brand, platform and profile and are steadily delivering our strategy, building the relevance of our client base and strength of our offering. We are increasingly seen as a key liquidity provider to the UK capital markets and as the investment banking partner of choice for ambitious mid-cap and growth companies.

Changes in management

As announced in May 2025, Sunil Dhall will be stepping down from his role as CFOO and leaving the firm following the 2025 Annual General Meeting. Sunil has been a key member of the leadership team at Peel Hunt, from the management buyout through to Peel Hunt being a publicly quoted company. I would like to thank Sunil on behalf of everyone at Peel Hunt for his contribution to the Group over the last 16 years.

Continuing to make strategic progress

One of the biggest reasons for this year's improved revenue performance – despite the macroeconomic turbulence – is that we have stayed focused on delivering against our five strategic priorities. Below, I share some highlights from the past 12 months.

Expand Investment Banking capabilities

Performance in our core ECM business varied throughout FY25. We capitalised on better market conditions in the first half of the year and were delighted to support AOTI and Raspberry Pi on their journeys to becoming listed companies.

With equity issuance in the second half of the year significantly reduced, we were encouraged to see our diversification strategy deliver over the year, through meaningful M&A Advisory fees. We acted on some notable M&A mandates in the period with a deal value over £1bn, cementing our position as one of the leading financial advisers in UK mid-market M&A.

Advance our position as a distribution powerhouse

This year, we have made a number of enhancements as we look to strengthen our position as the leading UK equities platform. In July 2024, we appointed a Chief Economist. This was followed shortly by the launch of our economics research product, which allows us to be more macro-led in the timing, themes and content of our market leading corporate research. Also in FY25, our Global Hedge Funds and Risk Arbitrage business made good progress in strengthening our relationships with hedge funds and our Electronic Trading business, which trades in global equities, has not only deepened our connectivity with global investors but also provided good diversification of revenues.

We are now consistently showing that we can reach pools of capital for our clients that others cannot, allowing us to unlock a number of block trades this year. The combination of our international platforms in the US and Europe alongside our UK Sales team, provides us with both a level of reach to international investors, and a UK distribution capability that our competitors cannot match. The planned opening of our Abu Dhabi office follows many years of intensive relationship building with sovereign wealth funds and investment offices across the UAE, Saudi Arabia and Qatar. We look forward to the opportunity this will give us to extend access to Middle Eastern capital for our public and private corporate clients. This will in turn continue to strengthen our international distribution platform.

Our five strategic priorities

We aim to:

Expand our investment banking capabilities

Advance our position as a distribution powerhouse

Extend our leading liquidity provision

Embed technology in everything we do

Leverage our unique culture to boost performance

Extend our leading liquidity provision

Our Execution Services team performed well in challenging markets, delivering higher revenues than in FY24. During FY25, we continued to invest in technology to meet our strategic goal of being a key liquidity provider, delivering value to retail investors, global institutions and trading counterparties alike. In an increasingly competitive landscape, we continue to evolve our trading capability to remain highly relevant and efficient. Our Execution Services business also continues to act as an excellent source of diversification for the Group with liquidity provision in investment trusts, fixed income, international equities and exchange traded products supplementing revenues from our core UK equities business.

"Our talented people have continued to support our clients with professionalism, dedication and tenacity."

Embed technology in everything we do

During the year, we refreshed our digital strategy, emphasising data and AI as key focus areas alongside digital literacy and embedding technology across the business.

We are a data-driven organisation with an array of data and analytical tools, dashboards and reports which we have used to be more systematic in how we run the Group, and how we target new clients and business. I am pleased to see the results of this coming through in the quality of clients we are winning and deals we are executing.

RetailBook is another evolving technology success story that was originally created by Peel Hunt. In 2024, RetailBook achieved operational independence with full FCA authorisation and, during FY25, we were pleased to see the former capital markets team of PrimaryBid join RetailBook. The combined business is well positioned to benefit from upcoming regulatory changes which will allow for greater participation by retail investors in capital markets transactions. During the year, RetailBook facilitated retail access to some landmark IPOs, equity raises and UK government debt issuances. We remain excited about its future prospects.

Leverage our unique culture to boost performance

We were pleased to bring through the next generation of front office leadership into key management roles, and during the year we welcomed a number of talented hires to the business. Peel Hunt is not only the partner of choice for clients, it is increasingly seen as a place to build a career. Ensuring that Peel Hunt is also a great place to work is one of my top priorities and this means not only frequent employee engagement, as detailed on page 57 in the Governance report, but acting on the feedback of our people. I believe that we have done that this year in areas such as training and development and career pathways, and further details can be found in Our People section on pages 27 to 28.

Looking ahead to FY26

Although FY25 has been a difficult year, I am proud of our talented people who, with professionalism, dedication and tenacity, have supported our clients. In the year we have focused on building our business in a sustainable way, generating revenue through our diversifying business model, and building relationships with high-quality clients. As we look ahead to FY26, we remain committed to consistently providing excellent service and being a trusted advisor to our clients. We will continue to pursue efficiencies and target sustained profitability through the cycle. We will also continue to use our influence and access for the benefit of our clients and UK markets.

Steven Fine CEO
13 June 2025

Championing the UK's equity markets

Equity capital markets (ECM) are fundamental to driving economic growth and stimulating job creation in the UK. Thriving markets support efficient capital allocation, which gives companies access to stable sources of 'permanent' funding that help them grow, while offering investors a return on their investment.

Despite its world-class financial services sector, the UK economy has seen chronic stagnation in recent years which, alongside lower ECM activity, has stifled the prosperity of home-grown companies and, in many cases, reduced their valuation. At the same time, capital flows have become increasingly global, with more companies choosing to list in other countries, while major geopolitical events have affected investor sentiment. This affects everyone living in the UK, since so many of us have pensions and savings that rely on the health of public capital markets.

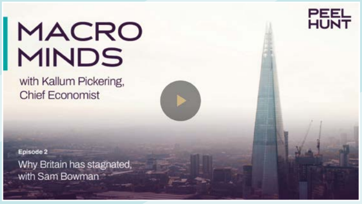
If the UK government's aim of strengthening the economic prospects of UK businesses is to become reality, we need to increase national productivity. This means improving capital allocation and fostering innovation to ensure UK companies have access to the growth capital they need to succeed.

Bold action is required to reverse these trends. Forthcoming government and regulatory reform will encourage investment in UK equities, bringing new capital into the UK. In short, revitalising public markets will rejuvenate UK plc.

"Bold action to deliver the forthcoming government and regulatory reform is needed to rejuvenate UK plc."

Kallum Pickering Chief Economist

Scan to see our podcasts



Why public markets matter

1. **Economic growth and employment** – Capital growth and shareholder returns are key drivers for funding day-to-day spending and increasing savings. Growth companies directly contribute to the economy, including hiring more people across the UK.
2. **Government finances and transparency** – Public companies make a significant and direct contribution to government finances by paying more tax and adhering to strict reporting requirements, which increases accountability and reduces the risk of malpractice.
3. **Permanent capital and efficiency** – Equity markets provide permanent capital, offering a stable, low-cost source of funding and provide investors with easy access to UK companies.
4. **Ownership and democracy** – The public can easily buy and sell shares in companies on open exchanges; this broad ownership means wealth creation is democratised across a broad number of citizens.
5. **Source of soft power** – Large public companies extend the UK's influence globally. As a comparison, US companies like Apple, Microsoft and Google continue to be a major influence on global trends.

What Peel Hunt is doing to support UK markets

Peel Hunt is widely viewed as a champion of UK plc, positioned at the forefront of crucial conversations to revitalise UK equity markets. We offer our clients a unique point of contact between the UK economy and public markets, with international distribution capabilities in London, New York and Copenhagen, enabling us to draw international investment into the UK.

Our reputation as that champion continues to grow. We're widely quoted in the national press as advocates for revitalising UK plc, and our senior team continues to publish popular thematic and economic reports. These thought leadership pieces explain why the regulatory environment is inhibiting growth in the UK, and what needs to be done to reinvigorate UK capital markets. Our thematic reports by our Research team have been downloaded more than 7,000 times.

We make our voice heard in other ways too. This year, our Head of Research gave evidence at a select committee, speaking on the state of the UK capital markets and in March 2024 he spoke at the Association of Investment Companies conference as part of our efforts to champion UK plc. Our new Chief Economist hosts a successful podcast called Macro Minds, which brings together leading global economists to share their views on various topics, such as stagnation in the UK economy, global tariffs and the economic implications of the 2024 US election.

We engage with policymakers to support the UK government's economic ambitions, including its work to boost economic growth through regulatory improvements. As part of this, we launched an initiative in January 2025 to ask UK companies for their ideas on how to improve the UK business environment. Overseen by our CEO, along with our Head of Research and Chief Economist, we've already had a positive response across the market. We will collate our findings and present them to regulators and the UK government later this year.

Review of the year

We have navigated another economically challenging year by staying focused on our strengths, disciplined in our costs and committed to our principles. We remain financially resilient and steadfast in our support for our clients. Our reputation and reach are growing, positioning us well for market recovery.

Sunil Dhall (CFOO)

Revenue growth despite difficult markets

The first few months of FY25 saw improving sentiment and market conditions, during which we brought two IPOs to the market and worked on some large M&A transactions. However, the rest of the year was affected by macroeconomic uncertainty, which led to reduced market activity. Despite this, we have seen good progress in our diversification strategy and an encouraging performance from our Execution Services business, helping the Group to achieve growth in our revenues despite the difficult markets.

This followed the growth in revenues that we saw in FY24, and I believe that the business is well positioned for any change in sentiment and capital market activity as we move into FY26.

Overview of FY25 results

In FY25, full-year revenues rose to £91.3m (FY24: £85.8m), and the wide range of products across our three business areas have provided a base for, and supported, the year-on-year revenue increase. However, due to a rise in our costs, predominantly due to exceptional Group restructuring costs, this resulted in a loss before tax of £3.5m (FY24: £3.3m). It was encouraging that the business was profitable on an adjusted profit before tax basis of £0.8m (FY24: £(2.7)m). This is a non-statutory measure that shows the underlying performance of the Group excluding share-based payment charges and exceptional items.

In Investment Banking, revenues marginally decreased by 3.2% to £31.5m (FY24: £32.6m) as market-wide ECM activity remained below historical averages during the period. That said, we acted on two major IPOs, and

"Our progress this year means we're well positioned for future growth opportunities, despite macroeconomic and geopolitical challenges continuing to affect the market."

strengthened our reputation in M&A Advisory by acting on 8% of UK plc M&A deals since the start of 2024. As a result, our M&A fees were a larger share of our overall Investment Banking deal revenues.

Revenue in our Research & Distribution business increased by 10.5% to £26.1m (FY24: £23.6m), despite tightening commission rates and continued outflows from UK equities. We were encouraged by increasing revenues from our institutional electronic trading business during the period, with value traded across our electronic algorithms growing by 182% and client numbers up by 31%.

Our Execution Services business delivered revenues of £33.7m (FY24: £29.6m), an increase of 13.6% on FY24. This was a good result by our team despite ongoing market uncertainty. Execution Services continues to develop and use technology, which we are applying to more of our trading operations to counteract some of the increased competition and associated reduction in margins that we experienced in FY25.

Rationalisation of our costs

As part of our work to ensure Peel Hunt's long-term success, we continually look at ways to lower our costs. We made the difficult decision to implement a reduction in headcount during the year. This decision was not made lightly and followed a thorough review of our business needs and strategic priorities. Although staff costs in FY25 were higher than the previous year, this was partly due to one-off costs resulting from this headcount rationalisation. The increase also reflects targeted salary increases to ensure that we remain competitive, attracting and retaining great talent within our business.

Focus on financial stability and liquidity management

During the year, we maintained our strong balance sheet and continued to prioritise meeting the financial needs and regulatory requirements of the Group through effective liquidity and cash management. Regular scenario planning and stress testing are integral to our liquidity and capital analysis, ensuring that we maintain and monitor our risk exposures within the limits agreed with our Board.

In early FY25, we obtained a new, more flexible £10m overdraft facility on similar terms to the revolving credit facility (RCF) and reduced the RCF by an equivalent amount. We used these facilities to support large client trades when required throughout the year, but did not materially rely on either for operating during the year.

At year end, our cash position of £20.4m was lower than FY24 (£37.9m), due to the scheduled £6m principal repayment of our long-term debt facility, as well as repaying the £15m RCF that we drew at the end of FY24. The overdraft and RCF were undrawn at the end of FY25.

Continuing to invest strategically

We have continued to carefully invest in the business to deliver our strategy, including investing in our technology platforms for our trading desks and further strengthening our distribution platform, particularly with our Copenhagen office being fully operational for the full financial year. Shortly after year end, we reduced our shareholding in RetailBook following a successful fundraise. As a seed investor, we have been able to support them through their journey and are excited to see the future developments for RetailBook.

We've continued to enhance our business capabilities in Investment Banking, such as hiring new talent into our Financials, Consumer, Industrials and Technology, Media & Telecoms teams. We've strengthened our leadership team in Europe, while our new Chief Economist is helping us provide excellent economic analysis, data and insights to both our institutional and corporate clients.

The progress we have made this year – in the face of continuing macroeconomic challenges – means that I remain confident in our financial stability and our resilience, and I believe the business is well positioned for future growth opportunities.

Whilst I will be leaving Peel Hunt in July, I am pleased that there are two internal successors that will step up – Billy Neve to Group Finance Director and Michael Lee to COO. I have had a rewarding journey over my last 16 years with the business and wish Peel Hunt, and its dedicated people, all the best for the future.

Sunil Dhall CFOO
13 June 2025

Financial performance: Continuing challenging markets

We measure overall progress in delivering our strategy against a set of financial and non-financial metrics. We have made further strategic progress in the year, including increased revenue, number of retained FTSE 350 corporate clients and average market cap of our corporate clients, despite ongoing reduced capital markets activity. This year we added Adjusted profit/(loss) before tax as a new key performance indicator. This is a non-statutory measure, which shows the underlying performance of the Group excluding share-based payment charges and exceptional items. This is another representative measure of our performance.

GROUP FINANCIAL

Revenue

£91.3m

2024: £85.8m

Revenue from all the business divisions of the Group

Our revenue performance improved from prior year, with an increase in revenue from Execution Services and Research & Distribution.

Revenue per head

£318.1k

2024: £277.1k

Revenue per employee

Revenue per head has increased due to our increase in revenue performance across the Group and a reduction in average headcount across FY25.

(Loss) before tax

£(3.5)m

2024: £(3.3)m

Actual profit/(loss) before tax for the Group showing revenue less administration costs (including employee bonuses), net financing costs and share of profit or loss from associate

This is higher than the prior year due to increased costs, in particular those associated with staff restructuring and share-based payment charges.

Adjusted profit/(loss) before tax

£0.8m

2024: £(2.7)m

Adjusted profit/(loss) before tax is a non-statutory measure, which shows the underlying performance of the Group excluding share-based payment charges and exceptional items

This has increased as a result of both higher revenue and a continuing focus on careful management of the Group's cost-base. **See page 23 for further details.**

Own Funds coverage (previously 'Pillar 1 coverage')

417%

2024: 532%

Size of our net assets compared with our Pillar 1 capital requirement

The decrease in coverage is due to various factors including lower net assets. This continues to demonstrate our robust capital position.

Earnings per share

(2.3)p

2024: (2.7)p

Total (loss)/profit attributable to owners of the Group over the weighted average number of shares outstanding during the year

EPS reflects the increased loss made by the Group.

Net assets

£88.7m

2024: £91.8m

Total Group assets less total liabilities as recorded on the balance sheet

Net assets reduced due to the loss during the year and Employee Benefit Trust (EBT) share purchases.

Cash balances

£20.4m

2024: £37.9m

All cash balances of the Group

Our reduced cash position reflects debt repayments and the impact of the loss for the year.

GROUP NON-FINANCIAL

Employee engagement

54%

2024: 53%

Result of our combined culture and engagement surveys

The score this year is attributable to several factors. See page 28 for further detail. The metric has been calculated using a different basis from FY24, and is therefore not directly comparable with the prior year.

Gender balance (all employees)

75% men

25% women

2024: 76% men, 24% women

Ratio of male to female employees

We continue to be focused on our long-term goal of 40% women in Peel Hunt by 2035. See page 27 for further detail.

Carbon intensity ratio

3,090.6 $kgCO_2e$

2024: 2,614 $kgCO_2e$ per employee

Carbon intensity ratio (total operations)

The increase in our carbon intensity ratio is due to increased capital goods expenditure in FY25. For further detail please see pages 29 to 30.

DIVISIONAL

Investment Banking

Revenue

£31.5m

2024: £32.6m

Revenue from fees in ECM, Advisory and client retainers

The decrease in revenue is due to continued challenging markets.

Retained corporate clients

147

2024: 150

Total number of retained clients (including 52 in the FTSE 350)

Whilst we have added 17 new clients, we have also seen a number of reductions due to M&A activity and our ongoing strategy of evolving our corporate client base.

Average market cap of retained corporate clients

£869.3m

2024: £752.3m

Average market cap of our retained corporate clients as at the end of the year

We have grown the average market cap of our retained clients, with a number of significant FTSE 350 wins in this financial year.

Median market cap of retained corporate clients

£407.0m

2024: £335.0m

Average market cap of our retained corporate clients at the end of the year

As our retained corporate client base has evolved, the median market cap has increased.

Total funds raised for corporates during the year

£599.5m

2024: £1.03bn

Amount of funds raised for clients for whom we acted

The reduction in funds raised is largely a reflection of the historically low levels of ECM activity in the UK markets.

Market share of UK ECM deals

3.0%

2024: 4.55%

The number of deals on which we acted during the year versus the total number of deals in UK equity capital markets

Increased competition amongst the top-ranked top ranked advisors, due to a subdued market environment, has resulted in us seeing a reduction in our market share.

DIVISIONAL

Execution Services

Revenue
£33.7m

2024: £29.6m

Revenue for our market-making, systematic and electronic trading businesses

The increase from FY24 is largely due to our position as a highly valued trading partner to our clients, as well as increased trading volumes.

LSE market share
17.8%

2024: 14.9%

Our share of the volume of trading on the LSE

We have continued to maintain a leading trading position despite the competitive trading environment.

Number of quote requests processed in the year
111m

2024: 100m

Number of quotes requested and processed by us in retail trades

This increase is despite increased competition in the market.

Average trades executed per day
31,251

2024: 49,171

Average number of trades executed each day over the last year

The decrease in trading volumes is a reflection of the difficult market conditions.

Total traded value during the year of UK stocks for our clients
£109.6bn

2024: £108.2bn

Value of trades in UK stocks only executed by us during the year

This increase demonstrates our strong trading capability and relevance as a liquidity provider to our clients.

Research & Distribution

Revenue
£26.1m

2024: £23.6m

Revenue from execution commission and research payments

The increase is due to the further development of our low-touch offering, as well as higher returns from our core trading desk.

Institutions receiving our research
1,307

2024: 1,281

Number of institutional clients receiving our research

This increase is largely due to our European office being operational for a full year, enhancing our distribution capabilities.

Improved revenue performance in difficult markets

Group revenue performance

The Group's revenue of £91.3m (FY24: £85.8m) represents year-on-year growth of 6.4% driven largely by a strong revenue performance in Execution Services, which grew by 13.6%. Investment Banking revenue decreased by 3.2% while Research & Distribution revenue increased by 10.5%. These results reflect the improved macroeconomic environment and an uptick in UK equity capital markets activity during the first five months of the year. However, the rest of the year was affected by economic and geopolitical uncertainty which continued to affect investor sentiment. This directly impacted our revenue opportunities in Investment Banking and Research & Distribution.

Group revenue comprises the following:

	FY25 £'000	FY24 £'000	% change
Investment Banking revenue	**31,526**	32,567	(3.2)%
Execution Services revenue	**33,673**	29,638	13.6%
Research & Distribution revenue	**26,108**	23,629	10.5%
Total revenue for the year	**91,307**	85,834	6.4%

Our joined-up banking model, which merges expert advice, high-quality research, extensive distribution networks, and a significant market share in trading volumes, keeps us well positioned for future growth opportunities. Our focus on sector specialisation and continuous, targeted investments in our business areas, including our workforce and technology, are crucial in achieving our strategic priorities.

Investment Banking

	FY25 £'000	FY24 £'000	% change
Investment Banking fees	**22,890**	23,795	(3.8)%
Investment Banking retainers	**8,636**	8,772	(1.6)%
Investment Banking revenue	**31,526**	32,567	(3.2)%

Challenging market conditions, with historically low levels of ECM activity in the UK markets, and companies continuing to transact much less frequently than normal, have persisted. Despite this backdrop, our diversified investment banking model has allowed us to support our clients consistently, acting in partnership as trusted financial advisers, irrespective of the economic uncertainty.

While IPO market activity remained low, we acted on a high proportion of the notable UK IPOs during the year, including a standout IPO in the UK, based on performance. We have also expanded our IPO origination capabilities through a collaboration with Santander. This involves focusing on a small number of companies with whom they have a strong relationship and that may see a UK IPO as the next stage of their journey. Combining the respective capabilities and expertise of our two firms can deliver a powerful and differentiated service for these companies.

In terms of wider ECM activity, we have successfully worked on a number of block trades, in both client-related sell-downs and non-client situations. Our ability to find buyers for significant blocks of shares, in spite of the highly challenging environment for listed market investors, is testament to our distribution capabilities, both in the UK and the rest of the world.

We have also continued to expand our advisory service offering – notably in M&A – providing strategic and financial advice to boards throughout the company lifecycle. Collaboration between our advisory and sector teams, and our leading market intelligence, positions us well to provide cohesive and well-informed advice to our clients involved in M&A activities. As a result, we have increased our market share in M&A transactions, placing us third in UK plc M&A deals since the start of 2024, with only global investment banks ranking higher than us.

We continue to evolve our corporate client base, increasing the aggregate market capitalisation of our clients by £14.1bn to £126.9bn and winning a number of major new corporate mandates. We now act for 147 clients, with five in the FTSE 100 and 47 in the wider FTSE 250. This client growth contrasts with the wider market, where net client numbers are currently in decline because of reductions in the overall number of listed companies. Meanwhile, the opportunities for our firm are actually accelerating as a result of consolidation and closure among our competitors in the UK investment banking landscape.

The ongoing market challenges have prompted some changes in our team this year, including hiring new talent. Our sector and advisory teams remain well-resourced with dynamic, experienced individuals, supported by a strong cohort of more junior talent. Together, it means that our investment banking team is stronger than ever, allowing us to provide consistent quality to our corporate clients.

Looking ahead, we will continue to diversify our revenue streams in a methodical and measured way, building into private company transactions as well as public market ones, and further expanding our market share across the lifecycle of our clients. We will continue to provide trusted strategic and financial advice to our corporate clients and build out our connectivity to a wider audience of both companies and investors.

Investment Banking Advisory

Our diversified investment banking model and joined-up banking approach are key to our reputation as a trusted advisor to our corporate clients.

Find out more on our website peelhunt.com

Execution Services

	FY25 £'000	FY24 £'000	% change
Execution Services revenue	**33,673**	29,638	13.6%

Our Execution Services team has performed well this year. This is despite the continued subdued market environment that has been affected by key geopolitical events, including the UK election in July 2024 and budget in October 2024. Revenues increased by 13.6% to £33.7m (FY24: £29.6m). Alongside these events, there was also a marked increase in competition within our liquidity pools, with new entrants competing for revenue share.

The rising trend in global trading flows has contributed to the further 'de-equitisation' of the UK markets, with companies continuing to de-list. Whilst a challenging trading environment to operate in, we remain a valued business partner for those wishing to deal in the UK markets. Our bespoke solutions are highly valued, and our proprietary trading intelligence tool, Peel Hunt Automated Trading (PHAT), ensures we deliver fast access to liquidity.

This has helped our team continue to strengthen our LSE market trading position, where we are a significant market counterparty. We have also expanded our capabilities and increased the number of counterparties we transact with, while continuing to adapt to the evolving execution environment. Our diverse liquidity offering, with its suite of trading strategies and products across a number of platforms, is helping us achieve our strategic objective to extend our leading liquidity position.

The quality and experience of our people means that we have developed a culture of controlled risk management which supports our financial resilience, despite increased market competition.

Technology is a major enabler for our business, enhancing our connectivity to markets and trading products. Our dedicated Technology team works closely with our traders to provide access to incremental liquidity opportunities. We continue to build tech-driven solutions to strategically diversify our offering, and enhance our proprietary trading platform, which allows us to rapidly access liquidity pools. This agility and access is a true differentiator for our business.

Looking forward, our priority remains to further diversify our trading strategies. We will continue to invest in our people and technology to maintain our leading market position and ensure the long-term success of the business.

International Distribution

We specialise in UK equities and have dedicated international distribution teams in London, New York and Copenhagen, unlocking broad pools of capital for our corporate clients.

Find out more on our website peelhunt.com

Research & Distribution

	FY25 £'000	FY24 £'000	% change
Research payments and execution commission	**26,108**	23,629	10.5%

Our business has remained resilient, despite the continued difficult market conditions, characterised by depressed ECM activity and consistent fund outflows from UK equities. Revenue from research payments, execution commission and core trading was up 10.5% at £26.1m (FY24: £23.6m).

The strength and depth of our research and business knowledge is a result of our commitment to UK plc, and sets us apart from our competitors. Through our high-quality research and international distribution – with expanded access into broader and deeper investment pools – we now have more than 500 trading relationships across multiple countries. Our comprehensive market intelligence is invaluable for our institutional and corporate clients alike, with our corporate clients consistently outperforming the wider market.

Our talented people are the bedrock of our business. Our consistent focus on the long-term future of our business helps us attract and retain top talent. They recognise that our growing market share and evolving client base puts us in an excellent position to accelerate out of the market downturn. Based in London, New York and Copenhagen, our teams have deep experience and a reputation for consistency, which have helped expand our high-quality client list.

We are committed to growing our research coverage and market intelligence, which is why, in FY25, we appointed our first Chief Economist. He brings a wealth of experience and regularly engages with company boards, policymakers and regulators. Meanwhile, our reputation and impact in the market has been enhanced by our immensely popular suite of podcasts and multimedia products, bringing leading voices, such as company CEOs and industry thinktanks, to a wider audience. Our access to industry experts continues to grow, as does our influence with government and regulators.

We have continued to use our growing reputation as a leading UK-focused investment bank to champion the revitalisation of UK capital markets, sharing our ideas via thought leadership pieces on our website and engaging with government policymakers to enhance economic growth in the UK.

Meanwhile, we continue to make careful strategic investments to advance our position as a distribution powerhouse. With our new Copenhagen office having successfully expanded our European distribution capabilities, we also plan to open an office in the Middle East in FY26, for which we have received regulatory approval in principle. Establishing a full-time presence in the region will enable us to increase our international access and deepen our liquidity reach.

Technology remains a focal point for our business; we have developed artificial intelligence tools to help our analysts access greater insight from our large database of research.

Our focus in the coming year remains the same: continuing to make strategic progress to expand our access to deep pools of investment capital, both in the UK and internationally, supported by our offices in the UK, Europe, North America and, soon, in the Middle East.

Insights across the market

Our Research products, including detailed economic analysis, and technology-driven market insights provide our clients with invaluable market intelligence.

Find out more on our website peelhunt.com

Other financial information

Operating costs

	FY25 £'000	FY24 £'000	% change
Staff costs	**55,490**	50,643	9.6%
Non-staff costs	**38,401**	37,399	2.7%
Total admin costs	**93,891**	88,042	6.6%
Compensation ratio	**60.8%**	59.0%	1.8ppts
Period-end headcount	**287**	303	(5.3)%
Average headcount	**298**	309	(3.6)%
Adjusted staff costs[1]	**51,755**	50,043	3.4%
Adjusted admin costs[1]	**90,156**	87,442	3.1%
Adjusted compensation ratio[1]	**56.7%**	58.3%	(1.6)ppts

1 Adjusted staff costs and adjusted admin costs is a measure calculated as staff costs or admin costs less share-based payment charges of £1.7m (FY24: £0.6m) and exceptional items amounting to £2.0m (FY24: £nil) respectively. "Exceptional items" relates to staff restructuring costs of £2.0m.

During the year we have been focused on the long-term success of the Group and ensuring the business is operating efficiently. As a result we have reduced staff costs during the year through headcount reductions to support the business in moving towards profitability throughout the cycle. This led to our average headcount decreasing by 3.6% compared to prior year. However, staff costs were 9.6% higher than FY24 mainly due to exceptional Group restructuring costs and share-based payment charges of £3.7m (FY24: £0.6m).

Despite the macroeconomic challenges, we have continued to target investment in talent in line with our strategic priorities. This includes key senior hires in our Investment Banking and European teams, who are already helping to drive greater revenue opportunities, as well as salary increases and long-term share awards to retain our talent.

Whilst inflationary costs from suppliers have increased non-staff costs during the year, we are focused on minimising these where possible, such as those from technology providers. We anticipate that this will lead to reductions in non-staff costs in FY26. In FY25 we have also seen the full cost impact of the Copenhagen office following its set-up in FY24, and a full year's worth of costs for the electronic trading desk, which was operational for the whole of FY25. Both our staff costs and non-staff costs also include the full costs of RetailBook, our subsidiary until May 2025, which was fully operational in FY25.

As we navigate the uncertain market conditions, we continue to focus on our strategic priorities and monitor costs so that we are best positioned to capitalise on future opportunities for growth.

Profit and loss

Although we had growth in revenue from FY24, this has been offset by a rise in our costs leading to a loss before tax of £3.5m (FY24: £3.3m), and an adjusted profit before tax[1] of £0.8m (FY24: £(2.7)m), which excludes exceptional items and share-based payments.

EPS increased by 14.8% to (2.3)p per share (FY24: (2.7)p).

Strategic investments

Our investment in RetailBook was diluted in FY25 from 56.6% to 51.5% following a fundraise of £0.5m. Following the year end, the Group's investment was further diluted to below 50% due to an external fundraise. More details can be found in Note 23 to the financial statements. A number of key senior hires were made in Q4 FY25 as part of a wider accelerated growth plan.

Our European platform has been fully operational for the entire financial year. The Copenhagen office has strengthened our distribution capability, facilitating the distribution of research, the trading of shares, and the promotion of investment banking deals into the region. Combined, these capabilities provide significant liquidity to investors, better insights to corporate clients and further grows Peel Hunt's business.

We are in the process of setting up a small office in Abu Dhabi to cover the Middle Eastern region. We submitted the regulatory application in early FY26 and received approval in principle. We are aiming for the office to be operational later in the year.

As indicated in Note 24 to the financial statements, we have fully impaired our £0.54m investment in Peel Hunt Fintech Ventures LLP, an associate of the Group, due to the continued challenging market conditions contributing to delays for the first fund close for FinTech Growth Fund.

We continue to invest in technology which is central to our business growth plans, driving efficiencies and competitive advantage as we leverage our talent pool across the Group.

Balance sheet

The Group's net asset position as at 31 March 2025 remains strong at £88.7m (31 March 2024: £91.8m). We have continued to focus our attention on maintaining a healthy financial position by carefully managing costs, making cost-efficient investments and growing revenue so that we are best positioned to take advantage of market opportunities as the macroeconomic environment improves.

As required by accounting rules, the company carried out the impairment assessment in its investments in subsidiaries and associates held on its balance sheet after the year end. Following this assessment the associate investment in Peel Hunt Fintech Ventures LLP was fully impaired.

Capital and liquidity

Our cash position decreased to £20.4m as at 31 March 2025 from £37.9m as at the end of 31 March 2024, which included a £15.0m RCF drawdown which was repaid during the year.

We made a scheduled loan repayment of £6.0m during the year reducing our long-term debt to £9.0m (31 March 2024: £15.0m). We have occasionally used our £20.0m RCF with Lloyds Bank and £10.0m Santander overdraft facility during the year, supporting our clients' large trades generating revenue for the Group. As at 31 March 2025, the RCF and overdraft facility were undrawn.

In June 2024, we partnered with BNP Paribas SA to allow us to settle our trades more effectively in FY26 to ensure we use the Group's funding more efficiently.

Our own funds coverage over net assets was 417% as at 31 March 2025 (31 March 2024: 532%). The decrease was a result of maintaining risk exposures and a decrease in net assets. We continue to operate well in excess of our minimum regulatory capital requirements.

Dividend

The Board is not proposing a dividend for the year.

1. Adjusted profit/(loss) before tax is a non-statutory measure, which shows the underlying performance of the Group less share-based payment charges and exceptional items. Share-based payment charges for the year were £1.7m (FY24: £0.6m) with exceptional items including staff restructuring costs of £2.0m, and impairment of associate of £0.5m, totalling £4.2m (FY24: £0.6m). The £0.5m impairment of associate is disclosed within the share of loss of associate line in the statement of comprehensive income.

Section 172(1) statement and stakeholder engagement

Our purpose is to guide and nurture people through the evolution of business. This purpose applies to dealings with all our key stakeholders, the way we run the Company and how we make decisions at every level, starting at the top with the Board. We have included a ‘section 172 statement’ that describes how our Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 on pages 57 to 60 of the Governance report. This explains who our stakeholders are, how we engage with them, and how the Directors have taken their interests into account in making key decisions during the year.

Sustainability

We continue to make progress in our sustainability agenda, including new talent development initiatives and formalising plans to meet our first carbon reduction target by December 2025.

Our approach to sustainability

We're a responsible business, with a duty to all those who work with and around us. That's why our value – 'do the right thing' – is woven into our purpose of guiding and nurturing people through the evolution of business.

We are committed to acting on our principles, supporting our people and communities, and controlling our environmental footprint.

As a result of our materiality assessment in FY23, we focus our sustainability activities on four priority areas: diversity, equity and inclusion; carbon reduction; governance and integrity; and building our sustainability capabilities and products. Our disciplined approach to costs naturally helps to lower our overall carbon footprint. For example, locating our offices in highly efficient buildings helps reduce both our greenhouse gas emissions and energy costs.

We have set gender and carbon reduction targets (see 'Our sustainability targets') and, in December 2023, published our first carbon reduction plan for meeting those targets.

Aligning with the UN SDGs

We align our approach to sustainability with targets relating to the four United Nations Sustainable Development Goals (UN SDGs) where we can have the most impact.

Find more information on our website

Our sustainability targets

Women to represent at least **40% of all employees by 2035**

Become **carbon neutral** by December 2025

Reach **net zero** by 2040

We explain progress against our targets in 'Our People and Communities' on pages 27 to 28 and 'Environment' on pages 29 to 31.

Strong governance, standards and policies

Our governance structure ensures that we discuss and manage sustainability issues throughout the business. At Board level, our ESG Committee is led by one of our Non-Executive Directors (see page 72 for our ESG Committee report). Within the business, we have an ESG Working Group chaired by our CFOO, Sunil Dhall, which includes the chairs of our Diversity, Equity and Inclusion Forum and Sustainability Forum. To bring fresh ideas to managing our carbon footprint and our approach to diversity, equity and inclusion, we rotated half the membership of these forums this year.

We include sustainability screening criteria in our client approvals process and raise any concerns for review by our Social, Environmental, Ethical and Reputational (SEER) Committee.

We have key standards and policies on a range of important topics, which our people can access via our intranet.

Find more on our standards and policies on our website

"There is good business sense in being carbon efficient as it helps reduce our costs."

Oliver Jackson Investment Banking, Chair of Sustainability Forum

Working together to accelerate performance

Our people's dedication to our joined-up banking approach means we've not only weathered another year of economic uncertainty, but have also made real progress against our strategic priorities while maintaining our cost discipline.

Developing our people to support performance

We aim to invest in our people even in challenging times, and we know from our FY24 employee engagement survey that they would like more development opportunities.

This year we launched our first company-wide mentoring programme to help employees achieve their career aspirations and find new ways to collaborate. A total of 54 people participated, pairing mentors and mentees from various teams, departments and seniority levels. The feedback has been positive, with some participants expressing interest to join for a second year.

We also launched a new talent development programme offering our people learning opportunities to build key skills, strengthen their creative thinking, and support our performance culture. We plan to offer further development sessions in the coming year, including specific training in digital skills to support our strategic objective of embedding technology into everything we do.

Our 'lunch and learn' programme is another valuable initiative that supports our people's development and knowledge sharing. In September 2024, our new Chief Economist hosted a session about what his role involves, as well as his view on current market conditions, and in October, members of the cross-divisional team that supported Raspberry Pi's listing shared their experience of guiding a business through an IPO.

As we continue to support our people's development, we also aim to build a comprehensive view of their performance. This year, we introduced a new performance review cycle including peer reviews and new performance ratings focused on individual impact, contribution and collaboration. Additionally, we enhanced our Investment Banking graduate programme to standardise feedback to support graduates through each job rotation and ensure consistent performance measurement.

We have made good progress in the past couple of years to create a more collaborative, high-performance culture – seen in the way our people are helping us deliver against our strategic priorities. What our team has achieved together since we refined our strategy in FY23 has shown that we are stronger and better together, which is why we adjusted our hybrid working policy this year to increase the time we spend in the office together.

Staying focused on diversity, equity and inclusion

Some of the best collaboration happens when groups of individuals from different backgrounds and experiences share their ideas in a supportive environment. We've worked hard to develop our collegiate culture but we can do more to create greater diversity in a traditionally male-dominated industry. We already have good female representation at Board level, with women representing 42% on the Group Board and 33% on the Executive Board. However, across the firm we have fewer women than we would like, 25% of all employees (FY24: 24%), against our target to have women represent at least 40% by 2035.

We recognise that this target is ambitious, so we are not letting up on our efforts. For example, we now have diversity goals set by department, giving leaders greater accountability in achieving our target. We've also introduced diverse recruitment panels, collaborated with hiring managers to ensure we're reaching a diverse pool of candidates, and where possible advertising roles on our applicant tracking system to track the diversity of applications and shortlists.

We have focused on early careers to drive greater diversity in succession planning and were pleased to see greater ethnic and gender diversity in our second Investment Banking graduate programme intake.

We continue to work with The Brokerage, a social mobility charity that helps young people expand their access to career opportunities. For example, we ran our second Women's Investment Banking event to educate female university students on the career paths available to women at an investment bank like Peel Hunt. Additionally, many employees participated in career mentoring workshops at local schools this year.

Our Diversity, Equity and Inclusion Forum and employee-led networks continue to help our people stay connected with one another, sharing resources and hosting events. For example, our Connect Women network organised several lunch and learn sessions with internal and external speakers who shared their career journeys and offered valuable insights.

To keep supporting and developing women at Peel Hunt, we have also introduced personalised, one-on-one coaching sessions for those seeking career guidance and development.

Continuing to engage with our employees

While we've made good strategic progress, it's been another challenging year for our people. So it's more important than ever that we hear from them and demonstrate tangible action in response to their feedback.

We've continued to evolve our employee engagement programme this year to include a new shorter 'pulse' survey. We ran the pulse survey in November 2024 and were pleased, once again, that so many of our people participated, with 77% taking part (FY24: 76%). As part of the survey, we asked several questions on topics that had scored lower than we would have liked in our last full employee engagement survey. These covered the role of senior leaders in keeping people informed about the business, opportunities for people to develop skills and recognising great work. We saw a modest improvement across these areas and will aim to run our next full employee engagement survey later in FY26.

Our senior leaders play a key role in explaining how we're responding to feedback. For example, our Chief Executive Steven Fine shares quarterly, in-person progress updates.

Meanwhile, three of our five Non-Executive Directors took part in our new employee engagement breakfast sessions in FY25. These are a great opportunity for the Directors to hear our people's views for themselves and a chance to discuss important topics, such as our culture and how to attract and retain more women to the firm. We are now developing an action plan to address some of the feedback from these sessions, which we will implement in the coming year.

Our FY25 community support in numbers

160
volunteers

726
hours volunteered

56.3%
of total team who volunteered

33
activities supported

Supporting our communities

Our head office is located in one of the world's leading financial centres, but it's also near an area of great social inequality. Through our community and education programmes, which support social mobility organisations like The Brokerage and Village Network, we aim to help break down barriers for young people facing that inequality. We encourage our employees to use their annual volunteering days to participate in events organised by the firm.

We share more community stories on our website

A maturing approach to managing our footprint

We are committed to lowering our impact on the world, and took important steps this year to help meet the first of our two carbon reduction targets – to become carbon neutral by December 2025.

On track to meet our December target

There is, rightly, a lot of public scrutiny around carbon offsetting, so we've taken considerable care to research and identify a shortlist of reputable projects to help us meet our carbon neutral target. In April 2025, following a review by our ESG Committee, we purchased 'gold standard'[1] carbon credits, equivalent to our FY24 emissions number, in the Ceará renewable energy project. The project involves using a combination of agricultural and industrial residue for energy and reforestation in Brazil. Once we publish our FY25 emissions figure, we will purchase further carbon credits as needed to ensure we are carbon neutral, in line with our stated emissions figure by December 2025.

A new, more energy-efficient New York office

As a small firm there is a limit to what we can do to reduce our footprint. However, in line with our carbon reduction plan, first published in December 2023 setting out how we intend to achieve our targets, and how we'll measure and report on our progress, what we can do is choose offices that are located in highly efficient buildings.

Our ESOS action plan

This year we developed our Energy Savings Opportunity Scheme (ESOS) action plan, in line with UK government requirements for businesses to assess and reduce their energy use. Given our energy-efficient building in London, we are limited in the scope of our ESOS action plan; however we have chosen projects where we believe we can have an impact.

This makes good business sense, since more efficient buildings are less costly to run.

In December 2024, we moved into a smaller, more energy-efficient office in New York. Of particular interest in relation to our carbon emissions is that this new office has been rated 'A' by NYC Energy rating standards, which is the highest available score, and equivalent to an 'excellent' BREEAM rating in the UK. Our UK headquarters in London hold this rating.

Where we can, we also work with our landlords to improve our buildings' efficiency still further. For example, we're working with our landlord and other tenants with the aim of optimising the electricity voltage supplied to our London headquarters. This work is ongoing but we expect the project to save both costs and carbon emissions. Some of these measures are included in our Energy Savings Opportunity Scheme (ESOS) action plan (see box above).

Our path to net zero by 2040

2020 – Starting point
We started measuring our footprint by partnering with a specialist consultancy

2021 – SECR and ESOS
We reported Scope 1 and Scope 2 emissions under SECR and ESOS guidelines

2021 – Scope 3 mapping
We started measuring five Scope 3 emissions categories for our FY21 SECR reporting

2022 – Carbon-neutral building
We moved into a new carbon-neutral building in 2021 – one of the top sustainable offices in the UK

2022 – Set targets
We initiated work to set our carbon-neutral and net zero targets

2023 – Total footprint
We finished mapping all of our Scope 3 emissions, including our supply chain

2023 – Carbon reduction plan
We published our first carbon reduction plan

2024 – New York office
We moved into a smaller, more energy-efficient office space in New York in December 2024

2025 – Carbon reduction target
Carbon neutral by December 2025

2030 – Reducing short-haul air travel
We expect our train-first policy to help us reduce the emissions associated with short-haul air travel by 50%, rising to 70% by 2040

2035 – Electric vehicles
We expect to see more of our people participate in our electric vehicle scheme

2040 – Carbon reduction target
Net zero

1. The Gold Standard is an independent crediting programme developed by the World Wildlife Fund, HELIO International, and SouthSouthNorth. It focuses on crediting projects that provide lasting social, economic and environmental benefits, evidenced by contributing to at least three UN Sustainable Development Goals, including climate action.

Tackling travel emissions

Some aspects of our footprint are harder to tackle, notably emissions from business travel and commuting. Face-to-face meetings are essential for our client relationships and we can influence, but not control, our employees' commute to work. This year, our employees' commuting footprint increased, as a result of the changes in our hybrid working policy, which was largely offset by the higher energy efficiency of our offices versus working people from home.

We are continuing to explore ways to lower our travel-related emissions, including an ongoing review of our travel policy. Train travel remains the default option for UK journeys and we offer employees an electric and hybrid car salary sacrifice scheme alongside a cycle to work scheme.

Our performance in FY25

Our carbon intensity ratio is our key measure of performance, helping us manage our carbon footprint as we grow the business. This year, our overall carbon intensity ratio was 3,090.6 kgCO_2e per employee (FY24: 2,614 kgCO_2e).

The largest increase in our emissions is capital goods, which increased by 124 tCO_2e to 150 tCO_2e (FY24: 26 tCO_2e). This was due to increased necessary expenditure on leasehold improvements and computer hardware purchases during the year.

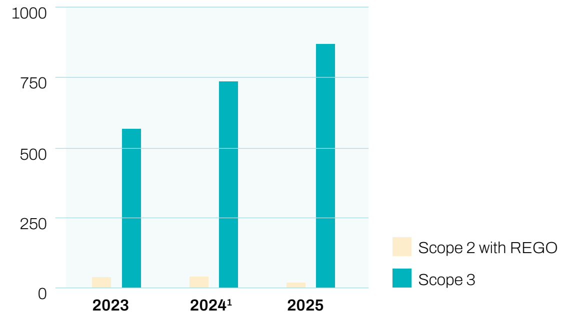
Meanwhile, the quality of our Scope 3 emissions data is improving all the time as we develop stronger relationships with our suppliers. As that data becomes more accurate we expect it to have an impact on our carbon footprint.

Better quality data means we can take more specific action. For example, our London caterers can now trace the exact carbon footprint of each meal, helping us make more sustainable food choices.

We have updated our carbon reduction plan and will continue to refine our Scope 3 data. For this reason, we will continue to review options to submit our carbon reduction plan for accreditation by the Science Based Targets initiative (SBTi) once we are comfortable with our Scope 3 data collection methodologies.

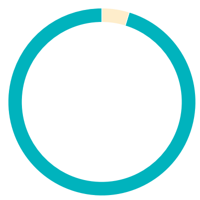
We will complete our work to meet our carbon-neutral target by December 2025, as well as delivering on progress on our ESOS action plan. We'll also keep monitoring the fast-moving regulatory landscape to ensure we meet our sustainability reporting requirements.

Carbon emissions (tCO_2e)
From FY23 to FY25



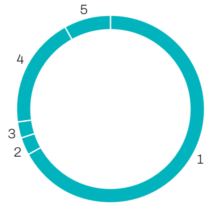
1 Our baseline year.

Our total carbon footprint – baseline year 2024 (tCO_2e)



Scope 1 Direct emissions from gas burned for heating in our offices.
Scope 2 Indirect emissions from the energy we buy.
Scope 3 Indirect emissions, excluding those in Scope 2, which occur in the business's value chain. Percentages are quoted as a proportion of total Scope 3, rather than total carbon emissions. This excludes financed emissions.

Scope 3 breakdown – baseline year 2024 (%)



Find our carbon reduction plan on our website

> "The work we've done in FY25 means that we're on track to become carbon neutral against our stated emissions by December 2025."

Richard Brearley Non-Executive Director and Chair of ESG Committee

GHG emissions disclosure, Scopes 1 to 3[1,2,3]

Section	GHG emissions/tCO_2e			
Gross operational GHG emissions	FY23	FY24 (baseline)	FY25	% change baseline/ FY25
Scope 1 emissions				
Natural gas	0	0	0	0
Scope 2 emissions[4]				
Electricity	173	175	143	(18)
Electricity with REGO[5]	21	28	16	(43)
Steam	18	10	0	(100)
Total Scope 2 emissions	*191*	*185*	*143*	*(23)*
Total Scope 2 emissions with REGO[5]	*39*	*38*	*16*	*(58)*
Scope 3 emissions[6]				
Purchased goods and services	111	19	27	42
Capital goods	124	26	150	477
Fuel and energy-related activities	66	57	48	(16)
Deliveries (upstream)	1	n/a[7]	n/a[7]	n/a
Waste generated in operations	0	0	1	100
Business travel	361	509	501	(2)
Commuting and home working	74	143	144	1
Total Scope 3 emissions	*737*	*754*	*871*	*13*
Total emissions	**928**	**939**	**1,014**	**7**
Total emissions with REGO	**776**	**792**	**887**	**11**

1 Covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions of Peel Hunt Limited and its subsidiaries. Scope 3 emissions not included in SECR calculation.
2 The following items are excluded from the above table as they have zero emissions for our business: upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises and investments.
3 Figures presented contain estimates and proxies.
4 Scope 2 is reported on a market-based approach.
5 The Renewable Energy Guarantees of Origin (REGO) scheme.
6 Excludes investment category.
7 Data unavailable for FY24 and FY25.

Energy use by type[1] (kWh)

	FY23	FY24 (baseline)	FY25
Electricity (UK)	787,593	711,928	615,556
Electricity (US)	149,988	132,958	75,128
Steam (UK)	112,380	50,293	n/a
Gas (UK)	n/a	n/a	n/a
Transport (UK)	n/a	n/a	n/a
Total	**1,049,961**	**895,179**	**690,684**

1 Electricity is the only energy we use in our US operations. Our office in Copenhagen is serviced, so energy data is not available.

Risk report

Strong risk management is fundamental to our resilience. Once again, our strong governance structure and the experience of our people has helped us proactively manage our risks as we continue to navigate the challenging macroeconomic environment.

Chief Risk Officer's review

David Curran, our Chief Risk Officer, discusses the role of risk management during the year.

This year has been one of continuing to operate our business in a controlled and responsible manner, capitalising on opportunities as they arise, and giving strong consideration to the strategic challenges we and UK financial markets face.

Uncertainty and disruption have remained key themes in FY25. High profile events such as the CrowdStrike incident, or the ECB outage, provide reminders that the unexpected will occur, and not all risks can be prevented. While we were not affected directly by these events, being ready to respond is of paramount importance. During the year, we implemented the EU Digital Operational Resilience Act (DORA), to supplement our previous work on the FCA Operational Resilience regime.

Continued developments in generative AI have presented both opportunities and challenges. Its dual use nature means finding ways to explore and leverage new tools to benefit us, while also identifying how the same could be used by malicious actors for their own gain. We have provided guidance to employees through our Ethical Use of AI Policy and ongoing cyber awareness sessions, while making use of both standard, off-the-shelf tools and exploring internally developed applications.

Retaining key people has continued to be a focus in an increasingly competitive market for talent. However, our brand, profile and positioning not only mean that we have been able to retain key people but also attract high performers to our business. We recognise that the motivation, support and wellbeing of our people are paramount and we have continued to take steps to promote these in the challenging environment in which we are operating.

We have also continued to ensure we consider sustainability in our processes by enhancing third-party due diligence, forging a closer working relationship between our Risk and ESG Committees, and the continued functioning of our Social, Environmental, Ethical and Reputational (SEER) Committee.

"We have continued to operate our business in a controlled and responsible manner."

Forward-looking risks

In the coming year, I expect us to focus on the following areas:

Diversification

Following the anniversary of the launch of our European office, we will work to support an efficient, proportionate and compliant expansion of our geographic footprint into the Middle East. Alongside this, we will also work to support the business in new initiatives and opportunities to diversify across the Group.

Fiscal and prudential discipline

Recognising the continuation of a difficult environment, efficient use of our financial resources will remain high on the agenda. This will help ensure that we remain well-placed to take advantage of specific opportunities as they arise, and any upturn in UK capital markets activity.

Competitiveness and growth agenda

Working with key internal and external stakeholders, we will help develop and support initiatives to drive the competitiveness and growth of Peel Hunt. This will include keeping abreast of local regulatory changes, and fostering the same competitiveness and growth mentality internally.

David Curran Chief Risk Officer

Our approach to risk

Effective risk management is about establishing a robust governance framework, reinforced by clear procedures and engagement from everyone at Peel Hunt, making strong risk management practices a part of our culture.

Risk governance

The governance of risk is central to ensuring that we consider and manage the objectives of our different stakeholders. For governance and regulatory reasons, we operate committees at both the AIM-listed company level and on behalf of the regulated entities within the Group. The Risk Committee is responsible for implementing and overseeing the Board-approved risk appetite, reviewing and recommending the risk management framework, reviewing and challenging risk management information, and overseeing and advising on embedding and maintaining a positive risk management culture.

Risk appetite

Our risk appetite is the level of risk we're willing to accept in our day-to-day operations, and we define it in a set of risk appetite statements for each risk type, supported by quantitative metrics. Where risks exceed or are expected to exceed pre-defined levels, we escalate and take appropriate action to reduce risk to an acceptable level. Our risk appetite statements are reviewed and approved at least once a year by the Risk Committees, the Board and any relevant local subsidiary boards.

Risk identification and management

We identify our risks through top-down and bottom-up processes, and assess the likelihood and impact of each risk, considering financial, regulatory, reputational and other external factors. We consider climate-related risks in the same way, within our risk and control self-assessment and ICARA processes. We manage risks with controls to reduce the likelihood of a risk occurring, and its potential impact, and monitor risks to ensure that our controls are operating effectively and remain within acceptable levels.

The three lines model

Our risk management processes, policies and procedures are embedded in our culture and working practices. These form a model based on three lines:

- The **'first line'** is our different business areas or support functions. Their management teams identify, assess, manage and report on any risks in their areas
- The **'second line'** is our Risk and Compliance teams, which review and challenge the risk assessments, monitor and test applicable controls, and provide assurance of the first line's management of risk
- The **'third line'** is our independent Internal Audit function, which provides assurance on our risk management framework and internal control environment.

Risk and compliance culture

Our proactive culture of risk and compliance benefits our business, our stakeholders and the markets. We foster this in different ways:

- Clear roles and responsibilities, through role descriptions, senior manager statements of responsibility and first-line risk ownership
- Clear tone from the top, leading by example, so we have an environment that ensures risks are identified and considered in the right way
- Encouraging our people to speak up and challenge the status quo, to ensure we balance risk and reward in all business decisions
- Aligning individual objectives and remuneration with sound conduct and effective risk management
- Group-wide training to ensure that we're all aware of our part in managing risks.

Principal risks and uncertainties

Our principal risks are those that might prevent us from achieving our goal of long-term, sustainable growth or could negatively affect our future performance, prospects or reputation. This year, our principal risks remain unchanged, and we have continued our work to ensure that these remain well-managed.

	Risk	Description	Mitigation	Update for the year
FINANCIAL RISKS	**Capital**	There is a risk that we don't retain sufficient capital resources to meet our ongoing business and regulatory obligations.	We are prudent and proactive in our capital management, ensuring that we always hold capital in excess of local regulatory requirements. We regularly test our capital positions in stressed scenarios.	We have continued to operate with a substantial surplus to capital requirements.
	Liquidity	There is a risk that we are unable to meet our financial liabilities as they fall due.	We maintain a prudent level of liquidity and funding to meet our normal business activity and local regulatory requirements. We regularly test to ensure we have sufficient liquidity in stressed scenarios.	We have continued to manage our liquidity actively, making use of more efficient funding and hedging facilities.
	Market	There is a risk of losses on financial instruments arising from movements in market prices.	We manage our trading activities in a balanced and well-disciplined way. We maintain a diversified portfolio and, where appropriate, hedge exposures. We monitor multi-level limits and regularly test our positions in stressed scenarios.	We have continued to operate within trading limits, taking advantage of specific opportunities as they arise.
	Credit	There is a risk of financial loss from a counterparty failing to discharge its financial obligations.	We monitor our exposures against limits on trading counterparties, investment banking underwriting and delivery versus payment settlement. We regularly test our exposures against stressed scenarios.	We have continued to focus on maintaining relationships with reputable, high credit quality institutions, limiting exposure to higher risk counterparties.

	Risk	Description	Mitigation	Update for the year
NON-FINANCIAL RISKS	**Regulatory and conduct**	There is a risk of loss due to a failure to take appropriate measures to meet regulatory requirements, including the risk of loss due to actions or behaviours resulting in detrimental client outcomes or undermining the integrity of financial markets.	We maintain high standards of regulatory compliance and conduct and review and monitor our regulatory and conduct risks regularly. We have robust policies and procedures and raise our people's awareness through ongoing training. We regularly scan the horizon to identify regulatory changes and we maintain an open dialogue with our regulators.	We have maintained a positive dialogue with our regulators this year, and taken a number of steps to maintain and enhance our regulatory compliance framework.
	Operational	There is a risk of loss due to a failure of internal processes, people or systems, or external events.	We have a robust operational risk management approach, including strong governance and escalation of risks and issues. We also employ scenario analysis and stress tests on significant operational risks.	We have continued to take steps to promote understanding and positive risk culture. We have also further expanded our operational risk scenarios to reflect changes in the external environment.
	Business and strategic	There is a risk of loss due to identifying and pursuing a strategy that is poorly defined, is based on flawed or inaccurate data, or fails to support the delivery of commitments, plans or objectives due to a changing external environment.	We have a clear strategy, which has been communicated across the Group, and is a critical factor in all our decision-making. We scan the external environment for changes that may have a negative financial impact on our business or ability to implement our strategy.	We have continued to maintain our strategy, making progress against our priorities. We have also remained a vocal participant in the drive to reinvigorate UK financial services.

Governance

Our governance framework, policies and processes help everyone at Peel Hunt to embody one of our key values – “doing the right thing”. We keep them under constant review to ensure they remain clear, simple and fit for purpose. That includes helping us meet our regulatory obligations.

Letter from our Chair, Lucinda Riches

"This year we have fully implemented the recommendations of the first external effectiveness review of the Board and its committees, and we have developed enhanced business KPIs to enable better oversight of our business and the key strategic goals."

Our robust governance framework has provided stability and support for the executive team as they guide the business and our clients through the prolonged period of challenging markets.

New QCA Code 2023

Since 1 April 2024, Peel Hunt has been subject to the updated Quoted Companies Alliance Code 2023 (QCA Code). A gap analysis was carried out comparing our governance framework with the new requirements of the QCA Code, and I am pleased to confirm the analysis highlighted no material gaps, indicating our focus on good corporate governance. We have benefitted from our robust governance framework and existing processes and the transition to compliance with the new QCA Code has been smooth. The disclosures across this year's Annual Report have been updated to reflect the new QCA Code, and there are further details on how we apply the QCA Code on pages 46 to 51.

Board and committee effectiveness

Last year we conducted the first external review of the effectiveness of the Board and its committees, which confirmed that, overall, the Board and its committees are balanced and functioning well. The report offered several recommendations for enhancing effectiveness, which have been implemented during FY25. These included changes to the Executive Board and Management Committee to streamline decision-making, a greater focus on succession planning, and the development of enhanced business key performance indicators (KPIs) to aid the oversight of progress towards attainment of our strategic objectives (which are discussed in more detail below).

This year, the Nomination Committee once again oversaw the internal Board evaluation process, which showed further improvement across many areas from the previous internal review and did not highlight any material points of concern. The process and conclusions are discussed in detail in the Nomination Committee report on pages 62 to 63.

Oversight of strategic progress

A key enhancement this year has been further development of detailed business KPIs and management information that are linked to each strategic pillar and that complement the high-level Group KPIs. The Board has benefitted from this improved approach to management reporting, which highlights the progress, but also the challenges, in delivering the strategy.

The Board's main areas of focus for FY25 have been maintaining operating discipline and ensuring that strategic progress and growth are pursued in a measured manner. Regular reporting through Audit Committee and Board meetings has allowed us to support, and where necessary challenge, the management team as they manage costs through the current environment.

Stakeholder feedback

It has always been a priority for the Board to ensure we engage effectively with our key stakeholders so that we can, where appropriate, incorporate their feedback and suggestions into our decision-making.

We believe that it is particularly important to engage with our clients during these difficult markets, in order to ensure we continue to provide products and service levels that they value. We have therefore focused on how we can more effectively collect client feedback, and the Board looks forward to seeing the outcomes of this enhanced client engagement during FY26.

Our people are the heart of our business, and as a Board, we are mindful of setting the tone from the top in maintaining a culture that allows us to retain key talent. We currently gain valuable insight through our annual employee engagement and regular pulse surveys. In addition, this year we have implemented a Non-Executive Director employee engagement programme, overseen by Maria Bentley, our Senior Independent Director. Groups of employees meet with two of the Non-Executive Directors on a quarterly basis to discuss a range of topics, and material feedback is reported back to the Board to agree necessary actions.

Maria and I, and separately our Executive Directors, were pleased to meet with shareholders again this year. Overall, our shareholders remain supportive and understanding of the challenges posed by the broader market conditions and refer positively to Peel Hunt's efforts on market reform.

More information on how we have engaged with all our key stakeholders during FY25 is on pages 57 to 58.

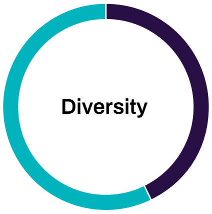
Board priorities for FY26

In FY26, in line with the announcement made in May 2025 regarding changes in Board composition, I am looking forward to working with new colleagues on the Peel Hunt Board. The Board's main priority for FY26 will be oversight and development of the strategy, including taking the decisions necessary to support the growth and ongoing diversification of the business. To do this, we will ensure that the governance framework continues to evolve and provide the requisite support for, and challenge to, the executive team. In addition, we will continue to provide oversight and guidance on balancing cost management with the investment needed to deliver our long-term strategic ambitions and build on our existing market share.

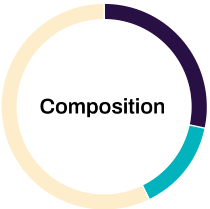
Lucinda Riches Chair
13 June 2025

Our Directors

We have a strong Board with the breadth, depth and diversity of skills and experience needed to guide Peel Hunt as an AIM-listed company.



- Women **3**
- Men **4**



- Executive Directors **2**
- Non-Executive Directors **1**
- Independent Non-Executive Directors **4**

Changes to the Board announced 14 May 2025

Sunil Dhall will not stand for re-election at the 2025 AGM. Michael Lee and Billy Neve will stand for election at the 2025 AGM, subject to regulatory approval. Biographies of Michael Lee and Billy Neve can be found in the Notice of Meeting of the 2025 AGM at peelhunt.com.

Lucinda Riches CBE

Independent Non-Executive Chair

Lucinda Riches is the independent Non-Executive Chair of Peel Hunt. Lucinda joined the Board as Deputy Chair and Senior Independent Director (SID) in September 2021 and assumed the role of Chair following our AGM in 2022. Lucinda is also currently an independent non-executive director at Kingfisher plc and will become senior independent director and chair of remuneration later in 2025. She is also an independent non-executive director and chair of remuneration at Ashtead Group plc, independent non-executive chair of Greencoat UK Wind plc and a non-executive director of LGT Capital Partners Group Holding Ltd. Prior to becoming a non-executive director, Lucinda had a career in investment banking at UBS where she was Global Head of Equity Capital Markets and a member of the board of UBS Investment Bank. Her previous non-executive director roles include CRH plc, ICG Enterprise Trust plc, the British Standards Institution, Diverse Income Trust plc and UK Financial Investments Ltd. Lucinda's deep understanding of our industry means that she is able to provide invaluable advice on our strategic objectives.

Committees

Nomination (Chair)

Steven Fine

Chief Executive Officer (CEO)

Steven Fine is the Chief Executive Officer of Peel Hunt. He joined the business in 2006 and led the management and staff buy-out from KBC Bank in 2010. Prior to that he was a founder member of D. E. Shaw Securities International, which later became the core of KBC Financial Products. At KBC he managed the Japanese and Asian equity, convertible and derivatives operations in Tokyo. Steven is Deputy Chair of the FCA Markets Practitioner Panel whose key remit is to represent the interests of financial markets participants and to provide input to the FCA. He is also a non-executive director for the Quoted Companies Alliance, a membership organisation that champions the interests of medium- and small-sized quoted companies. He has been a judge for the Non-Executive Director Awards for over 15 years. Steven has an accountancy degree and also holds a certificate in corporate governance from INSEAD.

Committees

ESG (Member)

Sunil Dhall

Chief Financial & Operating Officer (CFOO)

Sunil has been Chief Financial & Operating Officer of Peel Hunt since January 2010. Prior to this he was Global Head of Operational Risk at KBC Financial Products (KBCFP). He had a number of senior roles at KBCFP, including Credit Structurer for the Credit Products team and Head of Special Projects. Earlier in his career, Sunil was an internal audit manager at Credit Suisse and an external auditor at Arthur Andersen. Sunil is also the Co-Chair of the UK Equity Markets Association, an association of investment banks with a unique focus on promoting vibrant and healthy equity markets for SMEs. Sunil is a chartered accountant with a degree in Engineering, Economics and Management from Keble College, University of Oxford.

Sunil will cease to be a member of the Board, effective 3 July 2025, in line with our announcement on 14 May 2025.

Committees

ESG (Member)

Maria Bentley

Independent Non-Executive and Senior Independent Director

Maria joined the Board of Peel Hunt as a Non-Executive Director in April 2022 and was appointed as Remuneration Committee Chair in August 2022 and SID in May 2023. Maria is responsible for our Non-Executive Director employee engagement programme. Maria has over 40 years' experience in financial services covering credit analysis, fixed income sales and human resources (HR). She was Global Head of HR for Equities and Fixed Income at Goldman Sachs, Global Head of HR for UBS Investment Bank and Global Head of HR for Wholesale at Nomura International. She is also currently chair of the board and chair of the nomination committee at Daiwa Capital Markets Europe Limited and an independent non-executive director and chair of the HR committee at RBC Global Asset Management (UK) Limited. Maria's strong sector experience, commercial approach and understanding of remuneration practices in financial services complements the range of skills of our other Directors.

Committees

Remuneration (Chair)
Audit, ESG, Nomination and Risk (Member)

Liz Blythe

Independent Non-Executive

Liz joined the Board of Peel Hunt as an independent Non-Executive Director and Audit Committee Chair in 2020. She is also currently a non-executive director of the Car Care Plan group. From 2018 to 2020 she was also a trustee at Lhasa Limited, a global software development company. Prior to becoming a non-executive director, Liz was Chief Internal Auditor at Skipton Building Society for almost 12 years, and Finance Director of Homeloan Management Limited for 13 years. In total, Liz has over 30 years of financial services experience and is a qualified accountant, having trained at Ernst and Whinney (now Ernst & Young). Liz has a sound understanding of complex regulatory and business issues and track record of developing pragmatic solutions. Her considerable experience of internal and external audit matters is key in ensuring a sound control environment.

Committees

Audit (Chair)
ESG, Nomination, Remuneration and Risk (Member)

Richard Brearley

Independent Non-Executive

Richard joined the Board of Peel Hunt as an independent Non-Executive Director in 2020. He is also Head of Compliance at Ninety One, joining from Macquarie, where he was Regional Head of Compliance in EMEA, spanning a wide range of business areas including asset management, sales and trading and investment banking. Prior to that he was Head of Compliance and Legal at Investec plc and Investec Bank, held senior positions in the Markets Division of the Financial Services Authority and was a corporate partner at law firm Nabarro Nathanson. He was previously a non-executive director of AIM-listed electronics business Datong plc and until 2012 was a member of the executive committee of GC100 (the general counsel association for the FTSE 100). Richard's comprehensive understanding of our legal and regulatory environment means he can provide valuable guidance to the Board. He also has a wealth of experience with regulators and a deep understanding of our investment banking business.

Committees

ESG and Risk (Chair)
Audit, Nomination and Remuneration (Member)

Darren Carter

Non-Executive

Darren has been a Non-Executive Director on Peel Hunt's boards since 2004. He was Chair of Peel Hunt LLP from its buy-out from KBC in 2010 until 2016, and also from December 2018 until September 2021. Darren has over 30 years' equity markets experience working for financial services firms. He held a number of senior management positions, including Managing Director at D. E. Shaw Securities International, where he was responsible for the firm's financial products businesses in London, New York, Tokyo and Hong Kong. He was also chief executive officer of KBC Financial Products, following KBC's acquisition of D. E. Shaw Securities International in 1999. He is a non-executive director at FCA-regulated Praetura Group. Darren brings unparalleled knowledge of, and interest in, our business and the financial services industry.

Committees

Nomination (Member)

Applying the QCA code

We recognise the value and importance of a governance framework that is appropriate for our size, scale and complexity, and which serves the interests of all our stakeholders. We have adopted the new Quoted Companies Alliance (QCA) Corporate Governance Code 2023 (QCA Code) in full in FY25. Below we disclose, in broad terms, how we have complied with the QCA Code in FY25 and how the application of its principles supports our medium- to long-term success.

Statement of compliance from the Chair

The Board of Directors (the Board) of Peel Hunt Limited (the Company) believes that good corporate governance is central to achieving the objectives of the Company and its subsidiaries (together, the Group or Peel Hunt), and to supporting our stated purpose, thereby creating and delivering long-term sustainable shareholder value. The Board is committed to high standards of corporate governance and the Chair holds significant responsibility for the quality of, and approach to, corporate governance at Peel Hunt. Peel Hunt has adopted the QCA Code.

Our governance framework is aligned to the expectations of the QCA Code and is the mechanism by which we direct and steer the organisation, providing direction and managing risk to deliver sustainable value for our stakeholders (see pages 56 to 58). Disclosures required by the QCA Code are included in this Annual Report and on our website, peelhunt.com.

Principle	How we comply
PRINCIPLE 1 **Establish a strategy and business model which promote long-term value for shareholders**	Our purpose of 'guiding and nurturing people through the evolution of business' is supported by our strategy and business model, which emphasise collaborative working across our operating divisions – Investment Banking, Execution Services and Research & Distribution – described as 'joined-up banking'. Our joined-up approach creates value for our clients' businesses for the long term. We have set clear objectives required to achieve the Group's strategic priorities, supported by a suite of business KPIs and management information to enable the Board to assess progress and challenges in pursuit of the objectives and therefore the strategic priorities.
Further information	Strategic report on pages 1 to 37. Principal risks and uncertainties on pages 36 to 37.

Principle	How we comply
PRINCIPLE 2 **Promote a corporate culture that is based on ethical values and behaviours**	We strive for the highest ethical and professional standards. This is supported by our internal culture, which is driven by our purpose and supports our strategy and business model. Our culture is also shaped by our four values: encourage greatness, empower each other, only accept excellence and do the right thing. The Board aims to set the tone from the top by ensuring its conduct is in the best interests of the Group. There are a number of policies, procedures and controls in place, such as the terms of reference for Board committees, the requirement for regular disclosure of outside business interests and the Company's share dealing policy, all of which require high standards of behaviour. Within this framework, the Board (including via its committees) approves the key employee-related and compliance policies that set the conduct expectations for all our people and assist in embedding a culture of ethical and appropriate behaviour. Through its own behaviour and decision-making, our senior management team actively promotes our culture and values, which inform the manner in which our people should set about achieving the Group's objectives. We also ensure that our culture and values are embedded in our recruitment and nominations processes and our comprehensive training programme for all employees. As mentioned in Principle 9, our approach to remuneration reinforces the desired collaborative corporate culture. The Board assesses and monitors corporate culture through regular management reporting, assessing the results of the annual employee engagement survey, meeting employees through the Non-Executive Director employee engagement programme and attendance at social events.
Further information	Our people on pages 27 to 28.
PRINCIPLE 3 **Seek to understand and meet shareholder needs and expectations**	We continue to look for ways of increasing our engagement with shareholders, as we recognise that such engagement is fundamental to building lasting relationships with them. We keep our shareholders updated on Company performance and news through regulatory information services, annual and half-yearly financial results and periodic trading and market updates. Our Annual Report includes reporting of our environmental and social matters to meet the needs and expectations of our investors. Maintaining our relationships with shareholders is essential, and our CEO, CFOO, Chair and SID meet regularly with shareholders to hear their views. Feedback from these meetings is provided to the Board, which enables the Board to consider shareholders' interests and take any necessary actions arising from the feedback. The Non-Executive Directors are also provided with any reports and feedback issued by analysts to support their understanding of how the investment community views Peel Hunt.
Further information	Chair's statement in the Governance report on pages 40 to 41. ESG Committee report on pages 72 to 74.Environment on pages 29 to 31.

Principle	How we comply
PRINCIPLE 4 **Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success**	While the Company is Guernsey registered, our purpose aligns with section 172 of the UK Companies Act 2006, which requires directors to promote the long-term success of the Company for the benefit of our members and other key stakeholders. The Board seeks regular feedback from all key stakeholders, in particular clients, people, shareholders and regulators, to ensure stakeholders' views can be factored into key decisions. Below we explain in broad terms how the Company engages with our various stakeholders and the actions generated as a result of that engagement. Just as we meet with and update our shareholders (see Principle 3), we communicate with all our stakeholders through digital media, including podcasts and video updates, social media, and via our website peelhunt.com. The results of the annual employee engagement survey, and more frequent employee 'pulse' surveys, are reported to the Board and senior management. This feedback is used to make sure our long-term strategy is aligned with their interests, and that behaviours across our business are aligned with our purpose and values. In addition, this year we have implemented a programme of meetings to facilitate direct engagement between Non-Executive Directors and employees. This is overseen by our Senior Independent Director, Maria Bentley, and material points raised at these meetings are reported to the Board. Our client-facing business teams have regular relationship meetings with our clients and the CEO includes material client feedback in his regular CEO reports to keep the Board updated. This year we have introduced a more systematic approach to collecting and reporting institutional client feedback, to better understand what they need from Peel Hunt and what we can do to improve the services we provide to them. We have open, transparent and cooperative relationships with regulators, including the Financial Conduct Authority, the Danish Financial Supervisory Authority, the London Stock Exchange (including AIM Regulation), the Takeover Panel, and the Financial Industry Regulatory Authority, to stay on top of regulatory requirements and developments. Through our group-wide procurement process, we vet key third-party suppliers at the point of engagement and review their ongoing performance. Our responsible procurement practices are designed to support ethical standards across our supply chains. The Board reviews and approves the Modern Slavery Statement annually, which is available on our website. We continue to develop our approach to sustainability issues and environmental, social and governance (ESG) issues more broadly.
Further information	Stakeholder engagement and Our work in FY25 and how we considered our stakeholders on pages 57 to 60. Our people and communities on page 27 to 28. ESG Committee report on pages 72 to 74. Environment on pages 29 to 31.

Principle	How we comply
PRINCIPLE 5 **Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**	We seek to deliver our strategy in accordance with the Group's risk appetite set by the Board, which is reviewed on at least an annual basis to confirm alignment with our business model. We work to embed our risk management processes, policies and procedures in our culture and working practices, while assessing impact on strategic objectives. We have a comprehensive internal audit programme, which reviews key risks and business areas and provides assurance through the completion of the annual internal audit plan. We operate a standard 'three lines' model: from our business and support areas in the first line; to support and oversight by our risk and compliance functions in the second line; and our internal audit function which provides independent assurance in the third line. The effectiveness of our systems of risk management and internal controls is reviewed annually and reported to the Audit Committee. The expertise across all three lines, in conjunction with the independence of second and third lines, provides a high level of assurance on risk management activities and the control environment within the Group. The group-wide Risk Framework identifies all relevant current and emerging risks to the business, including those relating to the external environment and third-party risks. All identified risks are assessed using an impact matrix and we take a proportionate view on how to manage those risks while ensuring that the risks remain within the appetite set by the Board. The Audit Committee is responsible for monitoring and considering the independence of our auditors.
Further information	**Our approach to risk on page 35. Risk Committee report on pages 69 to 71. Audit Committee report on pages 64 to 68.**
PRINCIPLE 6 **Establish and maintain the board as a well-functioning, balanced team led by the chair**	At the date of this Report, the Board comprises two Executive Directors, four Independent Non-Executive Directors and one non-independent Non-Executive Director, reflecting a range of experiences and backgrounds that helps us avoid groupthink. Of these, one is from an ethnic minority and three are women (therefore 43% of the Directors are women). Each year the Nomination Committee reviews the performance of the Board, and every third year it appoints an external adviser to carry out an effectiveness review. The annual internal review assesses the skills, knowledge, experience, independence and length of service of each individual Director, as well as the collective skillset and diversity, in order to assess the effectiveness of the Board as a whole. Consequently, we are comfortable that the Board has the experience, skills and capabilities required to adequately inform and oversee execution of the strategy and business model. The Board's committees all comprise independent Non-Executive Directors, save for the Nomination Committee of which Darren Carter is a member, and Maria Bentley is the Senior Independent Director. The Chair is responsible for the leadership of the Board, setting its agenda and ensuring that the Board discharges its role effectively and in line with good corporate governance. The Board operates formally through Board and committee meetings, as well as informally through regular communication between Directors. Directors are expected to attend all meetings of the Board and the committees on which they serve, as well as events outside formal meetings such as the AGM, training and meetings between the Non-Executive Directors, and to devote such time as is sufficient to prepare for those meetings and events. The Nomination Committee also puts succession plans for the Directors in place and keeps them under review. The overall experience and diversity of the Board is considered as part of our succession planning.
Further information	**Our Directors on pages 42 to 45. Nomination Committee report on pages 62 to 63. How the Board stays independent on page 55. Board attendance on page 55. Committee attendance in each committee report on pages 62 to 80.**

Principle	How we comply
PRINCIPLE 7 **Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities**	We have a robust governance framework, which evolves in line with the strategy and business model and in response to any risks or changes to the external environment. The Board has a good balance of relevant skills and experience. The Chair, CEO and CFOO offer significant combined investment banking experience, while our Non-Executive Directors bring extensive audit, legal, finance, risk, regulatory and remuneration expertise and public company experience. These existing skills are supplemented through regular training from our divisional heads, external professional advisers and training providers on topics identified through the annual skills review, market trends and business opportunities, and regulatory, governance and legal matters. New Directors undergo a tailored induction training programme upon appointment. Each Director is responsible for maintaining their skills and managing any other external roles and training. As discussed in Principle 6, the Nomination Committee regularly reviews the Board's experience, skills and capabilities to ensure the collective skillset enables the Board to oversee execution of the strategy and business model. It recommends any changes to the Board, although no changes were required this year. The Board is supported by the Company Secretariat, which works with executive management to ensure the Board is provided with high-quality information to support decision-making. This year we introduced a standardised format for Board papers to help with consistency of reporting. The Directors have access to the General Counsel, the Company Secretariat, our Nominated Adviser and our professional advisers for advice and counsel. In addition, in carrying out their duties, they may take independent advice at the Group's expense.
Further information	Our Directors on pages 42 to 45 and biographies on the website, peelhunt.com.
PRINCIPLE 8 **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**	The Nomination Committee is responsible for overseeing the evaluation of Board performance. Each year it evaluates the performance of the Board, its committees, individual Directors and the Chair, with an externally conducted Board effectiveness review every three years. Succession planning falls within the terms of reference of the Nomination Committee and is discussed by the Board periodically. Succession planning has been a key focus during this financial year; changes were made to front office leadership and management worked with internal succession candidates to create individual career development plans. In addition, the Nomination Committee assessed plans for the orderly succession of the Board.
Further information	Nomination Committee report on pages 62 to 63.

Principle	How we comply
PRINCIPLE 9 **Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**	Our Remuneration and Risk Adjustment Policy seeks to promote sound and effective risk management and behaviour, ensuring that performance and remuneration outcomes take into account all current and future risks within the context of the purpose and business strategy and the risk appetite set by the Board. Linking remuneration with behaviour and conduct promotes the desired behaviours and decision-making and helps ensure employees adhere to our core values, thereby reinforcing our collaborative corporate culture. Senior management remuneration is set out clearly in the Remuneration and Risk Adjustment Policy. Executive Directors and senior managers are awarded shares under the Group's share plans, which fosters alignment with shareholders. The Remuneration Committee consults other committees, including the Risk Committee, when determining annual remuneration to ensure undue risk-taking behaviour is not rewarded. Our Remuneration report is put to an annual vote.
Further information	Remuneration Committee report on pages 75 to 80.
PRINCIPLE 10 **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders**	Our website, peelhunt.com, is regularly updated with information about our activities and performance, including financial reports, information about our AGM, our financial calendar and dividend details, policies, governance structure and terms of reference. This information is available to all stakeholders. We review this information every six months, which is in accordance with Rule 26 of the AIM Rules for Companies. The Board has ensured that our corporate disclosures are appropriate to meet the reporting needs of investors by ensuring that disclosures within our Annual Report comply with all applicable regulations and outline how we comply with the QCA Code. We also voluntarily comply with certain sustainability reporting standards. We communicate regularly and directly with our people, shareholders, clients, regulators and suppliers, as we have outlined in Principles 3 and 4, and are looking forward to welcoming shareholders to our AGM in July 2025, the results of which we will disclose shortly thereafter.
Further information	Stakeholder engagement and Our work in FY25 and how we considered our stakeholders on pages 57 to 60.

How we are governed

In this part of the report, we explain how our Board and its committees oversee the Group's activities.

The Board is the ultimate decision-making body of the Group. To discharge its role in setting strategy, providing oversight and ensuring delivery of long-term sustainable value, its relationships with other Group company boards are critical. The Board provides robust oversight and challenge to the Group boards to enable them to fulfil their roles in implementing business strategy, managing the day-to-day activities of the Group and providing effective reporting to the Board. The Board and its committees also oversee assurance activities across the Group.

The Board provides oversight over the Group as a whole, including the main operating entity Peel Hunt LLP. The Board receives regular reports from the Group's other trading subsidiaries, including from the international subsidiary boards who carefully monitor local requirements for any subsidiary outside the UK.

For regulatory reasons, we operate committees at both the AIM-listed company level and on behalf of Peel Hunt LLP. The committee reports found later in this governance report detail the key activities of each of the committees across the Group as a whole.

Our governance framework

Board

Sets the Group's strategy and aims to ensure Peel Hunt delivers sustainable, long-term shareholder value, and value to other stakeholders.

Board committees

The roles of the Audit, ESG, Nomination, Remuneration and Risk Committees are explained further on pages 62 to 80. Our Audit and Risk Committees have a group-wide remit. The Disclosure Committee meets on an ad hoc basis as required.

Subsidiary boards

These include the Executive Board, which is the management body of Peel Hunt LLP, the International boards and other subsidiary boards. The subsidiary boards implement business strategy, manage the day-to-day activities of the trading entities of the Group and monitor and ensure compliance with local regulatory requirements.

Executive Risk Committee

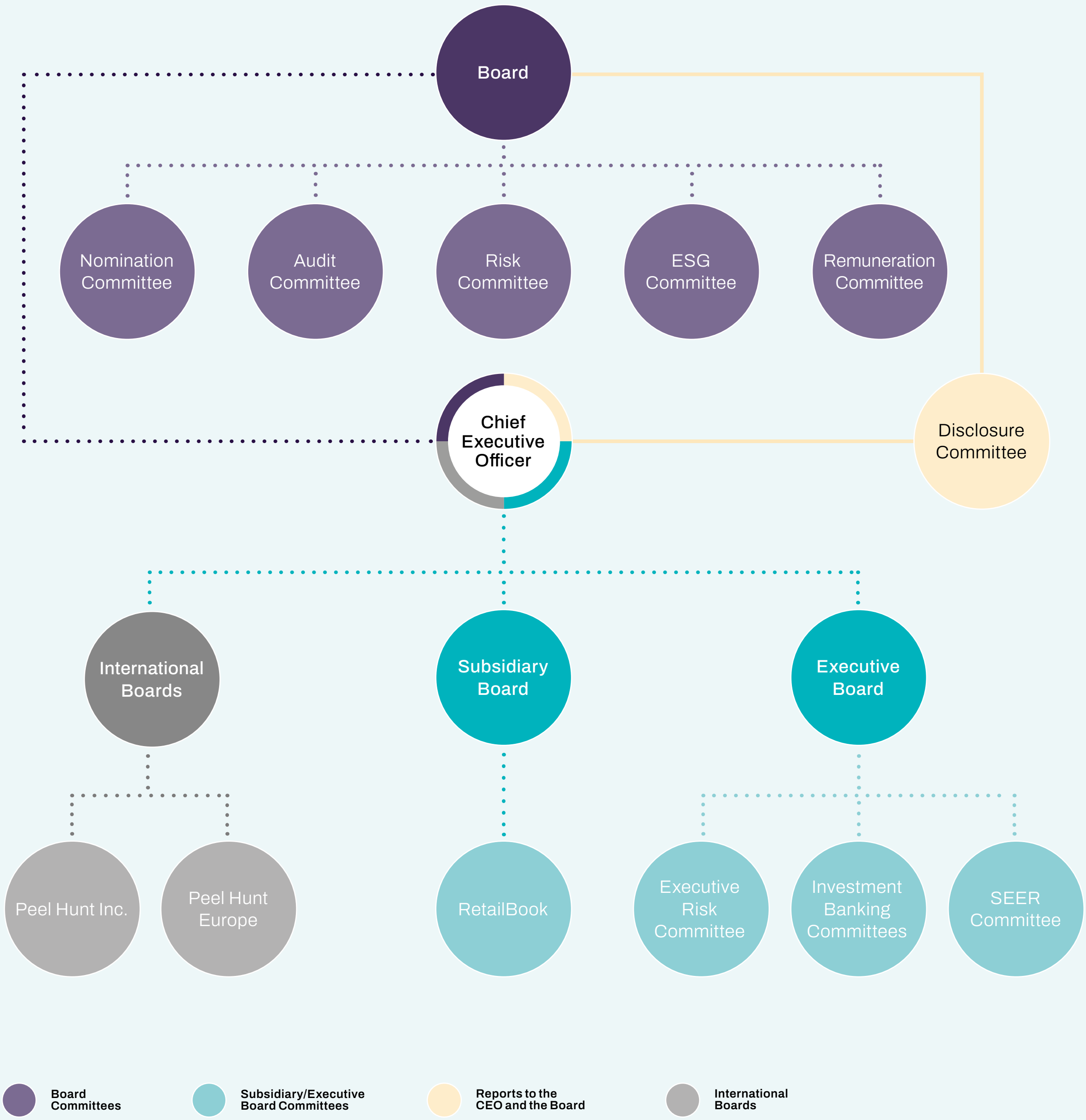
Focuses on managing and mitigating risks and implementing controls within Peel Hunt LLP, with a remit to discuss and consider group-wide risks.

Investment Banking Committees

Oversee the approval of potential new clients, new transactions and the approval of underwriting transactions.

Our governance framework – our Board and core subsidiary boards

This diagram provides an overview of the governance structure, highlighting the relationship between the Board and its committees, the core subsidiary boards and their committees.



How we are governed continued

Our division of responsibilities

The role specifications below set out the clear division of responsibility between the Executive and Non-Executive members of the Board, as well as the role of the Company Secretariat, which supports the integrity of our operations.

Non-Executive

Chair

- Leading the Board and promoting a culture of openness and constructive challenge and debate
- Setting the Board agenda and ensuring there is adequate time available for discussion of all agenda items, particularly strategic issues
- Ensuring effective engagement with the Group's stakeholders
- Ensuring the Board's effectiveness
- Ensuring the Group's corporate governance is maintained in line with good practice and internal policies

Senior Independent Director

- Providing a sounding board for the Chair
- Overseeing the evaluation of the Chair's performance
- Serving as an intermediary for the other Directors, when necessary

Non-Executive Directors

- Constructively challenging and assisting in the development of strategy
- Scrutinising, measuring and reviewing the performance of Executive Directors and management
- Providing independent insight and support based on relevant experience
- Serving on or chairing various Board committees

Executive

Chief Executive Officer

- Providing clear and visible leadership
- Proposing and directing the execution of strategy set by the Board through leadership of the Executive Board
- Responsible for the overall operational business and functions
- Keeping the Chair and the Board appraised of key issues facing the Group
- Ensuring that the Group's business is conducted with the highest standards of integrity, in keeping with Peel Hunt's purpose, values and culture
- Managing the Group's risk profile and ensuring actions are compliant with the Board's risk appetite
- Managing investor relations activities, including effective and ongoing communication with shareholders and other stakeholders

Chief Financial & Operating Officer

- Supporting the CEO in developing and implementing strategy
- Leading the Group's support and infrastructure functions including Finance, Technology, Operations, the COO Function and Legal & Company Secretariat
- Providing financial leadership to the Group and aligning the Group's business and financial strategy
- Responsibility for financial planning and analysis, treasury and tax functions
- Managing the capital structure of the Group
- Managing investor relations activities alongside the CEO
- Production of the Annual Report and Accounts
- Managing capital and liquidity

Company Secretariat

- Supporting the Chair in relation to compliance with Board procedures, ensuring that all Board and committee meetings are properly conducted
- Ensuring that the Directors receive appropriate information prior to meetings to enable them to make an effective contribution, and that governance requirements are considered and implemented
- Facilitating the Directors' induction programmes, assisting with ongoing professional development and considering Board and committee effectiveness with the Board and committee chairs

Putting our framework into practice

How the Board stays independent

The Nomination Committee reviews the independence of the Non-Executive Directors each year through the individual Director appraisals that are completed as part of the Board effectiveness review.

We consider four of our Non-Executive Directors – Lucinda Riches, Maria Bentley, Liz Blythe and Richard Brearley – to be independent, both when they were appointed and as at the date of this Annual Report.

Darren Carter is not considered independent as he is a significant shareholder and has been a Non-Executive Director on Peel Hunt's boards since 2004. Nonetheless he continues to make a significant and valuable contribution to the Board given his depth of industry knowledge and business experience.

You can find a list of our Directors, their biographies, and details of their committee memberships on pages 42 to 45 and on our website, peelhunt.com.

How the Board is appointed

The Nomination Committee annually reviews the Board's composition and performance and, if appropriate, recommends changes for the approval of the Board. Should Board vacancies arise, the Nomination Committee is responsible for identifying and nominating candidates to be approved by the Board.

Each Director appointed by the Board must stand for election by the shareholders at the next AGM and for re-election at each subsequent AGM.

Each Non-Executive Director is appointed for an initial term of three years and, subject to their individual Director appraisal as part of the annual Board effectiveness review, is expected to serve at least two terms. The Board may invite a Non-Executive Director to serve for longer, mindful that consideration of a Director's independence becomes even more important the longer they remain on the Board.

How the Board and committees meet

The Board operates formally through Board and committee meetings, and informally through regular contact between Directors. Directors are expected to attend all meetings of the Board and the committees on which they serve. The table below provides details of attendance at meetings of the Board during the year.

Director	Attendance
Lucinda Riches	9/9
Steven Fine	9/9
Sunil Dhall	9/9
Maria Bentley	9/9
Liz Blythe	8/9
Richard Brearley	9/9
Darren Carter	9/9

The Board agenda

The Board and its committees each have an annual agenda of matters to discuss. We review and adapt this agenda regularly to make sure all the matters reserved for the Board, as well as other key issues, are discussed at the right time. The Chair and the Company Secretariat ensure that the Board receives timely and appropriate information in relation to these matters.

As part of the business of each Board meeting, the Board discusses reports from the Executive Directors, which give details of strategic, business and financial performance and progress against the objectives the Board has set. The Board regularly has updates on operations, IT and people matters, and updates on the KPIs, all provided by senior management. The Board also receives management accounts and reports from management on financial matters, governance developments, regulatory issues, the control environment and investor relations. For further detail on Board committee key activities, see relevant committee chair reports and letters.

How we are governed continued

The Board's annual agenda deals with specific matters at appropriate intervals, including:

- Approving the business plan
- Decisions on overall strategy
- Extending activities into new business or geographic areas
- Approving major investments
- Proposing dividends

The full list of matters reserved for the Board can be found at peelhunt.com.

Managing risk

The Board is responsible for embedding a risk and control environment that supports our purpose and strategy. It sets the tone for culture and conduct across the business and oversees the Group Risk Framework.

Across the Group, we have adopted a formal risk appetite statement, which describes the level and types of risk we're willing to accept to achieve our business objectives. We review this statement regularly to make sure the business model remains consistent with this tolerance.

Under the authority from the Board, the Risk Committee oversees the identification, measurement, monitoring and management of our risks. The Risk Committee also receives regular reports from senior management across the Group about the main sources of risk and any specific concerns around risk, and about the overall risk profile of the Group. See more about the work of the Risk Committee in the report on pages 69 to 71.

The Group's risk management processes, policies and procedures are embedded in our culture and working practices and are operated through the 'three lines' model.

Our Chief Risk Officer (CRO), David Curran, is a member of the senior management team, and is responsible for establishing, maintaining and developing our risk management framework, and reporting on risk matters to the CEO, the Board and the Risk Committee. See more on our approach to risk and risk management and our internal controls in the Risk report on pages 33 to 37.

We have a whistleblowing policy in place to allow employees to report concerns around breaches of FCA regulations, failures to comply with policies and procedures, and behaviour that has or is likely to have an adverse effect on Peel Hunt's reputation or financial wellbeing. Liz Blythe, Audit Committee Chair, is the Board whistleblowing champion.

The Audit Committee has appointed a top tier professional services firm to act as our co-source provider of internal audit services, which supports the third line in the model. Our Chief of Internal Audit leads and oversees our co-source provider. See more on whistleblowing and internal audit in the Audit Committee report on page 64 to 68.

Reviewing key policies

Conducting our business with integrity is crucial to achieving our business objectives. That's why the business ensures that relevant policies are in place. In turn, we expect our people and our wider workforce, such as contractors, to uphold our high standards and adhere to the Group policies that underpin our governance structure.

The Group maintains a number of policies and procedures and routinely updates material policies through appropriate governance. In FY25, management of policies and procedures was centralised to streamline the reviewing and updating of policies by policy owners.

Our Group policies are reviewed every year or every other year, as appropriate, by subject-matter experts within Peel Hunt and where necessary by external advisers, to ensure that they remain in line with the relevant underlying laws, rules and regulations, and good practice. They are then approved by the relevant governance forum.

Stakeholder engagement

This section covers the disclosures that would be required under section 172(1) of the Companies Act 2006. Each year we conduct a mapping exercise to identify our key stakeholders, which was last conducted in March 2025 and identified employees, shareholders, clients, regulators and suppliers as our key stakeholders. Below we explain why we consider them to be an important stakeholder, how we engage with each of them and how we take them into account when making decisions.

Our employees

Why our employees are a key stakeholder

Our business depends on the talented people who work at Peel Hunt. By empowering our employees to succeed, they will be able to contribute to our long-term success and act in the best interests of our clients and other stakeholders. By fostering a diverse, inclusive and safe working environment, our people are supported, able to thrive and contribute to our success.

How we engage with our employees

- We enhanced communication of our strategy through podcasts aimed at giving all employees a better understanding of our business objectives. We continued to encourage employee engagement through CEO town hall updates, CEO videos, newsletters, communications on the intranet and on the screens around the office.
- We repeated our culture and engagement surveys this year to gather employee feedback. This year, we also launched an engagement programme for employees to provide additional feedback to our Non-Executive Directors.
- We again held regular 'lunch and learn' sessions to facilitate understanding of how each team forms part of the Peel Hunt business and contributes to our collective goals.

Read about how the Board considered the interests of our employees in its decision-making this year on pages 59 to 60.

Our shareholders

Why our shareholders are a key stakeholder

Our shareholders provide the equity capital for our business and play an important role in holding the Board and management to account. Engagement with shareholders is key to our success and our aim to create long-term sustainable shareholder value.

How we engage with our shareholders

- We prioritise regular dialogue with our shareholders to offer objective information about our strategic priorities and performance, and to discuss how we're delivering our strategy and driving future growth.
- We consider the many existing channels through which we engage with our shareholders, from meetings with the Executive Directors, and our Chair and SID, to regulatory news service announcements, roadshows, our website and at our AGM, to be effective and so have not made any changes this year.
- The Board receives an update on shareholder engagement on a regular basis and this feedback assists the Board in considering shareholders' interests as part of its decision-making.

Our clients

Why our clients are a key stakeholder

Our business depends on working together with clients to create value.

By engaging regularly with our clients, we can better understand their needs and see how we can best serve them. This enables us to maintain the partnership ethos which has been a key component of our culture.

How we engage with our clients

- This year we have enhanced the ways in which we gather feedback from our institutional clients to ensure that we understand how we can provide services that best meet their needs.
- We continue to engage with clients through the many existing channels, from emails, calls and digital channels, to conferences and meetings, social and special events, and relationship reviews.
- Our processes to support the continued delivery of good customer outcomes are in line with our regulatory requirements.

How we are governed continued

Our regulators

Why our regulators are a key stakeholder	How we engage with our regulators
The Group works in a highly regulated environment and we operate to a high ethical and professional standard, supported by our strong internal culture. We consider that it is key to have positive and constructive relationships with our regulators.	• We operate an open, transparent and cooperative relationship with the Group's regulators, including the FCA, the Danish FSA, the LSE (including AIM Regulation), the Takeover Panel, FINRA and more recently the FRSA in Abu Dhabi Global Market. Working with regulators provides us with insight into upcoming regulatory trends and developments and supports our compliance with regulatory requirements. • Throughout our business we ensure compliance with applicable regulations in the way we conduct business and in the decisions we make. The Board is kept apprised of material communications with our regulators, through regular reports from the Chief Risk Officer and the Head of Group Compliance. • Interactions with and communications from our regulators influence the development of our risk and control framework, culture and conduct initiatives and policies, and remuneration structures. • This year, we engaged with our regulators through round-table events and through other forums, including the FCA Market Practitioners Panel.

Our suppliers

Why our suppliers are a key stakeholder	How we engage with our suppliers
We work with key suppliers across our business. They supply us with essential products and services, which enable us to deliver for our clients. Through effective partnership and collaboration with our suppliers, we can drive progress on delivering our purpose and strategy and ensure the security of supply of all our services to meet our clients' needs.	• Our Group Procurement Policy seeks to ensure consistency of procurement practices across the Group and enables us to collaborate with key suppliers that help us deliver our strategy. This year the Group Procurement Policy was updated in line with the Digital Operational Resilience Act (DORA) and we engaged with all relevant suppliers to implement the changes necessary to ensure compliance with DORA. • We undertake key supplier reviews consisting of due diligence assessments. • Regular review meetings are held to discuss and assess service levels. • We monitor and review performance and value delivery of all contracted service level agreements and KPIs. • We hold face-to-face meetings with key suppliers alongside the day-to-day communication.

In addition to the key stakeholders listed above and in line with section 172(1) of the Companies Act 2006, we consider the impact of our operations on the community and the environment on an ongoing basis. See more on how we engage with our local community and consider the environment in the sustainability section of the strategic report on pages 24 to 31.

Our work in FY25 and how we considered our stakeholders

By aligning our decision-making to the vision, values and purpose of the Company, alongside strategic priorities and due consideration of all stakeholders, we strive to achieve outcomes that are crucial to the short-, medium- and long-term success of the business.

Under Guernsey company law, and in relation to UK-registered subsidiaries under section 172 of the UK Companies Act 2006, we also have a duty to act in a way that we believe will promote our success for the benefit of our stakeholders.

That's why, in our decisions, we carefully consider the:

- Likely consequences of any decision in the long term
- Interests of our people
- Need to foster relationships with our clients, regulators, investors and other key stakeholders
- Impact of our operations on our communities and the environment
- Importance of maintaining our reputation for high standards of business conduct
- The need to act fairly as between members of the Company

The Board considers our principal stakeholders throughout the year when reaching decisions and considers whether there are any additional groups whose interests may be related to the Company's operations.

Here, we set out some of the key decisions we made this year, including how we considered the interests and needs of stakeholders.

Key decisions	What we did	Consideration of stakeholders in our key decisions
Approving targeted investments to support delivery of our stated strategy	During the period, the Board oversaw and approved targeted investment into our platform and talent to support senior management's delivery of the five-year strategic plan that was set by the Board in October 2022. For more details on how we have pursued our strategy this year, see pages 8 to 9.	*Shareholders:* A well-defined purpose and strategy are key to the success of the business and therefore for maximising long-term shareholder value. *Employees:* A clear purpose and strategy also gives our people direction as they fulfil their roles on a day-to-day basis.
Supporting management through careful cost management	During the period, the Board has been particularly focused on the cost base and supported, and where necessary challenged, senior management through decisions to balance investment with cost management.	*Shareholders:* Prudent cost management helps preserve shareholder value, allow for financial stability and create operational leverage within the business. *Employees:* The Board recognises that prudent cost management has an impact on employees, but it is an important part of supporting our ability to retain and appropriately award employees in the longer term. As outlined on page 28, we are closely monitoring progress against the actions taken as a result of our staff survey this year and reviewing feedback from the Non-Executive Director employee engagement sessions.

How we are governed continued

Key decisions	What we did	Consideration of stakeholders in our key decisions
Approving the establishment of Peel Hunt Middle East	The Board approved steps to commence the process of establishing an office in Abu Dhabi, which includes engaging with local regulators and local advisers to incorporate the company and apply for the relevant regulatory licence.	*Shareholders:* Peel Hunt will be able to offer its corporate clients access to investors in the Middle East, which underpins a key strategic initiative to maintain our market-leading mid-cap distribution. This in turn allows us to generate more business, thereby increasing long-term shareholder value. *Regulators:* The Board was mindful of local regulatory requirements and the relationship with the Financial Services Regulatory Authority in the Abu Dhabi Global Market. *Clients:* We will be able to offer our corporate clients access to investors in the Middle East.
Supporting RetailBook to become independent	This year the Board made a number of decisions to support RetailBook towards independence in FY26, including approving key senior hires.	*Shareholders:* RetailBook's potential to grow is best served by it operating independently of Peel Hunt with the best possible team. This should increase the value of Peel Hunt's holding in RetailBook for the benefit of our shareholders. *Clients:* RetailBook can provide retail demand to our corporate clients for fundraisings and IPOs, which is incremental to traditional institutional demand.
Focusing on succession planning	The Board reviewed plans for the orderly succession of the Board and its committees and oversaw the creation of development plans for internal succession candidates.	*Shareholders:* Succession planning is key to ensuring the future stability and growth of Peel Hunt for the future benefit our shareholders. *Employees:* By creating development plans, we can ensure our future leaders are best placed to manage our people and promote the culture and values of Peel Hunt.

Board effectiveness

Our Directors must be able to contribute meaningfully to the Board, both as individuals and collectively, and to do so they must be able to work effectively. We conduct an annual Board evaluation, which comprises a review of Board effectiveness, individual Director appraisals and a Board skills assessment, while also supporting them through development and training.

Time commitment

We expect each Director to be able to commit sufficient time to do their work properly. The Non-Executive Directors provide a minimum time commitment of between 24 and 60 days each year to perform their duties. Each year the Nomination Committee reviews the time required of the Non-Executive Directors and uses performance evaluations to assess whether they are meeting this requirement. This year, we are satisfied that all our Directors were able to meet the time requirement. The Executive Directors, our CEO and CFOO, are full-time employees.

Conflicts of interest

We have policies and procedures in place to monitor and manage any conflicts of interest our Directors might have. Directors must declare their outside business interests and potential conflicts of interest, and those of their connected persons, each year and when something changes.

The Board must give prior approval for a Director to undertake certain outside business interests, including taking new non-executive director positions. The Nomination Committee may also review and make recommendations to the Board on such matters.

The Company Secretariat maintains a record of the Directors' outside business interests and potential conflicts of interests, which is tabled at each Board meeting. The Board has authorised the current interests disclosed in the register and, at the date of this report, doesn't consider any to constitute a material conflict of interest.

Development and support

We've appointed the Directors on our Board because of the skills and experience they offer and their individual qualities and capabilities, and continuing to help them develop is important to ensure the Board has the necessary skills and knowledge to fulfil its governance responsibilities.

The Company Secretariat helps the Chair organise relevant training each year, which is delivered by internal experts and external professional advisers. The training programme includes:

- Briefings from each business head about the strategy, business plan and performance of their respective business area
- Updates and refreshers around key governance, legal and regulatory matters relevant to Peel Hunt and the financial services industry
- Training on other relevant matters, such as sustainability reporting, cyber resilience and AI

We identify collective and individual training needs through our annual Board skills evaluation process. This targeted training is arranged by the Company Secretariat.

The Company Secretariat also helps the Chair provide a tailored induction programme for all new Directors, which includes meetings with senior management and external advisers. This helps new Directors familiarise themselves with our business model and strategy, operations, governance arrangements and risks, and, crucially, our purpose, culture and values.

The Group maintains directors' and officers' liability insurance cover and indemnifies each of its Directors to the fullest extent permissible by law.

Advisers

We continued to engage a leading consultancy firm to provide advisory services to the Remuneration Committee. Their services include advice in relation to meetings, the annual compensation round, market and regulatory insights, and broader stakeholder matters.

Our performance this year

Regular evaluation can help boards and committees improve how they perform and how effective they are, as well as improve company performance.

It is within the remit of the Nomination Committee to evaluate the performance of the Board, its committees and the individual Directors on an annual basis, as set out in its terms of reference and in Principle 8 of the QCA Code. This year, the Nomination Committee, in conjunction with the Company Secretariat, oversaw the internal review of the effectiveness and performance of the Board and its committees and an internal skills assessment for each individual Director.

The results of the FY25 internal Board evaluation and skills assessment are discussed in the Nomination Committee report on pages 62 to 63.

Nomination Committee report

This year, the Committee's priorities have been implementing the recommendations of our first external effectiveness review and succession planning. As a result, we have overseen changes to streamline decision-making, enhance reporting and appoint new front office leaders.

Board and committee effectiveness

During FY25, the Committee oversaw the full implementation of the recommendations arising from the external effectiveness review of the Board conducted in FY24. This included restructuring the Executive Board and replacing the Management Committee with business-focused meetings to streamline decision-making, as well as a greater focus on succession planning across the business (discussed in more detail below). The next external effectiveness review will take place in FY27.

The Committee conducted the FY25 internal evaluation, which comprised a review of Board effectiveness, individual director appraisals and a Board skills assessment. This year, the Committee reviewed the process for the Board effectiveness review and for individual director appraisals and objective setting, and made improvements where necessary. In addition, the skills assessed in the Board skills matrix were reviewed to confirm they remain relevant to the Company's strategy and business model.

At the conclusion of the internal evaluation, we are pleased to confirm that the collective skillset of the Board is appropriate, and it maintains the necessary competencies to oversee and support delivery of the Group's strategy. There has also been further improvement to the Board's overall effectiveness across numerous areas, with no material areas of concern identified.

The Committee reviewed its own results from the internal evaluation and in FY26 will implement the recommendations arising from the internal effectiveness review, continuing to build on the improvements made so far.

"Our work on succession planning over the past years is facilitating the next stage of management evolution."

Succession planning

The Committee considered plans for the orderly succession to the Board and its committees, taking into account the skills needed on the Board in the future. During FY25 and early in FY26 the Board has overseen a number of senior management changes. Following Sunil Dhall indicating his intention to step down as Chief Financial & Operating Officer, the Committee initiated a formal review of the Board. This review encompassed an assessment of the existing succession plans and the skills and experience required to fill the vacancy. In line with our succession planning, the Committee agreed that the role of Chief Financial and Operating Officer should be separated and that a Chief Operating Officer and Group Finance Director be appointed. During the review, the Committee determined that suitable candidates could be sourced internally and subsequently oversaw the appointment process. The Nomination Committee concluded that Michael Lee and Billy Neve have the requisite qualifications and skills to contribute positively to the ongoing development of the Group, and recommended their appointment to the Board. In line with the succession plans in place for senior management, appointments of a new Head of Investment Banking and new Co-Heads of Equities were also overseen by the Committee.

During the year, we made improvements to the succession planning process and supported management in the creation of development plans for the identified pipeline of internal successors for senior executive positions.

Membership and meeting attendance

Director	Attendance
Lucinda Riches	4/4
Maria Bentley	3/4
Liz Blythe	3/4
Richard Brearley	4/4
Darren Carter	3/4

Roles and responsibilities

- Overseeing nominations and appointments of potential Directors to the Board and other boards within our Group
- Succession planning, reviewing overall composition and diversity of the Board
- Conducting an annual evaluation process of the Board, its committees and the Directors
- Overseeing Directors' training and development

The Nomination Committee's terms of reference can be found at peelhunt.com.

Key activities in FY25

- Overseeing changes to senior management in line with the succession planning programme
- Overseeing the implementation of recommendations arising from last year's external review of the Board's effectiveness
- Conducting the annual internal review of the Board, its committees and the Directors
- Setting the training plan for FY26, including relevant training for the Board to address identified skills gaps

Board training

In response to last year's Board skills assessment, the Committee arranged training on cyber and technology, which were identified as themes for the Board's continued learning and development. Topics that were delivered by subject-matter experts included updates on Peel Hunt's cyber risk and resilience and artificial intelligence.

Alongside this specific training, we kept the Board apprised of the macroeconomic environment through relevant briefings, and of regulatory matters, including AIM Rules obligations and ESG reporting requirements.

This year's Board skills assessment again identified cyber and technology and sustainability-related topics as areas for continuing development, due to their ever-evolving nature. Accordingly, in FY26 we will arrange appropriate training, leveraging relevant expertise within Peel Hunt and using external specialists.

Renewal of terms and re-election of Directors

Each year all Directors must submit themselves for re-election at the Company's AGM in accordance with the Company's Articles of Association and the QCA Code. As announced previously, Sunil Dhall will step down at the AGM and will not seek re-election. Michael Lee and Billy Neve are proposed to be appointed as Directors of the Company. The Committee has considered the results of the individual director appraisals, the Board effectiveness review and the Board skills assessment and is pleased to support all remaining Directors who are standing for re-election at the next AGM.

This year the Committee also considered the continued appointment of Maria Bentley for a second three-year term. The Committee is pleased to support the renewed appointment of Maria for a second term.

Terms of reference

In addition to the annual review of its terms of reference, the Company Secretariat evaluated the performance of all committees against their respective terms of reference and in FY26 the Committee will implement the actions arising from that evaluation.

Priorities for FY26

The key focus areas for the Committee over the coming financial year include:

- Continuing to evolve the identified pipeline of internal successors through consideration of development plans
- Arranging training for the Directors to address the areas identified for continued learning and development
- Overseeing the delivery of actions and recommendations arising from the FY25 internal effectiveness review

Lucinda Riches Nomination Committee Chair
13 June 2025

Audit Committee report

The Committee has continued to play a crucial role in overseeing the effectiveness and appropriateness of the Group's governance arrangements and its risk management and internal control processes. Primarily, it has continued to oversee the Audit Committee-approved internal audit strategy to ensure the effective coverage of areas of risk to the business, as well as its other key focus of ensuring the integrity of the Group's financial reporting.

"The Committee continues to provide valuable assurance in relation to our financial reporting, controls and governance."

LETTER FROM THE CHAIR

This year, the Committee has continued to work closely with management in the monitoring of the financial performance of the Group, with a particular focus on covenant compliance for the Group banking facilities, in light of the subdued market activity. As in the prior year, the Committee assessed management's use of significant accounting judgments and estimates to ensure the accuracy and appropriateness of financial reporting. Regular updates were provided by the Finance team at the half and full year, covering key areas of estimate and judgement.

The Committee also recommended the interim and Annual Report and Accounts to the Board for approval, following appropriate challenge and review to ensure they provided a true and fair reflection of what has been happening in the business.

Our Internal Audit function, under the guidance of our Chief of Internal Audit who we appointed last year, has continued to add value throughout the business and reported to the Committee on a regular basis. In addition, Internal Audit has worked closely with the Chief Risk Officer (CRO) and business area heads to share information and coordinate assurance activities. This collaboration has ensured that work is focused appropriately and minimised duplicated effort.

During the year the Committee continued to oversee any whistleblowing cases that were reported to ensure they were investigated in line with our Whistleblowing Policy, and also reviewed the whistleblowing arrangements, gaining assurance that they are effective and continue to meet regulatory requirements. Alongside this, the Committee also received an update from our CRO on the Group's fraud risk, in relation to the financial reporting of the Group, which concluded that the controls were adequate and overall risk remained low.

I am grateful for the expertise of many of our people who have supported the Committee's activities throughout the year. I am pleased that the Committee continues to provide assurance to the Board and relevant stakeholders that our systems of control and governance are appropriate, which has provided a solid foundation for us to make progress on our strategic priorities.

Liz Blythe Audit Committee Chair
13 June 2025

Membership and meeting attendance

The Group Audit Committee (the Committee or Audit Committee) comprises entirely independent Non-Executive Directors. The Committee meetings are regularly attended by the other Non-Executive Directors and senior managers, including the Board Chair, the CEO, CFOO, Chief Risk Officer, Chief of Internal Audit, Group Head of Finance, Chief Corporate Officer & General Counsel and representatives from our external auditors and our co-source internal audit partner. The Committee meets at least four times a year at appropriate intervals in the financial reporting and audit cycle, and otherwise as required.

Director	Attendance
Maria Bentley	7/7
Liz Blythe	6/7
Richard Brearley	7/7

Roles and responsibilities

- Providing independent oversight of, and challenge to, the integrity of the Group's annual and interim financial reporting processes and disclosures
- Providing assurance to the Board that the financial statements as a whole are fair, balanced and understandable, and provide the necessary information for stakeholders to assess the Group's financial performance
- Considering the impact of new and revised financial reporting standards and disclosure requirements
- Overseeing the performance and effectiveness of the external audit process, including agreeing the remuneration and terms of engagement of the external auditors, assessing their objectivity and independence and recommending their reappointment or removal
- Ensuring that the Internal Audit function is appropriately resourced, performs against its approved annual plan, provides high-quality reports, and audit review findings are actioned in a timely manner to remediate any identified deficiencies
- Assessing the effectiveness of the internal control environment
- Overseeing the whistleblowing process and ensuring that any concerns are independently investigated and resolved

The Audit Committee Chair regularly meets with the external auditors outside of Committee meetings, and separately with the CFOO, the Chief of Internal Audit, and the partner of the Internal Audit co-source provider. The Committee, at least annually, schedules time to meet the external auditor, the CFOO, and the Chief of Internal Audit without management being present.

The Audit Committee's terms of reference can be found at peelhunt.com.

Key activities in FY25

- Reviewed the GAP assessment to assess compliance with the updated Global Internal Audit Standards
- Reviewed and challenged the key accounting judgements and estimates, including impairment of subsidiaries and the going concern assumption, which support the financial statements
- Reviewed the introduction of Alternative Performance Measure in the Annual Report and Accounts

Audit Committee report continued

Internal Audit

The Internal Audit function has a group-wide remit, and provides assurance to the Board on the effectiveness of the internal control framework. The function derives its authority from the Board, and has unrestricted access to all Group records, property and personnel as required for effective delivery of its audit activity. Full details of the purpose, authority and responsibilities of internal audit are included in our Internal Audit Charter, which is reviewed and approved by the Audit Committee on an annual basis. The Audit Charter can be found at peelhunt.com.

The Committee is responsible for overseeing the effectiveness and independence of internal audit, as well as ensuring it has sufficient resources to fulfil its mandate. The Committee receives reports on the activities of the function at each meeting and meets privately with the Chief of Internal Audit at least once a year. In addition, the Chief of Internal Audit prepares an annual review of the function's effectiveness and independence, including confirmation that the function has complied with relevant internal audit standards and our Internal Audit Charter, which is considered by the Committee. The Chief of Internal Audit reports directly to the Chair of the Audit Committee, and regular one-on-one meetings have been conducted throughout the year. The Committee is satisfied that throughout FY25, the internal audit function maintained its independence, had sufficient resources and skills, and effectively delivered its responsibilities, positively impacting the organisation's governance and risk management processes.

Internal Audit has conducted and reported on several key audits during the year, including:

- The Group's implementation of the Digital Operational Resilience Act (DORA), which became effective during the financial year
- Review of remuneration processes against the FCA remuneration code
- Assessment of the Group's electronic trading offering
- Client onboarding and continuous monitoring (anti-money laundering)

The Committee reviewed, challenged and approved the annual internal audit plan, budget and strategy, including any amendments to the current year's plan made during the year. During FY25 the Chief of Internal Audit presented a more detailed IT audit strategy to aid the Committee's understanding of how assurance is provided in this fast-evolving and complex area.

An area of focus during the year has been an assessment of conformance with the new Institute of Internal Auditors Global Standards, which were effective in January 2025. A gap assessment against the Global Internal Audit Standards was prepared by the Chief of Internal Audit. The Committee reviewed the assessment, including any actions required for full conformance with the new Standards. No major gaps were identified and all identified actions will be monitored by the Committee until completed.

The annual internal audit assessment, which found the governance and risk and control framework of the Group to be effective, was received and discussed by the Committee in accordance with the Chartered Institute of Internal Auditors' Standards.

The Group remains committed to maintaining high standards of governance and control, delivering our strategic goals and protecting the interests of all of our stakeholders. Internal Audit will continue to be key to the future of the business, by delivering high-quality audits that provide assurance that risks are being managed within the Board-approved risk appetite and are aligned to our strategic goals.

Financial reporting

A core responsibility of the Committee is to ensure the integrity of the Group's financial reporting, which includes overseeing the effectiveness of the financial control environment.

Prior to recommending the year-end and interim financial statements to the Board for approval, the Committee reviewed the accounting policies adopted by the Group, considered the principal areas of financial statement risk and challenged management on areas of estimation and judgement. This was supported by regular updates from the Finance team and the external auditors. Key accounting judgements reviewed during the year included:

- The Group's investment in subsidiaries and associates, including impairment assessments where required; more details on the process for these assessments are outlined in notes 2.6 and 2.12 of the financial statements
- The share-based payment charges for the year, outlined in note 27 of the financial statements, which were assessed by evaluating the likelihood of performance-based awards vesting
- The approach taken for fair value measurement of financial assets and liabilities, which is outlined in note 16.4.4 of the financial statements

The Committee supports the Board in its assessment of going concern by reviewing a number of factors, such as the current financial position, budget and cash flow forecasts, and the liquidity, covenant and capital positions. In reaching its conclusions this year, the Committee considered the going concern and the statement of viability under the most severe yet plausible stressed scenarios. The Committee concluded that the Group has access to the financial resources required to run the business efficiently, has a resilient balance sheet, and accordingly considered it appropriate to prepare the half-year and annual financial statements on a going concern basis.

The Committee reviewed the approach proposed by the Finance team for disclosure of Alternative Performance Measures (APM). The Committee considered the presentation of APMs and concluded that the use and disclosure of APMs in the Annual Report and Accounts were appropriate, and that the definitions and explanations were clear. A explanation of the use of APMs is provided on page 23.

The Quoted Companies Alliance Corporate Governance Code (QCA Code) was revised during 2024, and was effective for accounting periods starting on or after 1 April 2024. Accordingly, as this is the first year the revised QCA Code was effective, the Committee received a gap assessment from our Company Secretariat on compliance with the revised Code during the year, and was able to oversee the changes required to meet the new requirements. The Committee is able to confirm that Peel Hunt complies with the revised QCA Code.

The Group's external auditors undertook a reasonable assurance Client Asset Sourcebook (CASS) audit, in accordance with the Financial Reporting Council's Standard for Providing Assurance on Clients Assets to the Financial Conduct Authority. The reasonable assurance audit covered whether Peel Hunt LLP had maintained systems adequate to enable it to comply with the relevant CASS rules throughout the financial year, and whether Peel Hunt LLP was in compliance with the relevant CASS rules as at the period end. The Committee received regular updates throughout the audit and oversaw the remediation of any control findings identified. We remain satisfied that the business has appropriate controls and understanding of its CASS obligations.

The Committee was kept abreast of reporting developments through regular updates from the Finance team. While we have not been impacted by any significant accounting changes in the year, we have increased collaboration with the ESG Committee to ensure that we are planning sufficiently for the expected increased climate-related disclosures. Throughout FY25, the Audit Committee Chair has attended ESG Committee meetings, and was appointed as a member of the ESG Committee in March 2025, to further enhance the collaboration between the ESG and Audit Committees.

The Committee has considered the staffing of our Finance team in terms of the number of employees, their skills, and succession planning. We are satisfied with the current level of resources, and the plans for the team remain suitable for the organisation's requirements.

Audit Committee report continued

External audit

The Committee maintained its role in overseeing the external audit process to assess the independence and effectiveness of our external auditors, PwC. During the year the Committee assessed their effectiveness by using the results of the internal evaluation of the external auditors. The Committee evaluated the external audit strategy, risk assessment, materiality thresholds, and audit scope. The Audit Committee received and considered detailed assessments from the external auditors throughout the audit process as to how their independence is maintained. In addition, the Committee reviewed and confirmed its policies on Non-Audit Services and Group External Audit Services, and monitored adherence to these policies throughout the year.

During the year the Committee reviewed and recommended the approval of:

- The fees and terms of engagement for the external auditors for the year
- The engagement of the external auditors to continue to perform non-audit and audit assurance services in line with our internal policy. These services include the PwC Denmark audit of our Danish entity, the Group's bank loan covenant reporting, and the delivery of the CASS audit

The Committee is satisfied with the independence, objectivity of the external auditors and effectiveness of the external audit process. As a result, the Committee has recommended the Board to reappoint PwC as auditors at the 2025 AGM. PwC has consented to be considered for reappointment as the Group's auditors. A resolution seeking approval for this reappointment and authorising the Directors to set the remuneration for the external auditors will be presented at the AGM, which is scheduled for 3 July 2025.

Oversight of whistleblowing

The Committee oversaw the adequacy of whistleblowing arrangements by reviewing policies and procedures to ensure that they are in line with regulatory obligations, to continue to support a culture where concerns can be raised and addressed appropriately.

Evaluating Committee effectiveness

During the year, an internal effectiveness review of the Committee's performance took place. The evaluation concluded that the Committee had operated effectively during the year with only minor improvements noted.

Priorities for FY26

The key focus areas for the Committee over the coming financial year include:

- Overseeing the delivery of the FY26 internal audit plan, including assurance over algorithmic trading, information and cyber security, the anticipated Economic Crime and Corporate Transparency Act, and business continuity planning
- Further collaboration with the ESG Committee to ensure compliance with the anticipated IFRS Sustainability Standards
- Continue to review Finance team resourcing, particularly following the announced departure of Sunil Dhall.
- Gaining assurance on the control environment for new business areas, particularly Peel Hunt Europe

Risk Committee report

The Committee's focus this year has been on close monitoring of the external risk environment, supporting business resilience by ensuring that risk management remains effective in these challenging times.

"We have maintained our sound approach to risk management while adapting to a changing environment."

LETTER FROM THE CHAIR

Looking at the business and external environment, it remains challenging. The uncertainty created by external events for example, general elections, particularly in the UK and US, has been replaced by different challenges such as the impact of tariffs, the potential for trade wars and a changing geopolitical landscape. The UK continues to consider how it can remain relevant and competitive globally, with a number of investment banking peers announcing reductions in, or withdrawals from, their UK activities. We are certainly not alone in dealing with the challenges and widespread uncertainty across the market.

As a Committee we are alive to these risks and are taking appropriate steps to navigate these difficult times. Primarily this has meant maintaining close oversight of both the prudential and operational risk environment to ensure our risk management remains effective, as well as proportionate to the size, scale and risk profile of our business. We have maintained our overall approach while adapting to a changing environment. We remain vigilant and alert to external changes, particularly from both a regulatory and technology perspective, to ensure our risk and control infrastructure remains appropriate and targeted in the right areas. In particular, we have continued to focus on ensuring that our business remains resilient from a cyber and technology perspective and delivers appropriate outcomes to clients.

As a Committee we have, as ever, continued to support the business in monitoring relevant regulatory requirements are met. I am pleased that Consumer Duty, which was successfully implemented in the prior year, was fully embedded in the business. The Committee is satisfied that Peel Hunt is meeting its obligations in relation to Consumer Duty.

I would like to thank all our people for supporting the activities of the Committee this year. Their continued hard work and focus ensures that we continue to operate in an environment with an embedded and positive risk culture, which is vitally important.

Richard Brearley Risk Committee Chair
13 June 2025

Risk Committee report continued

COMMITTEE REPORT

Membership and meeting attendance

The Group Risk Committee (the Committee or Risk Committee) comprises entirely independent Non-Executive Directors. The Committee regularly invites the other Non-Executive Directors, the CEO, CFOO, Chief Corporate Officer & General Counsel, Chief Risk Officer, the Head of Group Compliance and the Chief of Internal Audit to attend. Other senior managers from across the business also attend when required. The Committee meets at least four times a year at appropriate times and otherwise as required.

Director	Attendance
Richard Brearley	4/4
Maria Bentley	4/4
Liz Blythe	3/4

Roles and responsibilities

- Implementing and overseeing the Board-approved risk appetite
- Reviewing and approving the Group risk framework
- Reviewing and challenging risk management information, including that from the Executive Risk Committee and management
- Overseeing and advising on the embedding and maintenance of a positive risk management culture
- Advising the Board on risks relating to strategic decisions and transactions
- Considering the current and future macroeconomic, political and regulatory environment, and other potential emerging risks
- Overseeing the remit of the Risk and Compliance functions to ensure they are sufficiently empowered and adequately resourced to perform their role as second-line oversight

The Risk Committee's terms of reference can be found at peelhunt.com.

Key activities in FY25

- Oversaw the prudent management of financial risks, including robust management of regulatory capital and liquidity
- Monitored the embedding of Consumer Duty processes
- Supported the further development of group-wide operational and digital resilience
- Ensured the business remains diligent and adaptable to developing cyber risks

Financial prudence

Our continued focus on prudent and proactive financial risk management has served us well, as we monitor the external environment not only for risks but opportunities. Along with more flexible funding facilities and operational enhancements, this has allowed us to provide enhanced trading and execution services to our clients throughout the year.

Group-wide operational and digital resilience

Unexpected disruption has become the norm for businesses and, accordingly, we have continued our work on resilience. This year we have overseen our implementation of the EU Digital and Operational Resilience Act (DORA). Our FCA Operational Resilience Self-Assessment and incident response plan workshops also help to reassure us that we are well-placed to respond to the unexpected.

Diligent and adaptable to cyber risks

This year has seen significant technological developments, which in turn bring the risk and challenge of misuse. While we work to identify how we can appropriately benefit from new technologies, we are alert to how they may also benefit criminals through highly sophisticated phishing campaigns, deepfakes and enhanced cyber attacks. The Committee receives regular updates from our Chief Technology Officer on our range of training, testing, and reporting to ensure we maintain our vigilance. At the Board level, the Board has received training from external advisors on cyber risk, resilience and AI. This training helps ensure that Risk Committee members are able to support the business in navigating these risks, and we will continue to receive training on these areas as required.

Committee effectiveness

This year an internal effectiveness review was undertaken on the Committee's performance, which concluded that the Committee continued to be effective and well run with some minor areas for improvement.

Priorities for FY26

The key focus areas for the Committee in FY26 remain broadly similar to last year as similar challenges remain, and include:

- Overseeing the prudent management of financial risks, including robust management of regulatory capital and liquidity
- Supporting the further development of group-wide operational and digital resilience
- Ensuring the business remains diligent and adaptable to developing cyber risks
- Continuing to work with the other committees and Board to support, protect and retain our people in a challenging environment

Environmental, Social and Governance Committee report

As Peel Hunt continues to develop its approach to sustainability, the Committee, in supporting the business's ambitions, has challenged and held in-depth discussions to ensure that the approach taken to activities and targets remains relevant.

LETTER FROM THE CHAIR

Although markets have once again been challenging for the business, I am pleased that we have appropriate focus on environmental, social and governance (ESG) matters, both in current activities and future ambitions for diversity, Science Based Targets initiative accreditation, and Peel Hunt's ESG capabilities. We continue to view a balanced and proportionate ESG strategy as an important part of our culture and business activities, as well as meeting growing regulatory requirements in this sphere.

The Committee continues to support and monitor progress of the management team in its delivery of the business's ESG programme. We continue to track progress and monitor the appropriateness of our targets, particularly as external events alter perceptions. For further detail on these activities, see pages 24 to 31 of the strategic report. This year we have had a particular focus on the effectiveness of our approach, ensuring that activities we undertake are targeted to deliver long-term, meaningful outcomes over the coming years. This has seen a shift in the business from ESG being an initiative to an integral part of our business, with activities relating to carbon emissions and diversity targets being driven by our employee-led forums.
We have also worked on our priorities noted in our FY24 ESG Committee report, further details of which can be found in this year's Committee report.

In the year, I have appreciated the contributions of my fellow Directors to the ESG Committee meetings. The cross-pollination of ideas from the Audit, Risk and Remuneration Committees has been invaluable, in terms of shaping our approach to ESG, and supporting management as they take steps to meet our ESG targets.

Richard Brearley ESG Committee Chair
13 June 2025

Our four focus areas

- Diversity, equity and inclusion
- Carbon reduction
- Governance and integrity
- Building our ESG capabilities and products

Our targets

- Women will represent at least 40% of all employees by 2035 (see pages 27 to 28 for further detail)
- We will become carbon neutral by 2025 and reach net zero by 2040 (see pages 29 to 31 for further detail)

COMMITTEE REPORT

Membership and meeting attendance

The Group ESG Committee (the Committee or ESG Committee) comprises Executive and Non-Executive Directors, and regularly invites the Director of People and Communications, members of the management-level ESG Working Group and the Chairs of our Sustainability Forum and Diversity, Equity and Inclusion (DEI) Forum. The Committee meets at least four times a year and otherwise as required.

Director	Attendance
Maria Bentley	4/4
Liz Blythe	1/1
Richard Brearley	4/4
Sunil Dhall	4/4
Steven Fine*	3/3

*Steven Fine ceased to be a member of the Committee in March 2025.

Roles and responsibilities

The primary purpose of the Committee is to ensure that Peel Hunt has:

- The right overall approach to sustainability commitments and targets
- Appropriate policies to meet its sustainability priorities and legal and regulatory requirements
- Effective reporting in relation to the implementation of the policies
- Sustainability objectives relevant for our business
- Timelines to meet such objectives, which can, where appropriate, be reported on internally and externally

The ESG Committee's terms of reference can be found at peelhunt.com.

Key activities in FY25

- Reviewing the implementation of recruitment-related diversity initiatives in the business
- Reviewing our regulatory obligations and ensuring transparent ownership and oversight of delivery
- Approving the approach to the collation of our carbon emissions data

Carbon emissions

As in FY24, the Committee was pleased to approve the refreshed Carbon Reduction Plan, found at peelhunt.com, which included updated emissions figures from FY24 and new initiatives being undertaken to reduce emissions. See pages 29 to 31 of the strategic report for further detail on this. As the business continues to refine the methodology to gather emissions data, the emissions figure has increased, and the Committee was provided with quarterly updates on our carbon emissions to ensure that the rationale behind the increasing figures was appropriately discussed and challenged.

The Committee was also presented with various options for carbon offsetting, in line with the business's commitment to achieving carbon neutrality at the end of 2025, and discussion took place largely around the appropriateness of offsetting opportunities and the effectiveness of the options.

Diversity

Last year the ESG Committee report noted that the Committee would support the management team in broadening the reach of Peel Hunt's diversity targets, and this has been a key point of focus throughout FY25. In particular, a significant amount of work has been undertaken on understanding our diversity data and associated trends, as well as activities implemented by our peers.

The Committee also reviewed initiatives implemented by management to address diversity in the business, including recruitment practices and training, and were comfortable that appropriate measures are being taken to move towards the target of 40% women in the business. As a Committee, we are mindful that these targets are long term in nature, and therefore the key focus has been to ensure that appropriate, proportionate and sustainable measures are being taken to facilitate achieving these goals. See pages 27 to 28 of the strategic report for further detail on this.

Environmental, Social and Governance Committee report continued

Governance and integrity

During the year, the Committee ensured that appropriate governance activities took place in relation to our business-wide ESG forums, for example reviewing and approving updates to DEI and Sustainability Forum terms of reference, as well as receiving ongoing updates on the status of ESG-related risks on a quarterly basis.

As set out last year, one of the key priorities for the Committee was to ensure that Peel Hunt remained compliant with evolving regulatory requirements. To this end, the Committee received updates from the business on both current and future requirements, as well as receiving input from Finance on the anticipated IFRS S1 and S2 regulations, and what these could mean for Peel Hunt going forward. We will continue to monitor any updates and work with the Audit Committee as required.

As well as ensuring regulatory compliance, the Committee also reviewed and agreed the ownership of ESG-related requirements, both at Board and management level to ensure appropriate consideration by those best placed to deliver on our obligations. The Committee was satisfied that the business has the appropriate resources in place to deliver on our obligations.

Building ESG capabilities

The Committee benefitted from management's work to improve ESG capabilities through enhanced reporting to ensure that the business is tracking and reporting emissions throughout the year on a standardised basis.

Committee effectiveness

In the year, an internal effectiveness review took place, and the Committee was considered to be generally effective, with improved scores from prior reviews.

Priorities for FY26

- Monitoring the evolving ESG reporting obligations, including working with the Audit Committee on the work to prepare for the anticipated introduction of IFRS S1 and S2
- Supporting the business in refining carbon emissions data
- Overseeing carbon offsetting arrangements
- Continuing to support the business in developing internal, appropriate, diversity targets

Remuneration Committee report

In FY25, as with prior years, the Remuneration Committee has been focused on supporting the business to continue to attract and retain talent, while being conscious of financial prudence in a challenging market environment.

"We look to balance financial prudence with retention of our talented workforce."

LETTER FROM THE CHAIR

At Peel Hunt, we recognise that our people are our most valuable asset. Their skills, dedication and engagement are crucial to delivering on our strategic objectives and driving the growth of our business. We remain committed to retaining our talented workforce while maintaining cost discipline amidst challenging market conditions. This balance is essential to ensure the long-term success and sustainability of our Company.

As an AIM-quoted company incorporated in Guernsey, Peel Hunt is not bound by the remuneration reporting regulations applicable to Main Market UK companies. Consequently, we provide this Remuneration Committee report on a voluntary basis, which is presented in three sections:

- This annual statement
- The Remuneration Policy (pages 78 to 79)
- The Annual Report on Remuneration (page 79)

Remuneration Policy review

Our Remuneration Policy is approaching the end of its three-year term. The Committee has reviewed the Policy and concluded that it remains fit for purpose. Therefore, no material changes are proposed.

FY25 performance and variable compensation outcome

The Group delivered revenue of £91.3m for FY25, an increase of 6.4% compared with FY24, despite a continued challenging macroeconomic climate that has weighed on market volumes and corporate activity. We have continued to take action to manage our cost base and have reported an overall loss of £(3.5m) (FY24: £(3.3)m). Whilst financial and strategic progress was made during the year, given the Group has reported a loss, the Executive Directors agreed that they should not be eligible for a bonus or share award.

Remuneration Committee report continued

Wider workforce compensation

The Committee takes into account the reward arrangements for the broader workforce. For employees, the Committee balanced salary increases with the need to maintain cost discipline. The CEO and CFOO did not receive a salary increase, and Non-Executive Directors did not receive a fee increase for FY26.

We grant share awards to a small number of employees on a discretionary basis to support retention, incentivise strong performance, and promote share ownership and effective stewardship of the business.

Application of Policy for FY26

An overview of the intended application of the Remuneration for Executive Directors for FY26 is set out below:

- The Executive Directors agreed that they should not be eligible for a bonus or share award.
- No salary increases have been awarded to the CEO or CFOO for FY26. Base salaries for the CEO and CFOO have remained at £450,000 and £300,000 respectively since IPO.
- The Executive Directors are entitled to a pension allowance equal to 10% of salary, up to a maximum of £10,000 in pension contributions or £8,750 in cash per annum. This is aligned with the level available to employees throughout Peel Hunt.
- The Executive Directors will be eligible to participate in any FY26 discretionary bonus pool, except for the CFOO who will step down from the Board and leave the Group on 3 July 2025.

Fit for the future

The Committee considers the remuneration framework to be effectively designed to support Peel Hunt's long-term success. It reflects strong governance practices, including the integration of key factors such as conduct, control and culture into remuneration decisions.

Maria Bentley Remuneration Committee Chair
13 June 2025

COMMITTEE REPORT

Membership and meeting attendance

The Remuneration Committee is composed exclusively of Non-Executive Directors. HR and our remuneration advisors are regularly invited to attend meetings, along with Executive Directors, who recuse themselves from discussions when necessary. The Committee convenes at least four times a year, and additionally as needed.

Director	Attendance
Maria Bentley	8/8
Liz Blythe	7/8
Richard Brearley	8/8

Roles and responsibilities

The Remuneration Committee's purpose is to establish and approve a remuneration policy and strategy for all employees, including Executive Directors and senior executives. This ensures alignment with the Company's business objectives, values, risk appetite, regulatory compliance, and long-term sustainable success, while considering the interests of all relevant stakeholders.
To effectively carry out its duties, the Committee receives input from control functions such as risk and audit, as well as from the Board Risk Committee on relevant matters.

The Committee is primarily responsible for establishing and overseeing the remuneration policy and ensuring its effective implementation. Its duties also include reviewing the service agreements of executive directors, assessing relevant workforce policies, and meeting all reporting and disclosure requirements.

The full responsibilities of the Committee are detailed in the Terms of Reference, accessible on Peel Hunt's website at peelhunt.com/investors. For a summary of our governance structure and where the Committee sits within that framework, please refer to page 53.

Committee effectiveness

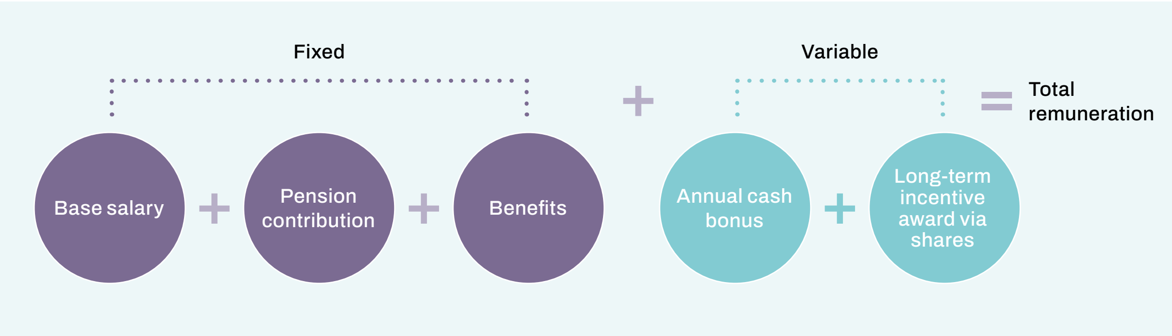
This year, the external effectiveness review assessed the Committee's performance, concluding that it was both effective and well-managed. Moving forward, the Committee will collaborate with management to enhance the Group's strategies for attracting and retaining talent.

Remuneration Committee report continued

Remuneration Policy

Below is a high-level summary of the main components of the Remuneration Policy for Executive Directors. The full Remuneration Policy for Directors can be found in our FY22 Remuneration Committee report. The Group compensates employees through both fixed and variable compensation.

The full Remuneration Policy for Directors can be found in the Remuneration Committee report in our FY22 Annual Report



Base salary

Normally reviewed annually by the Committee taking into account the role, experience and capabilities of the individual, competitor salary levels, and market forces, and pay and conditions elsewhere in the Group.

Benefits

Benefits include private medical cover, Group income protection, critical illness, and death-in-service benefits, aligning with the provisions for the broader workforce.

Pension

Participation in Peel Hunt's defined contribution pension scheme or cash payments in lieu of contributions. Executive Directors will receive a cash payment in lieu of pension contributions equal to £8,750.

Annual bonus

Executive Directors are eligible to participate in a discretionary Group bonus pool. When determining the bonus pool, the Remuneration Committee considers the Group's overall compensation ratio to ensure alignment with agreed parameters and market practices. Individual bonus for Executive Directors will comply with the fixed to variable ratio set for IFPR purposes.

Annual bonus awards are delivered in cash and deferred shares, adhering to regulatory requirements:

- A minimum of 40% of the award is paid as cash following the end of the performance year.
- The remaining amount is deferred into share awards, which vest in equal tranches over up to three years. A six-month holding period applies to vested awards following the end of the deferral period.

Long-term incentive plan

Executive Directors are eligible to receive performance share awards at the discretion of the Remuneration Committee.

Maximum opportunity of up to 300% of salary for the CEO and up to 150% of salary for the COO and up to 100% of salary for the GFD may be awarded in respect of any financial year. Awards are subject to performance measures over a three-year period. A six-month holding period applies to vested awards following the end of the performance period.

The Remuneration Committee may reduce the vesting outcome if it considers that performance underpins based on conduct, risk management, ESG and capital base have not been achieved.

Shareholding requirement

Executive Directors are required to build up and maintain a shareholding in the Company equivalent to 200% of annual salary, normally within five years of appointment.

Annual report on remuneration

Executive Director remuneration for the year ended 31 March 2025

The following table sets out the elements of remuneration received by each Executive Director in respect of FY25 as well as the total remuneration received by each Executive Director in respect of both FY24 and FY25.

	Salary £000	Benefits £000	Pension £000	Annual bonus £000	Total remuneration (FY25) £000	Total remuneration (FY24) £000
Steven Fine	450	6	9	–	465	465
Sunil Dhall	300	7	9	–	316	316

Audited

No annual bonus or performance share awards have been granted in respect of FY25 performance.

Non-Executive Director remuneration in respect of FY25

The following table sets out the elements of remuneration received by each Non-Executive Director in respect of FY25, and total remuneration received by each Non-Executive Director in respect of FY24 and FY25.

	Fees £000	Total remuneration (FY25) £000	Total remuneration (FY24) £000
Liz Blythe	70	70	70
Richard Brearley	80	80	80
Darren Carter	60	60	60
Lucinda Riches	175	175	175
Maria Bentley	80	80	80

Audited

Fee levels for Non-Executive Directors were reviewed and agreed at the time of our IPO in September 2021 and they have not been revised since.

	£000
Non-Executive Chair	175
Senior Independent Director	10
Non-Executive Director basic fee	60
Fee for chairing the Audit, ESG, Remuneration and Risk Committees	10

Audited

Remuneration Committee report continued

Grant of performance share awards in relation to FY24 performance

As disclosed in the FY24 Remuneration Committee report, the CEO and CFOO were granted performance share awards on 24 October 2024 equal to 150% of salary and 87.5% of salary respectively. This was in respect of their 2024 performance, and represents 50% of the maximum opportunity under the Remuneration Policy. The awards are subject to cumulative EPS targets measured over the three financial years ending 31 March 2027. The awards will vest, subject to performance conditions being met, following the end of the three-year performance period. A six-month post-vesting holding period will also apply. The EPS targets will be disclosed at the time of vesting.

	Number of shares granted
Steven Fine	494,868
Sunil Dhall	192,449

Audited

Directors' share interests

Executive Directors are required to build up and maintain a shareholding in the Company equivalent to at least 200% of their annual salary. As at 31 March 2025, the CEO and CFOO exceeded the shareholding guideline.

The interests of our Executive Directors and Non-Executive Directors, and their connected persons in the Company's ordinary shares as at 31 March 2025, were:

	Shares held
Executive Directors	
Steven Fine	5,577,351
Sunil Dhall	2,243,362
Non-Executive Directors	
Liz Blythe	4,385
Richard Brearley[1]	30,000
Darren Carter	10,189,585
Lucinda Riches	21,929
Maria Bentley	21,104

1 Transferred from Richard Brearley's spouse in FY25.

As at 1 June 2025, the Company has not been advised of any changes to the interests of the Directors and their connected persons in the table above.

Payments made to former directors and payments for loss of office during FY25

There were no payments made to former directors and no payments made for loss of office during FY25.

Statement of voting at last AGM

The following table sets out actual voting in respect of the resolution to approve the Remuneration Committee report.

Resolution	Votes for	%	Votes against	%
Approve the FY24 Remuneration Committee report	39,762,015	99.98	7,292	0.02

Approval

This Report was approved by the Board and signed on its behalf by:

Maria Bentley Remuneration Committee Chair
13 June 2025

Directors' report

The Directors present their report on the affairs of the Group. They also present the Company's financial statements and the audited consolidated financial statements of the Group, and the associated independent auditors' report, for the year ended 31 March 2025.

Our corporate governance statement

The Company's securities are admitted to trading on AIM. The Company is incorporated and registered in Guernsey but domiciled in the UK. The Board has adopted the QCA Code as its recognised code of corporate governance.

Further information on how we are governed can be found from page 52. The principal activities of the Company and the other members of the Group can be found on page 2 of the strategic report. Where disclosures that would ordinarily form part of the Directors' report have been made elsewhere in this Annual Report, we have included signposts to where that information can be found.

Parent company

The Company acts as a holding company. Details of its subsidiaries are shown in Note 23 to the consolidated financial statements. The financial statements for the Group and the Company have been prepared according to UK adopted International Accounting Standards complying with The Companies (Guernsey) Law, 2008.

Dividends

Taking into account the financial results for FY25, the Board is not proposing a dividend for the year.

Our Directors

Name	Role	Appointment date
Lucinda Riches	Chair	3 September 2021
Steven Fine	CEO	12 December 2018
Sunil Dhall*	CFOO	12 December 2018
Maria Bentley	Independent Non-Executive Director	4 April 2022
Liz Blythe	Independent Non-Executive Director	3 September 2021
Richard Brearley	Independent Non-Executive Director	3 September 2021
Darren Carter	Non-Executive Director	12 December 2018

*Sunil Dhall will be stepping down effective 3 July 2025, to be succeeded by Michael Lee as COO, and Billy Neve as Group Finance Director.

Appointment date indicates the date on which the Director was appointed to the Board of Peel Hunt Limited.

Going concern

The Directors have a reasonable expectation that the Company and the Group will have adequate resources to continue to operate for the foreseeable future, a period of at least one year from the date of approval of these financial statements. They have therefore adopted the going concern basis to prepare the financial statements presented in this Annual Report.

The full process undertaken by the Directors in the going concern assessment is outlined in Note 2.4 to the consolidated financial statements.

Post balance sheet events

You can find details of any post balance sheet events in Note 28 to the consolidated financial statements.

Engaging with shareholders

After announcing the Group's preliminary and interim results, the CEO and CFOO have meetings with shareholders and analysts to talk about our strategy and results. Shareholders can also attend the AGM, at which all the Directors are available to answer questions. Our website provides electronic versions of the latest Annual Report and Accounts and our interim results, along with share price and other relevant information. You can find this information at peelhunt.com.

Employment practices

Our employment practices are based on a commitment to provide equal opportunity, from the selection and recruitment process through to training, development, appraisal and promotion. We provide our people with information about things that matter to them. This includes:

- Regular email communications relating to subjects such as staffing changes, past or upcoming client events, progress on strategic initiatives and publications
- Monthly updates on the performance of the business
- Quarterly Company updates that include a refresher on key Risk and Compliance policies
- 'Lunch and learn' sessions – voluntary training sessions delivered by internal and external speakers that are designed to educate our people on the work of some of our business areas or to provide an overview of issues that are topical to our business
- Regular "Employee Exclusives" e-mails to provide insight into individual roles, teams and projects

We also have well-established intranet pages that are full of information and resources, including an overview of each of our business areas, our employment, risk and compliance, and other policies, and information on Company events. We encourage involvement by our people so that we can consider their views when making decisions likely to affect their interests.

Peel Hunt is accredited as a Disability Confident Employer by the Department for Work and Pensions. We are committed to supporting a positive culture in relation to disability, providing reasonable adjustments and interviewing disabled candidates who fit the minimum role criteria. We make appropriate arrangements for any disabled candidates at assessment stage, and for the continued employment, training and career development of disabled persons employed by the Group, including making reasonable adjustments where required. If any of our people became disabled, every effort would be made to ensure their continued employment with the business.

We have implemented share plans for our people. We have an established Employee Benefit Trust, the Peel Hunt Share Trust (EBT). The EBT is a discretionary trust for the benefit of employees. It buys Peel Hunt shares that will be used to satisfy awards under the Group's share plans. More details of the Group's share plans can be found in the Remuneration Committee report on pages 75 to 80.

Engaging with employees

You can find more information about how the Directors engage with our people in the strategic report from page 27 and in the governance report from page 57.

Change of control

In the event of a change of control, Directors' and employees' employment contracts do not normally provide compensation for loss of office or employment. However, the Company's share plans may allow for options and awards granted to vest when there is a change of control. Any such vesting would be determined by the Remuneration Committee at the time of the event, in accordance with the plan rules.

Political and charitable donations

During the year, the Group made no political donations. Charitable donations for FY25 totalled £67,584, split between 19 recipients (FY24: £57,403 donated, split between 17 recipients).

Engaging with suppliers and clients

You can find information about how our Directors have fostered relationships with our suppliers and clients in the governance report on pages 57 to 58.

Energy and carbon emissions

You can find information about disclosures from pages 29 to 31 in the strategic report.

Indemnities and insurance

We maintain directors' and officers' liability insurance for all Directors and officers of the Group, which gives appropriate cover for legal proceedings brought against them. As far as the law allows, and according to the Company's Articles of Association, we indemnify our Directors for any loss, liability or expense they incur in relation to the Company or its associated companies. The indemnity was in force during the year and up to the date we approved the financial statements.

Share capital and share premium

The Company has one class of shares in issue: ordinary shares of no-par value (ordinary shares). The total number of ordinary shares in issue is 122,807,085, with each ordinary share carrying the right to one vote. The total number of voting rights in the Company is 122,807,085 ordinary shares. You can find more information about the Company's share capital in Note 19 to the consolidated financial statements.

Financial instruments

You can find details of our financial risk management objectives and policies, and risk exposures, in note 16 in the financial statements.

Directors' conflicts of interest

We have procedures in place for managing conflicts of interest. Should a Director become aware that they, or a party connected to them, has an interest in an existing or proposed transaction with the Company or may find themselves in a situation which may conflict with the interests of the Company, they are required to notify the Board.

Internal controls are in place to make sure that any related-party transactions involving Directors, or a party connected to them, are conducted at arm's length. Directors have a continuing duty to keep the Company up to date as regards conflicts of interest relating to them and those connected to them.

Directors and their interests

In the table on page 84, you can find a list of the Directors' interests in the Company's ordinary shares of no-par value as at 31 March 2025. There have been no changes in the serving Directors' interests in ordinary shares, or options over ordinary shares, from 31 March 2025 to 13 June 2025. For other Director interests please see page 80.

Substantial shareholders

In line with the FCA's Disclosure Guidance and Transparency Rule DTR5, any relevant shareholding information that major shareholders give us is published through a regulatory information service provider and made available at peelhunt.com.

We have received the information shown in the table on page 84 from holders of notifiable interests in the Company's issued share capital. This is in line with DTR5 and is up to date as at 31 March 2025. The lowest threshold is 3% of the Company's voting rights. Holders are not required to let us know of any change until this, or the next applicable threshold, is reached or crossed.

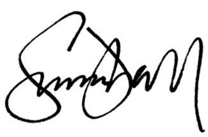
The Company has not been notified of any change to its substantial shareholders from 1 April 2025 to 13 June 2025.

Purchase of shares

The EBT is a discretionary trust for the benefit of employees. It is funded by the Group and has the power to acquire ordinary shares from the Group or in the open market to meet the Group’s future obligations under any share plans.

In last year’s Annual Report the Company refreshed a recommendation to the independent trustee of the EBT, to acquire up to 3% of the issued share capital of the Company (ISC) over a 12-month period to satisfy share awards to employees. In FY25, the EBT purchased an aggregate of 915,578 ordinary shares. The number of shares purchased, representing 0.75% of the ISC as at 31 March 2025, was for an aggregate consideration of £1,114,382.08.

In respect of the forthcoming 12-month period (FY26), the Company may make recommendations to the independent trustee to purchase up to 3% of the ISC per year (the Purchase Limit). As at 31 March 2025, the purchase rate recommended by the Company to the independent trustee was 0.93% of the ISC, and during FY26 this rate may be revised upwards or downwards at the Board’s discretion subject to the Purchase Limit. Any material revision to the Purchase Limit will be announced by the Company or otherwise disclosed in the Company’s Annual Report. The Company may give recommendations in a manner which will allow the EBT to make purchases through closed periods.



Sunil Dhall Chief Financial & Operating Officer
13 June 2025

Directors and their interests[1]

Name	31 March 2025 ordinary shares	31 March 2024 ordinary shares
Lucinda Riches	**21,929**	21,929
Steven Fine	**5,577,351**	5,577,351
Sunil Dhall	**2,243,362**	2,243,362
Darren Carter	**10,189,585**	10,189,585
Maria Bentley	**21,104**	21,104
Liz Blythe	**4,385**	4,385
Richard Brearley[2]	**30,000**	30,000

1 For more information see page 80.
2 Transferred from Richard Brearley’s spouse in FY25.

Substantial shareholders as at 31 March 2025

Institution	Registered holding of ordinary shares	% of total issued share capital
Darren Carter	10,189,585	8.3%
Gresham House Asset Management	9,648,809	7.9%
Peel Hunt Share Trust	7,209,200	5.9%
Steven Fine	5,577,351	4.5%
Unicorn Asset Management Limited	5,082,888	4.1%
Fidelity International	4,444,031	3.6%
Iain Morgan	4,206,689	3.4%

Peel Hunt Limited

Mont Crevelt House,
Bulwer Avenue
St. Sampson
Guernsey GY2 4LH

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable Guernsey law and United Kingdom Accounting Standards.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for ensuring that the financial statements comply with The Companies (Guernsey) Law, 2008 and safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as the Directors are aware, there is no relevant audit information of which the Group's and Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company.

For and on behalf of the Board

Sunil Dhall Chief Financial & Operating Officer
13 June 2025

Financial statements

We have continued to focus our attention on maintaining a healthy financial position by carefully managing costs. We've seen encouraging improvements in revenue performance, even in difficult markets, which reflects the effectiveness of our strategic direction. By prioritising investment in areas aligned with our long-term goals, we continue to advance our strategic agenda and deliver meaningful value for our clients.

Independent auditors’ report to the members of Peel Hunt Limited

Report on the audit of the financial statements

Opinion

In our opinion, Peel Hunt Limited’s Group financial statements and Company financial statements (the “financial statements”):

- give a true and fair view of the state of the Group’s and of the Company’s affairs as at 31 March 2025 and of the Group’s loss and the Group’s and Company’s cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2025; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated and Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ 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 remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to other listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided.

Other than those disclosed in Note 4, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The Group is composed of thirteen entities, of which only four are operating entities; Peel Hunt LLP, Peel Hunt Inc., Peel Hunt Europe Fondsmaeglerselskab A/S and Retail Book Limited. Our Group scoping was driven by legal entity contributions to revenue. We performed a full scope audit of the Company and Peel Hunt LLP and have tested specific financial statement line items for Peel Hunt Inc., Retail Book Limited and Peel Hunt Europe Fondsmaeglerselskab A/S., which taken together accounted for 99% of the Group’s total revenue and 94% of the Group’s total assets.
- The scope of the audit and the nature, timing and extent of audit procedures were determined by our risk assessment, the financial significance of financial statement line items and qualitative factors (including history of misstatement through fraud or error). In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Key audit matters

- Timing of revenue recognition in relation to Corporate Fees (Group)
- Carrying value of the Company's investment in subsidiary (Company)

Materiality

- Overall Group materiality: £1,172,243 (2024: £1,183,272) based on 1% of the average total revenue for the previous five years (including 2025).
- Overall Company materiality: £2,153,254 (2024: £2,990,340) based on 1% of total assets.
- Performance materiality: £879,182 (2024: £887,454) (Group) and £1,614,941 (2024: £2,242,755) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Timing of revenue recognition in relation to Corporate Fees (Group) ***Refer to 2.8 of the Material accounting policies disclosed in Note 2 to the financial statements*** We focus our testing on areas where management judgement is required, specifically the risk of corporate fees being recognised in an inappropriate period to fraudulently distort reported results. Corporate fees will only be recognisable once all the relevant elements of the performance obligation contained within the contractual agreement have been fulfilled (there may be abort fees or other compensation payable to the Group in the event of a transaction not occurring), and these can vary from deal to deal. We therefore concluded that this represented a significant risk of material misstatement and as such it was appropriate to focus our work on the cut-off of revenue recognition on these fees.	Our audit procedures comprised the following: • We understood and evaluated the design and implementation of key controls in place over revenue recognition for corporate fees; • We tested a sample of fees arising or recorded either side of the balance sheet date to determine whether they were properly recognised in the appropriate period with reference to publicly available information, or other supporting evidence; and • We identified and tested journal entries which met specific fraud criteria including unusual account combinations.

Key audit matter	How our audit addressed the key audit matter
Carrying value of the Company's investment in subsidiary (Company) ***Refer to 2.6 of the Material accounting policies disclosed in Note 2 and Note 23 (investments in subsidiaries) of the financial statements.*** The Company holds an investment in Peel Hunt Partnership Group Limited with a carrying value of £168 million. IAS 36 'Impairment of Assets' requires that investments are subject to an impairment review when there is an indication that an asset may be impaired or where there may be an impairment reversal. Since the market capitalisation of Peel Hunt Limited as of 31 March 2025 was lower than the carrying value of the subsidiary, management prepared an impairment assessment. The impairment assessment, which estimated the recoverable amount using a value in use ('VIU') model, identified that no impairment was required. In light of the impairment recorded in the prior year, the current year impairment assessment shows a small headroom at 31 March 2025. We performed sensitivity analysis to assess the susceptibility of reasonably possible changes in assumptions used by management in estimating the value-in-use and identified the revenue forecasts, long-term growth rate and the discount rate as the key assumptions. We therefore concluded that this represents a significant risk of material misstatement and as such it was appropriate to focus our work on the key assumptions, and whether they were reasonable and supportable based on the evidence provided.	Our audit procedures comprised the following: • We understood and evaluated the design and implementation of key controls over the impairment assessment; • We evaluated the methodology used by management against the requirements of the financial reporting framework, and tested the mathematical accuracy of the model; • We agreed the forecast financial information to the five year business plan approved by the Board in March 2025; • We understood the key drivers behind management's revenue and cost projections and assessed them in light of our understanding of the Peel Hunt business; • We have assessed the reasonableness of the revenue forecasts by performing a look-back analysis of prior period forecasts and comparing the forecasts to historic trends. Where the projections differed significantly from historic experience we challenged management on whether the assumptions were reasonable and supportable; • We reviewed detailed historical transaction volumes and forecast data for investment banking revenues, corroborating Peel Hunt's plans to reach projected FY30 revenue levels through past performance. We also performed a comparison of forecast investment banking revenues to peers; • We made enquiries with a director within our Capital Markets business to understand their views on capital market activity, including risks and opportunities and the Groups' relative position and ability to capitalise on the opportunities; • We examined management's analysis of the difference between the market capitalisation and the Group's calculated VIU to assess the reasonableness of the factors considered; • We assessed the reasonableness of the discount rate and long-term growth rate assumptions by using our valuation experts to derive an independent view on the rates; and • We evaluated the appropriateness of the related disclosures in Note 2 to the Company's financial statements and Note 23 (investments in subsidiaries).

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The scope of the audit and the nature, timing and extent of audit procedures were determined by our risk assessment, the financial significance of financial statement line items and qualitative factors (including history of misstatement through fraud or error). The Group operates in the UK, US and Denmark, with the UK being the most significant territory. The Group is composed of four operating entities, Peel Hunt LLP, Peel Hunt Inc., Peel Hunt Europe Fondsmaeglerselskab A/S and Retail Book Limited which are subsidiaries of the Company. We consider Peel Hunt LLP and the Company as the only significant components due to their contribution to the Group's total revenue and Group's total assets. We performed a full scope audit of Peel Hunt LLP and the Company and the Group audit team tested specific financial statement line items for Peel Hunt Inc., Retail Book Limited and Peel Hunt Europe Fondsmaeglerselskab A/S. This approach gave us coverage over 94% of total assets and 99% of revenue in the Group financial statements.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Financial statements – Group	Financial statements – Company
Overall materiality	£1,172,243 (2024: £1,183,272).	£2,153,254 (2024: £2,990,340).
How we determined it	1% of the average total revenue for the previous five years (including 2025)	1% of total assets
Rationale for benchmark applied	We consider this to be an appropriate benchmark as revenue is a key performance indicator for the Group's performance and a metric used to guide analysts. We use an average of 5 years given the cyclical nature of the industry and the generation of revenue.	Total assets is an appropriate benchmark as the primary purpose of the entity is to act as a holding Company.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The materiality used in auditing Peel Hunt LLP for Group reporting purposes was £1,113,631 and we used £996,407 when auditing the material items within Peel Hunt Inc., Retail Book Limited and Peel Hunt Europe Fondsmaeglerselskab A/S financial information.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £879,182 (2024: £887,454) for the Group financial statements and £1,614,941 (2024: £2,242,755) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the audit committee that we would report to them misstatements identified during our audit above £58,612 (Group audit) (2024: £59,164) and £107,663 (Company audit) (2024: £149,517) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- performing a risk assessment to identify factors that could impact the going concern basis of accounting, including the impact of external risks such as an uncertain economic environment and climate change;
- understanding and evaluating management's financial forecasts and liquidity and regulatory capital over the going concern period including an evaluation of the stress testing performed by management;
- evaluating management's covenant compliance monitoring, the impact of the stress scenarios on the covenants and the mitigating actions available to management;
- substantiation of financial resources available to the Group and Company as at the balance sheet date including the cash at bank; and
- reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

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 and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by The Companies (Guernsey) Law, 2008 have been included.

Based on our work undertaken in the course of the audit, The Companies (Guernsey) Law, 2008 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' 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 auditors' 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.

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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the rules of the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiries of management, those charged with governance and review of internal audit reports in so far as they related to the financial statements;
- identifying and testing journal entries meeting specific fraud criteria, including unexpected account combinations;
- incorporating unpredictability into the nature, timing and/or extent of our testing;
- challenging the significant assumptions and judgements made by management in key accounting estimates; and
- review of FCA correspondence and the whistleblowing report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Partner responsible for the audit

The engagement partner on the audit resulting in this independent auditors' report is Nick Morrison

Other required reporting

Companies (Guernsey) Law, 2008 exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Nick Morrison (Senior Statutory Auditor)

for and on behalf of **PricewaterhouseCoopers LLP**
Chartered Accountants and Statutory Auditors London

13 June 2025

Consolidated statement of comprehensive income

For the year ended 31 March

Continuing activities	Note	**Consolidated Year ended 31 March 2025 £'000**	Consolidated Year ended 31 March 2024 £'000
Revenue	3	**91,307**	85,834
Administrative expenses		**(93,891)**	(88,042)
Loss from operations	4	**(2,584)**	(2,208)
Finance income	6	**1,495**	1,117
Finance expense	6	**(2,105)**	(2,244)
Other income		**235**	115
Operating loss for the year		**(2,959)**	(3,220)
Share of loss from associate	24	**(538)**	(42)
Loss before tax for the year		**(3,497)**	(3,262)
Tax	7	**(83)**	61
Loss for the year		**(3,580)**	(3,201)
Other comprehensive income/(expense) for the year		**–**	–
Total comprehensive expense for the year		**(3,580)**	(3,201)
Attributable to:			
Owners of the Company		**(2,728)**	(3,201)
Non-controlling interests		**(852)**	–
Loss for the year		**(3,580)**	(3,201)
Attributable to:			
Owners of the Company		**(2,728)**	(3,201)
Non-controlling interests		**(852)**	–
Total comprehensive expense for the year		**(3,580)**	(3,201)
Loss per share – attributable to owners of the Company			
Basic	20	**(2.3)p**	(2.7)p
Diluted	20	**(2.3)p**	(2.7)p

The notes on pages 100-135 form part of the financial statements.

Consolidated and Company statements of financial position

As at 31 March

Company Number – 65579	Note	**Company As at 31 March 2025 £'000**	Company As at 31 March 2024 £'000	**Consolidated As at 31 March 2025 £'000**	Consolidated As at 31 March 2024 £'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	**–**	–	**5,715**	6,555
Intangible assets	9	**–**	–	**1,658**	1,901
Investments in subsidiaries	23	**189,334**	188,968	**–**	–
Investment in associates	24	**–**	–	**–**	538
Right-of-use assets	22	**–**	–	**12,069**	13,741
Subordinated loan	17	**15,000**	15,000	**–**	–
Deferred tax asset	14	**–**	–	**472**	409
Total non-current assets		**204,334**	203,968	**19,914**	23,144
Current assets					
Securities held for trading	16	**–**	–	**68,539**	60,104
Market and client debtors	16.4.5	**–**	–	**496,029**	551,943
Trade and other debtors	12, 16	**10,414**	10,410	**20,042**	19,613
Cash and cash equivalents	13, 16.4.5	**29**	10	**20,395**	37,929
Total current assets		**10,443**	10,420	**605,005**	669,589
LIABILITIES					
Current liabilities					
Securities held for trading	16	**–**	–	**(53,770)**	(35,305)
Market and client creditors	16.5	**–**	–	**(447,146)**	(508,980)
Trade and other creditors	15	**(25,152)**	(17,974)	**(8,859)**	(7,280)
Revolving credit facility	18	**–**	–	**–**	(15,000)
Lease liabilities	22	**–**	–	**(2,983)**	(2,956)
Long-term loans	18	**(6,000)**	(6,000)	**(6,000)**	(6,000)
Provisions	26	**–**	–	**(611)**	(708)
Total current liabilities		**(31,152)**	(23,974)	**(519,369)**	(576,229)
Net current (liabilities)/assets		**(20,709)**	(13,554)	**85,636**	93,360
Non-current liabilities					
Long-term loans	18	**(3,000)**	(9,000)	**(3,000)**	(9,000)
Lease liabilities	22	**–**	–	**(13,833)**	(15,754)
Total non-current liabilities		**(3,000)**	(9,000)	**(16,833)**	(24,754)
Net assets		**180,625**	181,414	**88,717**	91,750

Consolidated and Company statements of financial position continued

As at 31 March

Company Number – 65579	Note	**Company As at 31 March 2025 £'000**	Company As at 31 March 2024 £'000	**Consolidated As at 31 March 2025 £'000**	Consolidated As at 31 March 2024 £'000
EQUITY					
Ordinary share capital	19	**223,881**	223,881	**40,099**	40,099
Other reserves	19	**(43,256)**	(42,467)	**47,895**	50,076
Total shareholders' equity		**180,625**	181,414	**87,994**	90,175
Non-controlling interests	23	**–**	–	**723**	1,575
Total equity		**180,625**	181,414	**88,717**	91,750

The notes on pages 100-135 form part of these financial statements.

The financial statements on pages 95-99 were approved by the Board of Directors on 13 June 2025 and signed on its behalf by:

Steven Fine
Director

Consolidated and Company statements of changes in equity

For the year ended 31 March

Company	Ordinary share capital £'000	Other reserves £'000	Total shareholders' equity £'000	Non-controlling interest £'000	Total equity £'000
Balance as at 1 April 2023	**223,881**	**37,070**	**260,951**	**–**	**260,951**
Loss for the year	–	(80,225)	(80,225)	–	(80,225)
Other comprehensive income	–	–	–	–	–
Total comprehensive expense	–	(80,225)	(80,225)	–	(80,225)
Transactions with owners					
Equity-settled share-based payments reserve	–	688	688	–	688
Dividends paid	–	–		–	
Balance as at 31 March 2024	**223,881**	**(42,467)**	**181,414**	**–**	**181,414**
Loss for the year	–	(2,310)	(2,310)	–	(2,310)
Other comprehensive expense	–	–	–	–	–
Total comprehensive expense	–	(2,310)	(2,310)	–	(2,310)
Transactions with owners					
Equity-settled share-based payments reserve	–	1,521	1,521	–	1,521
Balance as at 31 March 2025	**223,881**	**(43,256)**	**180,625**	**–**	**180,625**

Group	Ordinary share capital £'000	Other reserves £'000	Total shareholders' equity £'000	Non-controlling interest £'000	Total equity £'000
Balance as at 1 April 2023	**40,099**	**53,047**	**93,146**	**–**	**93,146**
Loss for the year	–	(3,201)	(3,201)	–	(3,201)
Other comprehensive income	–	–	–	–	–
Total comprehensive expense	–	(3,201)	(3,201)	–	(3,201)
Transactions with owners					
Equity-settled share-based payments reserve	–	688	688	–	688
Purchase of Company shares	–	(458)	(458)	–	(458)
Transaction with non-controlling interests	–	–	–	1,575	1,575
Balance as at 31 March 2024	**40,099**	**50,076**	**90,175**	**1,575**	**91,750**
Loss for the year	–	(2,728)	(2,728)	(852)	(3,580)
Other comprehensive income	–	–	–	–	–
Total comprehensive expense	–	(2,728)	(2,728)	(852)	(3,580)
Transactions with owners					
Equity-settled share-based payments reserve	–	1,521	1,521	–	1,521
Purchase of Company shares	–	(974)	(974)	–	(974)
Balance as at 31 March 2025	**40,099**	**47,895**	**87,994**	**723**	**88,717**

Consolidated and Company statements of cash flows

For the year ended 31 March

	Note	**Company Year ended 31 March 2025**	Company Year ended 31 March 2024	**Consolidated Year ended 31 March 2025**	Consolidated Year ended 31 March 2024
Net cash generated from operations	21	**8,067**	12,062	**9,601**	7,027
Cash flows from investing activities					
Investment in subsidiaries	23	**(955)**	(4,712)	**–**	–
Investment in associates	24	**–**	–	**–**	(580)
Purchase of property, plant and equipment	8	**–**	–	**(583)**	(76)
Disposal of property, plant and equipment		**–**	–	**2**	–
Purchase of intangible assets	9	**–**	–	**(283)**	(1,078)
Net cash used in investing activities		**(955)**	(4,712)	**(864)**	(1,734)
Cash flows from financing activities					
Interest paid	6	**(1,102)**	(1,351)	**(1,404)**	(1,435)
Dividends paid		**–**	–	**–**	–
Lease liability payments	22	**–**	–	**(3,402)**	(3,456)
Purchase of Company shares		**–**	–	**(974)**	(458)
Non-controlling interests	23	**–**	–	**–**	1,575
Disposal of equity in a subsidiary investment		**9**	–	**9**	–
RetailBook fundraising proceeds		**–**	–	**500**	–
(Repayment)/drawdown from the revolving credit facility	18	**–**	–	**(15,000)**	15,000
Repayment of long-term loan	18	**(6,000)**	(6,000)	**(6,000)**	(6,000)
Net cash (used in)/generated from financing activities		**(7,093)**	(7,351)	**(26,271)**	5,226
Net increase/(decrease) in cash and cash equivalents		**19**	(1)	**(17,534)**	10,519
Cash and cash equivalents at beginning of period		**10**	11	**37,929**	27,410
Cash and cash equivalents at the end of the year		**29**	10	**20,395**	37,929

The financial statements on pages 95-99 were approved by the Board of Directors on 13 June 2025 and signed on its behalf by:

Steven Fine
Chief Executive

Sunil Dhall
Chief Financial and Operating Officer

Notes to the financial statements

1 General information

Peel Hunt Limited (the Company) is a non-cellular company limited by shares having listed its shares for trading on the Alternative Investment Market (AIM), a market operated by the London Stock Exchange, on 29 September 2021. The Company is registered in Guernsey. Its registered office is Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH. The consolidated financial statements of the Company comprise the Company and its subsidiaries, together referred to as the Group.

The financial statements are presented in sterling, which is the Group's functional currency, and all values are rounded to the nearest thousand pounds (£'000) except where indicated otherwise.

The material accounting policies adopted in the preparation of the financial statements are described below. These policies have been applied consistently throughout the financial year and the prior year.

2 Material accounting policies

2.1 Basis of preparation

The Group's and Company's financial statements have been prepared in compliance with UK-adopted international accounting standards and with the requirements of the Companies (Guernsey) Law, 2008 which requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2.6.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for derivatives and financial assets and liabilities which are valued at fair value through profit and loss (FVTPL). Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

2.2 Changes in accounting policies

2.2.1 New standards, interpretations and amendments adopted from 1 April 2024:

The following amendments became mandatorily effective for the reporting periods beginning on or after 1 January 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current liabilities with covenants (Amendments to IAS 1 Presentation of Financial Statements);
- Lease liability in a sale and leaseback (Amendments to IFRS 16 Leases).; and
- Supplier finance arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

The Group carried out an assessment of the new standards and amendments and concluded that:

- The Group does not undertake sale and leaseback transactions, thus amendments to IFRS 16 Leases are not applicable to the Group; and
- The Group does not undertake reverse factoring arrangements, thus amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures are not applicable to the Group.

See the applicable notes for further details on how the other amendments affected the Group.

2.2 Changes in accounting policies continued

Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

The amendments require that an entity's right to defer settlement of a liability for at least 12 months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least 12 months after the reporting period.

The Group is forecasting that it will comply with covenant obligations on long-term debt under the Senior Facilities Agreement (SFA) as a result there is no impact on non-current liabilities classification.

Non-current liabilities with covenants (Amendments to IAS 1 Presentation of Financial Statements)

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

The impact on the Group is the same as above.

2.2.2 New standards, interpretations and amendments not yet effective:

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

The following amendments are effective for the period beginning on or after 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 on or after 1 January 2026:

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures);
- International Sustainability Standards Board (ISSB) IFRS Sustainability Reporting Standards (IFRS S1 and S2). These standards are still going through the UK endorsement process for them to be applicable to UK companies. The endorsed IFRS Sustainability Standards will be known as UK Sustainability Reporting Standards (UK SRS;
- Annual Improvements to IFRS Accounting Standards. These annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards; and
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7). On 18 December 2024 the IASB issued amendments to improve the reporting by companies of the financial effects of nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

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

2.3 Basis of consolidation

The consolidated financial information incorporates the financial information of the Group and entities controlled by the Company (including the Company's Employee Benefit Trust) to 31 March each year end. Peel Hunt Limited has control over another entity when Peel Hunt Limited has all of the following:

i. power over the relevant activities of the investee, for example through voting rights or other rights;

ii. exposure to, or rights to, variable returns from its involvement with the investee; and

iii. the ability to affect those returns through its power over the investee.

The assessment of control is based on the consideration of all facts and circumstances. Peel Hunt Limited reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The results of subsidiaries established during the year are included in the consolidated income statement from the date they were incorporated. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The amount of non-controlling interest is measured at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets.

The Companies (Guernsey) Law 2008 s244 (5) does not require the Company to prepare individual accounts during a financial year when consolidated financial statements are prepared. The Company has disclosed the statement of financial position, statement of changes in equity and statement of cash flow as permitted by the Companies (Guernsey) Law 2008.

2.4 Going concern

The Group's principal activities are Investment Banking, Research & Distribution and Execution Services in UK mid-cap and growth companies to institutional clients, wealth managers and private client brokers.

The Directors have assessed the Group's projected business activities and available financial resources together with a detailed cash flow forecast for the next 18 months from the date these financial statements were approved. The Directors have used base case and severe but plausible scenarios to perform the going concern assessment.

The base scenario assumes:

- Long-term sustainable growth of the Group as approved by the Board in the Group's five-year business plan
- Moderate inflationary increases on all cost categories
- Continued strategic investment in the Group, particularly in relation to technology and further diversification in our revenue

The severe but plausible downside scenario assumes:

- Worsening of the economic climate from the current historic low levels, continuing to keep capital market activity low and trading volumes reduced
- An operational event occurs reducing profitability and cash
- Management continues to rationalise costs where possible

The results of the scenario analyses consider the impact on profitability, cash, liquid assets, regulatory capital and covenant requirements. The severe but plausible downside scenario also includes active management of the Group's liquid assets in order to ensure the Group's ability to repay its long-term loans as required, which would mitigate any potential covenant constraints. In view of the Group's available financial resources, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date these financial statements are approved and for the foreseeable future. The Group has a strong focus on working capital management to ensure the payment of the Group's liabilities as they fall due. There is also a focus on monitoring the regulatory capital resources and requirements of Peel Hunt LLP and the UK regulatory group to ensure that all regulatory capital and liquidity requirements and covenant requirements are met.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2025.

2.5 Segment reporting

In accordance with IFRS 8 Operating Segments, an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision-maker and for which discrete information is available.

The Group is operated under one business segment as an integrated investment banking business with the exception of Retail Book Limited and Retail Book Holdings limited which operate independent of the Group and are considered immaterial for segment reporting. The chief operating decision-maker responsible for allocating resources and assessing performance of the operating segment is identified as the Board of Directors. The operating segment is reported in a manner consistent with the internal management reporting provided to the chief operating decision-maker.

2.6 Critical accounting judgements and key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are regularly evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. There are no other significant estimates or judgements about the future that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities at the end of the reporting period.

Impairment of the Company's investment in subsidiaries

In the prior year, an impairment of £85m was recognised in the financial statements related to the Company's investment in Peel Hunt Partnership Group Limited and the business has performed broadly in line with management's expectations.

The Directors identified an indicator of impairment of the investment in subsidiaries at year end, as the carrying value of the Company's investment in Peel Hunt Partnership Group Limited is currently higher than the Group's market capitalisation. As a result, the Directors performed an impairment test on the investment in Peel Hunt Partnership Group Limited, which indicated that no impairment was required, as the recoverable amount as determined by value-in-use was higher than the carrying amount.

In the process of determining the value-in-use, the Directors have considered the following:

- The assumptions inherent in the five-year business plan approved by the Board and the long-term sustainable growth of the Group
- The assumptions regarding growth in corporate clients, focusing on economic relevance and diversification, return on funding of market-making activities taking into account regulatory capital requirements and risk limits, and macroeconomic factors, such as levels of market and client activity
- Future cash flows have been discounted at an appropriate weighted average cost of capital (WACC) of 13% (31 March 2024: 11%) for the Group. The WACC has been estimated with reference to industry benchmarks, and thus is subject to fluctuations beyond the Directors' control
- A suitable terminal growth rate of 2% (31 March 2024: 2%) has been applied consistent with long-term forecasts for UK GDP growth

Sensitivity analysis

The Directors have performed sensitivity analysis using reasonable possible changes in the terminal growth rate, WACC and projected cash flows. Assuming all other variables remain constant:

- A 0.5 percentage point decrease in the terminal growth rate would reduce headroom to zero, whilst a 0.5 percentage point increase in the terminal growth rate would increase headroom to £12m
- A 1 percentage point increase in WACC would result in an impairment of £10m, whilst a 1 percentage point decrease in WACC would increase headroom to £25m
- A 5 percentage point decrease in revenue in the terminal year would result in an impairment of £26m whilst a 5 percentage point increase in revenue in the terminal year would increase headroom to £37m. Alongside this we also modelled a delayed recovery, with continued subdued revenue in FY26 and FY27 with the growth rate then being consistent with the Group's business plan thereafter, and this would result in an impairment of £5m

Please refer to Note 2.13 for more information on the accounting policy.

2.7 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date.

2.8 Revenue from contracts with customers

The Group applies IFRS 15 Revenue from Contracts with Customers. IFRS 15 establishes a five-step model governing revenue recognition. The five-step model requires the Group to (i) identify the contract with the customer, (ii) identify each of the performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied. All revenue is recognised at a point in time basis, with the exception of Investment banking retainers and research payments as outlined below.

All revenue is reported under one operating segment, consistent with internal reporting provided to the Board, which is responsible for allocating resources and assessing performance of the operating segment and has been identified as the chief operating decision-maker. The Board views the business as a single integrated business.

Revenue is recorded net of VAT and comprises of:

- Research payments are accrued over the financial year to which they relate in respect of payments for agreed research services. Where contracts between the Group and each of its research clients are discretionary, the commission is recorded based on variable consideration derived from the most recent level of research provided, updated for recent events or communications with the client. Commission from institutional execution business, less commissions paid away under commission sharing agreements, is recognised on the trade date
- Revenue from advisory and investment banking services, less amounts paid to third parties, which is recognised when the performance obligations have been met and the Group is contractually entitled to receive the fees
- Retainers are accrued over the financial year for which the service is provided, which reflects the period the performance obligations relate to, and are based on a contract between the Group and the client
- Trading gains and losses from market-making activities for long and short positions on a trade date basis i.e. the date the trades are executed, and comprises all gains and losses from changes in the fair value of financial assets and liabilities through profit and loss, together with any related dividends on positions held

2.9 Foreign currency translation

Foreign currency assets and liabilities have been translated into sterling at the exchange rates ruling at the reporting date. Transactions in foreign currencies during the financial year have been converted into sterling at the rates ruling at the time the transactions were executed. All exchange differences are reflected in the statement of comprehensive income.

2.10 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful economic lives of each item, considered to be as follows:

- Leasehold and building improvements: remaining length of lease
- Office equipment: 3 to 5 years
- Fixtures and fittings: 5 years

The carrying value of other assets is based on the most recent independent valuation.

The residual values and useful lives are reviewed by the Directors and adjusted if appropriate at the end of each reporting period.

2.11 Intangible assets

Intangible assets represent internally generated intangible assets, computer software and sports debentures. Intangible assets are recognised only if all of the following conditions are met:

- An asset is created that can be identified
- It is probable that the asset created will generate future economic benefits
- The cost of the asset can be measured reliably

Internally generated intangible assets comprise capitalised development costs for certain technology developments for key projects in the Group. The costs incurred in the research phase of these internal projects are expensed. Development costs of an individual project are recognised as an intangible asset if, and only if, the Group can demonstrate:

- the technical feasibility of completing the development;
- that it will be available for use or resale;
- its ability to complete and its intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the development; and
- the ability to reliably measure the costs during the development.

Following initial recognition, intangible assets are stated at cost less accumulated amortisation, and where applicable, accumulated impairment losses. Amortisation begins when the asset is available for use. Amortisation is charged to the income statement within the administrative expenses line on a straight-line basis over the estimated useful economic lives of each item. Internally generated intangible assets are amortised over three years, computer software is amortised over five years and sports debentures are amortised over the life of the ticket rights.

At each reporting date useful economic lives are reviewed by the Directors and adjusted if appropriate.

2.12 Investments in associates

Associates are entities in which the Group has significant influence over the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group applies the equity method to account for its investments in associates. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income or expenses of the investee. The Group's share of the investee's profits or losses and other comprehensive income are recognised in the consolidated statement of comprehensive income.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit or loss of an associate' in the statement of profit or loss.

The financial statements of associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Judgement

The Group made a judgement that it has the power to exercise significant influence over Peel Hunt Fintech Ventures LLP despite holding less than 20% of the voting rights in the Company, which would ordinarily have been accounted for as an IFRS 9 Financial asset. More information is disclosed in Note 24.

2.13 Impairment of non-financial assets (excluding deferred tax assets)

Tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible 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 to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Investments in subsidiaries

At the end of each reporting date a review for indicators of impairment is undertaken in respect of investment in the ordinary shares of subsidiaries. Factors considered in the review include the Group's prevailing market capitalisation versus the carrying amount of investments in subsidiaries and the economic viability and expected future financial performance of the Group. If there is an indicator of impairment, the Directors undertake a full impairment assessment. An impairment loss is recognised in the income statement when the carrying amount of investments in subsidiaries exceeds the recoverable amount. Subsequent to initial recognition, the investment in subsidiary is held at cost less accumulated impairment losses.

The recoverable amount is calculated as the higher of the value-in-use (VIU) or fair value less costs to sell (FVLCTS). VIU is derived from the present value of future cash flows expected to be received by the Company from the subsidiary. Refer to Note 2.6 for judgements and estimates made in relation to the impairment assessment performed.

2.14 Market and client debtors and creditors

Market and client debtor balances represent unsettled sold securities transactions and are recognised on a trade date basis.

Market and client creditor balances represent unsettled purchased securities transactions and are recognised on a trade date basis. When there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability immediately, market and client debtors and creditors are offset, and the net amount reported in the consolidated statement of financial position. Market and client debtor and creditor balances in these financial statements include agreed counterparty netting of £10.0m (31 March 2024: £10.2m). Otherwise, all debtor and creditor balances are shown gross and are stated at their contractual values.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

2.15.1 Financial assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned.

They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value.

Financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets held at amortised cost (AC)

Financial assets are classified on the basis of two criteria:

i. The business model within which the financial asset is managed

ii. Their contractual cash flow characteristics (whether the cash flows represent solely payments of principal and interest (SPPI))

2.15 Financial instruments continued

The Group assesses the business model criteria at portfolio level. Information that is considered in determining the applicable business model includes: (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent SPPI. In assessing whether contractual cash flows are SPPI compliant, interest is defined as consideration primarily of the time value of money and the credit risk of the principal outstanding. The time value of money is defined as the element of interest that provides consideration only for the passage of time and not consideration for other risks or costs associated with holding the financial asset. Terms that could change contractual cash flows so that it would not meet the condition of SPPI are considered including (i) contingent features, (ii) non-recourse arrangements, (iii) features that could modify the time value of money.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL by management.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term trading
- It is a derivative that is not recognised and effective as a hedging instrument

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- It eliminates or significantly reduces a measurement or recognition inconsistency, sometimes known as an 'accounting mismatch', that otherwise would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on reassessment recognised in the income statement. The net gain or loss in the income statement incorporates any dividend or interest earned on the financial asset.

Financial assets held at AC

Financial assets that are held to collect the contractual cash flows and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at amortised cost. Such financial assets include trade receivables, loans and other non-derivative financial assets that have a fixed or determinable payments.

Financial assets are initially recorded at fair value and subsequently measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and their contractual cash flows represent SPPI. Financial assets held at amortised cost are measured at amortised cost using the effective interest method, less any impairment. Interest income, which is recognised on an accrued basis using the effective interest method, is reported in the income statement.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Provisions for expected credit losses for trade receivables are recognised based on the simplified approach within IFRS 9. Under the simplified impairment approach, the measurement basis for the credit loss allowance is lifetime Expected Credit Losses (ECL). The Group elected to use a simplified 'provision matrix' for calculating expected losses as an IFRS 9 practical expedient. The provision matrix is based on the Group's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

2.15 Financial instruments continued

The lifetime ECL is calculated by multiplying the relevant default rate (i.e. historical default rates plus adjustments for forward-looking estimates) per ageing bucket with the corresponding trade receivable. The provision for ECL is recognised in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

In respect of equity investments not held for trading, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2.15.2 Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

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

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at AC. Financial liabilities at amortised cost (also includes borrowings) are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL with the financial instrument being held for trading or it is designated as at FVTPL by management. A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of selling it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- It is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise. This is also true for contracts containing one or more embedded derivatives
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses line item in the income statement.

2.15.3 Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

2.16 Leases

Leases under IFRS 16 are defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are presented as a separate line in the statement of financial position.

2.17 Pensions

The Group makes pension contributions to employees' personal pension schemes. The Group's contributions are charged to the income statement as they fall due.

2.18 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net 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 temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities that affects neither the taxable profit nor the accounting profit.

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 financial year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits held with financial institutions repayable without penalty. Cash equivalents are highly liquid investments that mature no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Where client money balances are held by the Group, as part of its client money obligations those funds must be held in segregated accounts, not available for use by the Group, and must comply with regulatory safeguarding compliance requirements. The Group is not a party to the contractual provisions nor a beneficial owner of the funds. As a result, the Group has determined that it does not have sufficient ownership or control over these balances to include them and their corresponding liability on the consolidated statement of financial position.

2.20 Share-based payments

The Group issues equity-settled share-based awards to employees of the Group through share options under the Peel Hunt Long Term Incentive Plan (LTIP). The LTIP provides the rules under which the Restricted Share Plan (RSP) awards were granted. Share options are awarded to employees taking into account the requirements of the Investment Firms Prudential Regime (IFPR).

Equity-settled share-based payment schemes are measured at fair value, excluding the effect of non-market-based vesting conditions if any, at the date of grant using an appropriate option pricing model. Share options under the RSP have been valued using a Black Scholes-Merton option pricing model as only a service-based condition exists. The RSP scheme requires the estimation of an appropriate forfeiture rate to estimate the number of share options that are likely to vest. The fair value of the share options is recognised over the vesting period to reflect the value of the employee services received. Charges relating to grants to employees of the Company are recognised as an expense in the consolidated statement of comprehensive income with the corresponding entry taken to equity.

The Group has an established employee benefit trust (Peel Hunt Share Trust) in respect of the Group's share plans which is funded by the Group and has the power to acquire ordinary shares from the Group or in the open market to meet the Group's future obligations under these plans. The EBT is a discretionary trust for the benefit of employees.

On consolidation, the cost of shares acquired by the Employee Benefit Trust was deducted as an adjustment to equity. Gains and losses arising on Employee Benefit Trust-related transactions are taken directly to equity.

3 Revenue

Revenue comprises the following:

	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Research payments and Execution commission	**26,108**	23,629
Execution Services revenue	**33,673**	29,638
Investment Banking revenue	**31,526**	32,567
Total revenue for the year	**91,307**	85,834

Although there are different revenue types, the Group's activities are managed as a single business unit with the exception of Retail Book Limited which contributed immaterial revenue. All material revenue was generated from the Group's activities within the UK.

4 Loss from operations

The following items have been included in arriving at the loss from operations:

	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Depreciation and amortisation	**1,947**	1,940
Lease depreciation (see Note 22)	**2,482**	2,413
Staff costs including staff restructuring costs (see Note 5)	**55,490**	50,643
Other non-staff costs	**33,181**	32,417
Auditors' remuneration in respect of Company	**235**	204
Auditors' remuneration in respect of subsidiaries	**375**	275
Audit-related assurance services	**143**	119
Other assurance services	**25**	31
Other non-audit services	**13**	–
Total administrative expenses	**93,891**	88,042

Auditors' remuneration in respect of subsidiaries includes £307k (FY24:275k) in relation to PricewaterhouseCoopers LLP (PwC). Audit-related assurance services include £128k (31 March 2024: £119k) and £15k (31 March 2024: £nil) for Peel Hunt LLP and RetailBook CASS audit respectively. Other assurance services include £23k (31 March 2024: £22k) relates to the banking covenant review. £12k of other non-audit services relates to RetailBook. Other non-staff costs are expenses incurred in the normal course of business such as technology costs, premises costs, professional and regulatory fees, brokerage and clearing fees.

5 Staff costs

	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Wages and salaries	**46,450**	41,874
Social security costs	**5,923**	5,914
Pensions costs	**2,570**	2,741
Other costs	**547**	114
Total staff costs charged as an expense for the year	**55,490**	50,643

Wages and salaries includes variable compensation for employees and share-based payment charges; FY25 also includes staff restructuring costs. Directors' remuneration is disclosed in the Remuneration Committee report on page 79. Other than the Non-Executive Directors, no staff are employed by the Company. The average number of employees of the Group during the year was:

	As at 31 March 2025	**2024/25 Average**	As at 31 March 2024	2023/24 Average
Dealing, sales, research and corporate advisory	**178**	**193**	202	199
Support and administration	**96**	**98**	100	109
Group employees excluding RetailBook	**274**	**291**	302	308
RetailBook	**13**	**7**	1	1
Total number of employees of the Group	**287**	**298**	303	309

6 Net finance expense

	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Finance income		
Interest received	**1,495**	1,117
Finance expense		
Interest paid	**(293)**	(85)
Interest on lease liabilities	**(712)**	(809)
Interest on long-term loan	**(1,100)**	(1,350)
Finance expense for the year	**(2,105)**	(2,244)
Net finance expense for the year	**(610)**	(1,127)

7 Tax on loss on ordinary activities

7.1 Tax on loss

Since the UK is the primary tax jurisdiction for the Group the corporation tax is calculated at 25% (2024: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions is relevant to the Group and is calculated at the rates prevailing in the respective jurisdictions. The tax credit per the consolidated statement of comprehensive income comprises the following:

	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Current tax:		
UK Corporation tax for the year	**389**	141
Foreign tax for the year	**96**	96
Adjustments in respect of prior years	**(408)**	(307)
Deferred tax:		
Origination and reversal of timing differences (see Note 14)	**6**	9
Total tax expense/(credit) reported in the consolidated statement of comprehensive income	**83**	(61)

7.2 Reconciliation of tax expense/(credit)

The reconciliation between the tax charge/(credit) and the accounting loss multiplied by the rate of corporation tax in the UK is as follows:

	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Loss before tax on continuing operations	**(3,497)**	(3,262)
Tax at the UK corporation tax rate of 25% (2024: 25%)	**(874)**	(815)
Tax effect of profit from other jurisdictions and entities not available for Group relief	**339**	321
Tax effect of expenses not deductible for tax	**990**	572
Adjustments in respect of prior years	**(408)**	(307)
Temporary differences	**36**	168
Total tax expense/(credit) reported in the consolidated statement of comprehensive income	**83**	(61)

8 Property, plant and equipment

Group

2025	Leasehold buildings and improvements £'000	Other assets £'000	Office equipment £'000	Fixtures and fittings £'000	Consolidated Total £'000
Cost					
Balance at 1 April 2024	**11,616**	**35**	**4,772**	**1,681**	**18,104**
Additions during the year	**73**	**–**	**471**	**39**	**583**
Disposals during the year	**–**	**–**	**(2)**	**–**	**(2)**
Balance at 31 March 2025	**11,689**	**35**	**5,241**	**1,720**	**18,685**
Accumulated depreciation					
Balance at 1 April 2024	**(5,937)**	**–**	**(4,439)**	**(1,173)**	**(11,549)**
Charge for the year	**(885)**	**–**	**(341)**	**(195)**	**(1,421)**
Balance at 31 March 2025	**(6,822)**	**–**	**(4,780)**	**(1,368)**	**(12,970)**
Carrying value at 31 March 2025	**4,867**	**35**	**461**	**352**	**5,715**

2024	Leasehold buildings and improvements £'000	Other assets £'000	Office equipment £'000	Fixtures and fittings £'000	Consolidated Total £'000
Cost					
Balance at 1 April 2023	11,616	35	4,696	1,683	18,030
Additions during the year	–	–	76	–	76
Disposals during the year	–	–	–	(2)	(2)
Balance at 31 March 2024	11,616	35	4,772	1,681	18,104
Accumulated depreciation					
Balance at 1 April 2023	(5,052)	–	(3,910)	(976)	(9,938)
Charge for the year	(885)	–	(529)	(197)	(1,611)
Balance at 31 March 2024	(5,937)	–	(4,439)	(1,173)	(11,549)
Carrying value at 31 March 2024	5,679	35	333	508	6,555

9 Intangible assets

Group

2025	Intellectual property in progress £'000	Internal software intellectual property £'000	Sports debentures £'000	Computer software £'000	Consolidated Total £'000
Cost					
Balance at 1 April 2024	**1,175**	**991**	**62**	**1,088**	**3,316**
Additions during the year	**283**	**–**	**–**	**–**	**283**
Transfers (out)/in	**(1,438)**	**1,438**	**–**	**–**	**–**
Balance at 31 March 2025	**20**	**2,429**	**62**	**1,088**	**3,599**
Accumulated amortisation					
Balance at 1 April 2024	**–**	**(347)**	**(14)**	**(1,054)**	**(1,415)**
Charge for the year	**–**	**(505)**	**–**	**(21)**	**(526)**
Balance at 31 March 2025	**–**	**(852)**	**(14)**	**(1,075)**	**(1,941)**
Carrying value at 31 March 2025	**20**	**1,577**	**48**	**13**	**1,658**

2024	Intellectual property in progress £'000	Internal software intellectual property £'000	Sports debentures £'000	Computer software £'000	Consolidated Total £'000
Cost					
Balance at 1 April 2023	565	551	62	1,060	2,238
Additions during the year	1,050	–	–	28	1,078
Transfers (out)/in	(440)	440	–	–	–
Balance at 31 March 2024	**1,175**	**991**	**62**	**1,088**	**3,316**
Accumulated amortisation					
Balance at 1 April 2023	–	(45)	(14)	(1,027)	(1,086)
Charge for the year	–	(302)	–	(27)	(329)
Balance at 31 March 2024	–	(347)	(14)	(1,054)	(1,415)
Carrying value at 31 March 2024	1,175	644	48	34	1,901

Intellectual property in progress and Internal software intellectual property are internally generated intangible assets that are directly attributable to the development costs for individual internal projects that are capitalised based on management's assessment of the likelihood of a successful outcome for each project. This is based on management's judgement that the project is technologically, commercially and economically feasible. The completed internal projects are transferred from Intellectual property in progress to Internal software intellectual property when the software is available for use. During the year £1.1m related to RetailBook was transferred out of Intellectual property in progress to Internal software intellectual property and the remaining £0.3m relates to completed internal projects.

10 Financial assets and liabilities at fair value through profit and loss

	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Long positions in market making and dealing operations		
– Listed securities	**66,826**	59,080
– Unlisted securities	**1,713**	1,024
Long securities held for trading	**68,539**	60,104
Short positions in market making and dealing operations		
– Listed securities	**(53,652)**	(35,193)
– Unlisted securities	**(118)**	(112)
Short securities held for trading	**(53,770)**	(35,305)

11 Cash collateral

	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Cash collateral	**2,392**	5,447
Total cash collateral	**2,392**	5,447

The Group enters into stock borrowing agreements with a number of institutions on a collateralised basis. Under such agreements securities are borrowed with a commitment to return them at a future date. The securities borrowed are not recognised on the statement of financial position. The cash pledged is recorded on the statement of financial position as cash collateral within trade and other debtors, the value of which is insignificantly different from the value of the securities borrowed.

12 Trade and other debtors

	Company 31 March 2025 £'000	Company 31 March 2024 £'000	**Consolidated 31 March 2025 £'000**	Consolidated 31 March 2024 £'000
Trade receivables	**–**	–	**1,952**	3,939
Less: Expected credit losses	**–**	–	**(449)**	(707)
Net trade receivables	**–**	–	**1,503**	3,232
Accrued income	**–**	98	**2,884**	3,340
Deposits paid for property licence	**–**	–	**156**	151
Amounts due from related companies (see Note 25)	**10,382**	10,280	**–**	–
Prepayments	**–**	–	**5,899**	4,259
Other debtors	**32**	32	**9,600**	8,631
Total trade and other debtors	**10,414**	10,410	**20,042**	19,613

The majority of the trade receivables balance relates to Investment Banking fees and Research payments raised towards the end of the financial year, of which most have subsequently been paid.

Trade and other receivables are stated net of expected credit losses.

12 Trade and other debtors continued

	Consolidated 2025 £'000	Consolidated 2024 £'000
At 1 April	**(707)**	(521)
Movement to level of expected credit losses	**258**	(186)
At 31 March	**(449)**	(707)

Any changes to the provision for the expected credit losses are recognised in the statement of comprehensive income within administrative expenses. Due to the immaterial nature of the Group's provision for expected credit losses, trade and other receivables are shown net of this provision on the statement of financial position.

13 Cash and cash equivalents

	Company 31 March 2025 £'000	Company 31 March 2024 £'000	**Consolidated 31 March 2025 £'000**	Consolidated 31 March 2024 £'000
Cash in hand and held at bank	**29**	10	**17,595**	22,229
Cash equivalents	**–**	–	**2,800**	15,700
At 31 March	**29**	10	**20,395**	37,929

Cash held in segregated bank accounts relating to monies held on behalf of clients amounted to £10.9m at 31 March 2025 (31 March 2024: £16.3m) and is excluded from the amounts above and the statement of financial position. Client money relates to amounts received in the ordinary course of settlement of clients' trades and received in advance for the purchase of securities.

Cash equivalents comprise money market funds that are highly liquid and readily convertible to cash.

14 Deferred tax asset

	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Deferred tax asset comprises		
Capital allowances:		
Brought forward	**174**	165
Amounts debited to the profit and loss	**6**	9
Carried forward	**180**	174
Other:		
Brought forward	**235**	108
Amounts credited to the profit and loss	**57**	127
Carried forward	**292**	235
Total deferred tax asset carrying amount	**472**	409

The deferred tax asset reflects the net tax charge at the UK enacted rate of 25%. The whole amount of deferred tax is expected to be recovered from taxable profits no more than 12 months after the reporting period.

15 Trade and other creditors

	Company 31 March 2025 £'000	Company 31 March 2024 £'000	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Accrued expenses	–	–	4,053	3,707
Amounts due to related companies (see Note 25)	24,970	17,974	–	–
Other creditors	182	–	4,806	3,573
Total trade and other creditors	**25,152**	17,974	**8,859**	7,280

16 Financial instruments

16.1 Capital structure

The capital of the Group and Company is structured in the form of issued share capital and reserves.

16.1.1 Financial assets and liabilities

The carrying amounts of financial assets and liabilities are as follows (excluding non-financial items otherwise contained within the primary statements):

	Company 31 March 2025 £'000	Company 31 March 2024 £'000	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Financial assets measured at fair value through profit and loss				
Securities held for trading	–	–	68,539	60,104
Financial assets held at amortised cost				
Market and client debtors	–	–	496,029	551,943
Trade and other debtors	10,382	10,280	8,947	13,200
Cash and cash equivalents	29	10	20,395	37,929
Total financial assets	**10,411**	10,290	**593,910**	663,176
Financial liabilities measured at fair value through profit and loss				
Securities held for trading	–	–	(53,770)	(35,305)
Financial liabilities at amortised cost				
Market and client creditors	–	–	(447,146)	(508,980)
Trade and other creditors	(25,152)	(17,974)	(3,116)	(1,576)
Lease liabilities	–	–	(16,816)	(18,710)
Loan	(9,000)	(15,000)	(9,000)	(15,000)
Revolving credit facility (RCF)	–	–	–	(15,000)
Total financial liabilities	**(34,152)**	(32,974)	**(529,848)**	(594,571)

16.2 Risk management review

The Board and Group Risk Committee are responsible for the oversight of risk management throughout the Group. This is achieved through a combination of Group-level policies and processes and a range of local risk management frameworks and governance committees within the different operating entities.

The Group Risk Framework (GRF) caters for all main risk types. The design, operation and maintenance of the GRF is the responsibility of the Risk and Compliance department, which includes:

- Monitoring of risk profile against approved risk appetite
- Providing oversight and challenge of functional business units in their management of risk
- Reporting and escalation of key risk matters to the Executive Board and to the Group Risk Committee
- Monitoring the external environment for risks to strategic objectives

The main governance forums for risk and control issues are the Group Risk Committee, the Group Audit Committee and the Executive Risk Committee (ERC).

The ERC meets a minimum of four times per year and reports into the Executive Board. The main purpose of the ERC is to oversee the first line management of risks, confirm that the business is operating within agreed risk limits and risk appetite, provide executive review and discussion of documents to be reviewed by the Group Risk Committee and to discuss any risk issues before these are reported to the Group Risk Committee. The ERC has delegated authority from the Executive Board.

16.3 Risk management framework

The GRF includes a formal Risk Appetite Statement (RAS) approved by the Board which is reviewed on an annual basis.

The RAS formalises risk appetite through qualitative and quantitative measures, which is then communicated throughout the firm through appropriate limits, metrics and key risk indicators. The firm operates a typical three lines model, with managers of functional business units acting as the first line, responsible for managing risks within their departments. Risk and Compliance act as the second line, providing oversight and challenge of the first line. Internal Audit represents the third line.

The Group maintains a risk register which lists all the key risks to which the firm is exposed and records both the inherent and residual risk assessments, taking into account the effectiveness of the design and operation of mitigating controls. The risk register is overseen by the Group Risk Committee, to ensure that risks are being identified and managed appropriately and that any management actions arising therefrom are being completed on a timely basis.

The risk management framework under which the business operates is documented in the GRF, which is promulgated and applied through risk management policies. Both the policies and the risk limits are reviewed on an ongoing basis by the Executive Board and the Group Risk Committee. Risk Management monitors the application of this framework and related policies and enforces these limits as part of the day-to-day activities of the business.

16.4 Market risk

Market risk is the risk of loss caused by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates.

The Group controls market risk using aggregate trading and individual position limits, with the first line unit responsible for monitoring intra-day trading risk and for monitoring and reporting end-of-day limit usage to senior management. Risk Management is responsible for ensuring risk limits and reporting of trading risk are appropriate, as well as undertaking independent daily reporting which references externally provided end-of-day market prices (and challenging/escalating where required).

16.4.1 Price risk

Price risk is the risk of loss through changes in market prices. The Group is exposed to price risk through changes in prices and the volatility of prices on its holdings which comprises securities held for trading, predominantly arising from market making.

The Company is not exposed to price risk through holding of securities or investments not held for trading.

The Group conducted a sensitivity analysis on a 5% increase/decrease in equity prices on securities held for trading. Assuming all other variables remain constant, the sensitivity analysis results in a change in loss from operations for the year of +/- £0.7m (2024: +/- £1.2m).

16.4.2 Interest rate risk

Interest rate risk is the risk of loss due to changes in market interest rates. Interest rate risk arises on exposures relating to excess funds in cash, loan facilities with credit institutions and fixed income securities.

The Group conducted a sensitivity analysis on a 100bps increase in interest rates. Assuming all other variables remain constant, the sensitivity analysis results in a net increase in interest expense of £0.2m (2024: £0.2m).

16.4.3 Foreign currency risk

Foreign currency risk is the risk of loss due to changes in foreign exchange rates. Foreign currency risk arises on financial instruments or obligations that are denominated in a currency other than sterling.

Foreign currency exposure comprises the following unmatched assets and liabilities denominated in currencies other than the Group's functional currency, expressed in sterling equivalent:

	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Net assets		
Euro	**332**	319
US dollar	**596**	458
Other	**668**	682
Total currency exposure	**1,596**	1,459

16.4.4 Fair value measurement

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. The table below shows the financial instruments carried at fair value by following the fair valuation hierarchy in accordance with IFRS 13:

- Level 1: quoted prices (unadjusted) in active markets (i.e. where a live market price can be obtained) for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

As at 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Consolidated Total
Financial assets measured at fair value through profit and loss				
Securities held for trading	**66,826**	**668**	**1,045**	**68,539**
Total financial assets as at 31 March 2025	**66,826**	**668**	**1,045**	**68,539**
Financial liabilities measured at fair value through profit and loss				
Securities held for trading	**(53,652)**	**–**	**(118)**	**(53,770)**
Total financial liabilities as at 31 March 2025	**(53,652)**	**–**	**(118)**	**(53,770)**

As at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Consolidated Total
Financial assets measured at fair value through profit and loss				
Securities held for trading	59,080	48	976	60,104
Total financial assets as at 31 March 2024	59,080	48	976	60,104
Financial liabilities measured at fair value through profit and loss				
Securities held for trading	(35,193)	–	(112)	(35,305)
Total financial liabilities as at 31 March 2024	(35,193)	–	(112)	(35,305)

The carrying amounts of financial instruments other than those designated at fair value are not significantly different from fair value. The Company does not have any financial instruments held at FVTPL.

Financial assets and liabilities recognised at fair value through profit and loss in the financial statements are reviewed to determine whether transfers have occurred between Level 3 and other levels in the hierarchy by re-assessing the categorisation at the end of each reporting year. Movements in Level 3 financial assets and liabilities on a net basis are as follows:

	Consolidated 2025 £'000	Consolidated 2024 £'000
At 1 April	**864**	576
Additions	**315**	717
Net losses	**(51)**	(440)
Disposals	**(134)**	83
Transfer to Level 1	**(67)**	(72)
At 31 March	**927**	864

16.4.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honour an obligation.

The Group quantifies and monitors credit risk by managing counterparty credit exposure on pre-settlement risk and post-settlement risk. All counterparty credit exposures arising from the Group's trading activities are captured within one of these measures.

Exposures are measured from trade date on settlements and are calculated based on an estimate of the replacement cost of the trade if the counterparty were to default, based on the difference between the original transaction value and the market value of the unsettled trade.

Free deliveries represent settlements where the parties agree that the seller first delivers the security being sold to the buyer free of payment (FOP). The settlement risk exposure on free deliveries for securities sold is the full market value of the security underlying the trade.

Risk Management performs regular reviews on counterparty credit risk exposures and monitors these against counterparty trading limits.

The Group is exposed to underwriting risks where it underwrites investment transactions on behalf of its corporate clients. The Underwriting Committee reviews all proposed underwriting activities, and its authority is subject to strict underwriting limits, which includes appropriate escalation and approval from senior executives and the Board. Market positions which arise from underwriting are managed in accordance with the market risk policy.

The Group is also exposed to credit risk relating to non-trade receivables and other non-trade debtors. Exposures to this risk are monitored monthly by reviewing outstanding balances. The table below reflects the age analysis of financial assets:

		Overdue					**Company**
As at 31 March 2025	**Not due £'000**	**0-3 months £'000**	**3-6 months £'000**	**6-12 months £'000**	**> 1 year £'000**	**Impaired £'000**	**Carrying value before impairment £'000**
Trade and other debtors	**10,382**	–	–	–	–	–	**10,382**
Total financial assets at 31 March 2025	**10,382**	–	–	–	–	–	**10,382**

		Overdue					Company
As at 31 March 2024	Not due £'000	0-3 months £'000	3-6 months £'000	6-12 months £'000	> 1 year £'000	Impaired £'000	Carrying value before impairment £'000
Trade and other debtors	10,280	–	–	–	–	–	10,280
Total financial assets at 31 March 2024	10,280	–	–	–	–	–	10,280

16.4.5 Credit risk continued

As at 31 March 2025	Overdue						Consolidated
	Not due £'000	0-3 months £'000	3-6 months £'000	6-12 months £'000	> 1 year £'000	Impaired £'000	Carrying value before impairment £'000
Financial assets measured at fair value through profit and loss							
Securities held for trading	**68,539**	**–**	**–**	**–**	**–**	**–**	**68,539**
Financial assets held at amortised cost							
Market and client debtors	**433,881**	**60,218**	**1,634**	**63**	**2**	**231**	**496,029**
Trade and other debtors	**7,867**	**423**	**65**	**29**	**114**	**449**	**8,947**
Cash							
Cash and cash equivalents	**20,395**	**–**	**–**	**–**	**–**	**–**	**20,395**
Total financial assets at 31 March 2025	**530,682**	**60,641**	**1,699**	**92**	**116**	**680**	**590,910**

As at 31 March 2024	Overdue						Consolidated
	Not due £'000	0-3 months £'000	3-6 months £'000	6-12 months £'000	> 1 year £'000	Impaired £'000	Carrying value before impairment £'000
Financial assets measured at fair value through profit and loss							
Securities held for trading	60,104	–	–	–	–	–	60,104
Financial assets held at amortised cost							
Market and client debtors	497,148	54,530	71	90	104	–	551,943
Trade and other debtors	8,421	2,440	11	657	964	707	13,200
Cash							
Cash and cash equivalents	37,929	–	–	–	–	–	37,929
Total financial assets at 31 March 2024	603,602	56,970	82	747	1,068	707	663,176

16.5 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting financial liabilities as they fall due, which are settled by delivering cash or another financial asset.

Liquidity risk is managed by regular reporting of sources and uses of funds to senior management, and strict trading systems controls that limit the amount of funding for trading activities. Further consideration of liquidity is undertaken with local governance as required. Operationally, this highlights at weekly intervals the areas of the trading portfolio that carry liquidity risk.

The Group's exposure to liquidity risk mainly arises from the market making and fixed income trading activities.

16.5 Liquidity risk continued

The maturity analysis below analyses the Group's undiscounted cash outflows (except for lease liabilities which are discounted) relating to contractual liabilities:

As at 31 March 2025	**< 1 year £'000**	**1-2 years £'000**	**2-5 year £'000**	**> 5 years £'000**	**Company Total £'000**
Trade and other creditors	**25,152**	**–**	**–**	**–**	**25,152**
Loan[1]	**6,480**	**3,240**	**–**	**–**	**9,720**
Total financial liabilities at 31 March 2025	**31,632**	**3,240**	**–**	**–**	**34,872**

As at 31 March 2024	< 1 year £'000	1-2 years £'000	2-5 year £'000	> 5 years £'000	Company Total £'000
Trade and other creditors	17,974	–	–	–	17,974
Loan[1]	6,503	6,252	3,125	–	15,880
Total financial liabilities at 31 March 2024	24,477	6,252	3,125	–	33,854

As at 31 March 2025	**< 1 year £'000**	**1-2 years £'000**	**2-5 year £'000**	**> 5 years £'000**	**Consolidated Total £'000**
Market and client creditors	**447,146**	**–**	**–**	**–**	**447,146**
Trade and other creditors	**3,116**	**–**	**–**	**–**	**3,116**
Lease liabilities	**2,983**	**3,070**	**9,666**	**1,097**	**16,816**
Loan[1]	**6,480**	**3,240**	**–**	**–**	**9,720**
Total financial liabilities at 31 March 2025	**459,725**	**6,310**	**9,666**	**1,097**	**476,798**

As at 31 March 2024	< 1 year £'000	1-2 years £'000	2-5 year £'000	> 5 years £'000	Consolidated Total £'000
Market and client creditors	508,980	–	–	–	508,980
Trade and other creditors	1,576	–	–	–	1,576
Lease liabilities	2,956	2,824	8,912	4,018	18,710
Loan[1]	6,503	6,252	3,125	–	15,880
Revolving credit facility (RCF)	15,000	–	–	–	15,000
Total financial liabilities at 31 March 2024	535,015	9,076	12,037	4,018	560,146

1. Includes the principal per the statement of financial position, plus accrued interest.

16.6 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Group monitors and mitigates the effects of operational risks within the business through:

- Implementation of the GRF and related processes, which together set out how operational risk is: defined; identified and classified; assessed; managed, monitored and reported
- First line risk management, which ensures that all material operational risks within the Group are properly reviewed and monitored and that control processes are in place to reduce operational risks throughout the organisation
- Analysis and reporting of operational risk events, and reporting of any material failings or management actions, to local governance as required.

Risk and Control Self-Assessments (RCSA) are used to identify and assess inherent and residual risks, which reviews the effectiveness of the internal control framework to mitigate those risks.

17 Intercompany borrowings

	Company 31 March 2025 £'000	Company 31 March 2024 £'000
Subordinated loan – due more than 1 year	**15,000**	15,000
Intercompany loan – due within 1 year	**3,000**	3,000
Total intercompany borrowings	**18,000**	18,000

On 16 December 2021, the Company entered into an intercompany subordinated loan agreement with Peel Hunt Partnership Group Limited with a facility limit of £30m to support the regulatory capital requirements of the UK regulatory group. This subordinated loan is unsecured and qualifies for tier 2 regulatory capital. The termination date for the loan is 30 September 2030 with a principal repayment notice period of three months by either party whilst an interest rate of 7% p.a. is payable quarterly. On 1 January 2022, £15m of the facility was drawn which represents the balance at year end.

On 16 December 2021, the Company further entered into an intercompany loan agreement with the LLP with a facility limit of £50m to support the working capital requirements. This intercompany loan is unsecured and does not qualify for regulatory capital. The loan has a one-month rolling term with a principal repayment notice period of one month by either party whilst an interest rate of 5.5% p.a. is payable quarterly. On 1 January 2022, £15m of the facility was drawn of which £12m has been settled through intercompany settlement during previous years. The £3m balance outstanding is included in Note 12.

18 Long-term loans

	Company 31 March 2025 £'000	Company 31 March 2024 £'000	Consolidated 31 March 2025 £'000	Consolidated 31 March 2024 £'000
Loans due within one year	**6,000**	6,000	**6,000**	6,000
Loans due within two to five years	**3,000**	9,000	**3,000**	9,000
Total loans	**9,000**	15,000	**9,000**	15,000

The SFA is repayable bi-annually in equal amounts of £3m in March and September until fully repaid. Interest is accrued at 3.2% per year plus SONIA, payable quarterly in arrears.

The Group has a committed Revolving Credit Facility (RCF) of up to £20m and an overdraft facility of up to £10m in order to further support its general corporate and working capital requirements. Interest accrues at 3.25% (FY24: 3.25%) per year plus SONIA on drawn balances, and a flat 1% on the undrawn balance, quarterly in arrears. As at 31 March 2025 the RCF and overdraft facility were undrawn (31 March 2024: £15m).

19 Ordinary share capital and reserves

The ordinary share capital of the Company comprises the following:

	31 March 2025 £'000	31 March 2024 £'000
Issued		
Ordinary shares: 122,807,085 (31 March 2024: 122,807,085) shares of no par value	**223,881**	223,881
Total ordinary share capital	**223,881**	223,881

The Company's authorised share capital is 122,807,085 shares of no par value.

19.1 Reserves

Reserves comprise retained earnings, share-based payment reserve and share premium.

20 Loss per share

	31 March 2025	31 March 2024
Weighted average number of ordinary shares in issue during the year	**116,352,608**	117,069,636
Dilutive effect of share option grants	**10,363,476**	8,755,598
Diluted weighted average number of ordinary shares in issue during the year	**126,716,084**	125,825,234

Basic loss per share of (2.3)pence (31 March 2024: (2.7)pence) is calculated on total comprehensive expense for the year, attributable to the owners of the Company, of £(2.7)m (31 March 2024: £(3.2)m) and 116,352,608 (31 March 2024: 117,069,636) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The calculations exclude Company shares held by the Employee Benefit Trust on behalf of the Group.

The Company has 10,363,476 (31 March 2024: 8,755,598) of dilutive equity instruments outstanding as at 31 March 2025.

21 Cash generated from operations

Cash generated from operations as per the consolidated and company cash flow statements comprise of the following:

	Company Year ended 31 March 2025 £'000	Company Year ended 31 March 2024 £'000	**Consolidated Year ended 31 March 2025 £'000**	Consolidated Year ended 31 March 2024 £'000
Loss before tax for the financial year	**(2,270)**	(80,225)	**(3,497)**	(3,262)
Adjustments for:				
Depreciation and amortisation	**–**	–	**4,429**	4,353
Impairment of investments in subsidiaries	**580**	84,646	**–**	–
Impairment of investment in associate	**–**	–	**538**	–
(Decrease)/increase in expected credit losses on financial assets held at amortised cost	**–**	–	**(258)**	186
(Decrease)/increase in provisions	**–**	–	**(97)**	131
Equity settled share-based payments – IFRS 2 charge	**1,481**	688	**1,521**	688
Revaluation of right-of-use assets and lease liabilities	**–**	–	**(22)**	33
Net finance (income)/expense	**(110)**	(192)	**610**	1,127
Change in working capital:				
Decrease/(increase) in net securities held for trading	**–**	–	**10,031**	(2,717)
(Increase)/decrease in net market and client debtors	**–**	–	**(6,152)**	6,588
(Increase)/decrease in trade and other debtors	**(5)**	11,555	**(403)**	(4,595)
Increase/(decrease) in trade and other creditors	**7,179**	(5,952)	**1,408**	3,049
Cash generated from operations	**6,855**	10,520	**8,108**	5,581
Interest received	**1,212**	1,542	**1,495**	1,117
Corporation tax (paid)/credit	**–**	–	**(2)**	329
Net cash generated from operations	**8,067**	12,062	**9,601**	7,027

22 Right-of-use assets and lease liabilities

The right-of-use assets and lease liabilities (current and non-current) represent two office property leases in London and New York that the Group currently uses, and car leases. In May 2023, the Group entered into a car leasing agreement with a third party for the benefit of UK employees under the Salary Sacrifice Electric Car Scheme. Consistent with property leases, the Group recognises a right-of-use asset and a corresponding lease liability for each individual car lease.

	Property leases Year ended 31 March 2025 £'000	**Car leases Year ended 31 March 2025 £'000**	**Consolidated Year ended Total 31 March 2025 £'000**	Property leases Year ended 31 March 2024 £'000	Car leases Year ended 31 March 2024 £'000	Consolidated Total Year ended 31 March 2024 £'000
Depreciation expense	**(2,374)**	**(108)**	**(2,482)**	(2,371)	(42)	(2,413)
Interest expense	**(693)**	**(19)**	**(712)**	(800)	(9)	(809)
Net operating cost	**(3,067)**	**(127)**	**(3,194)**	(3,171)	(51)	(3,222)

The property lease liabilities were discounted at the incremental borrowing rate (IBR) determined at initial recognition. The IBRs of 3.97% for the London lease and 3.50% for the new Peel Hunt Inc. property lease were derived from the available rate of borrowing at the time of the lease. Peel Hunt Inc's previous New York lease term ended during the second half of the year and the Company signed a new lease which is included in right-of-use assets and lease liabilities at year end.

The IBR for car leases is made up of the Bank of England base rate (5.25%) plus a credit spread for Peel Hunt LLP less an asset factor adjustment assumption. We have used the following IBRs for car leases at initial recognition: 6.5% for 24-month leases, 7.0% for 30 and 36-month leases and 7.5% for 42 and 48-month leases.

The Group adopted the practical expedient in IFRS 16.B1 to combine each separate lease component and any associated non-lease components and account for them as a single car lease component except for car insurance costs which are expensed in profit and loss account.

As at 31 March the Group held a balance for right-of-use assets and lease liabilities of:

Right-of-use assets for the year ended:	**Property leases 31 March 2025 £'000**	**Car leases 31 March 2025 £'000**	**Consolidated Total 31 March 2025 £'000**	Property leases 31 March 2024 £'000	Car leases 31 March 2024 £'000	Consolidated Total 31 March 2024 £'000
Opening balance sheet date	**13,480**	**261**	**13,741**	15,889	–	15,889
Additions	**591**	**211**	**802**	–	326	326
Disposal	**–**	**–**	**–**	–	(23)	(23)
Revaluation of right-of-use asset	**8**	**–**	**8**	(38)	–	(38)
Depreciation charge	**(2,374)**	**(108)**	**(2,482)**	(2,371)	(42)	(2,413)
Closing balance sheet date	**11,705**	**364**	**12,069**	13,480	261	13,741

Lease liabilities for the year ended:	**Property leases 31 March 2025 £'000**	**Car leases 31 March 2025 £'000**	**Consolidated Total 31 March 2025 £'000**	Property leases 31 March 2024 £'000	Car leases 31 March 2024 £'000	Consolidated Total 31 March 2024 £'000
Opening balance sheet date	**(18,460)**	**(250)**	**(18,710)**	(21,059)	–	(21,059)
Additions	**(600)**	**(211)**	**(811)**	–	(326)	(326)
Disposal	**–**	**–**	**–**	–	23	23
Interest expense	**(693)**	**(19)**	**(712)**	(800)	(9)	(809)
Revaluation of lease liability	**15**	**–**	**15**	5	–	5
Lease payments	**3,270**	**132**	**3,402**	3,394	62	3,456
Closing balance sheet date	**(16,468)**	**(348)**	**(16,816)**	(18,460)	(250)	(18,710)

22 Right-of-use assets and lease liabilities continued

At 31 March the Group was committed to making the following payments in respect of leases:

Outstanding commitments:	Property leases 31 March 2025 £'000	Car leases 31 March 2025 £'000	Consolidated Total 31 March 2025 £'000	Property leases 31 March 2024 £'000	Car leases 31 March 2024 £'000	Consolidated Total 31 March 2024 £'000
Within one year	**3,403**	**150**	**3,553**	3,576	110	3,686
Within two to five years	**13,659**	**210**	**13,869**	13,181	185	13,366
Over five years	**824**	**–**	**824**	3,021	–	3,021
Total outstanding commitments	**17,886**	**360**	**18,246**	19,778	295	20,073

The Group does not have variable lease payments, extension options and termination options.

23 Investments in subsidiaries

The Company directly holds 100% of the ordinary share capital of Peel Hunt International Limited, Peel Hunt Partnership Group Limited and Peel Hunt Ventures Limited. The principal subsidiaries of Peel Hunt Limited, all of which have been included in these consolidated financial statements, are as follows:

Name of subsidiary	Country of incorporation	Registered office	Nature of holding	Percentage ownership by Group
Peel Hunt International Limited	Guernsey	Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH	Direct	100%
Peel Hunt Partnership Group Limited	England and Wales	100 Liverpool Street, London, United Kingdom, EC2M 2AT	Direct	100%
Peel Hunt Partnership Limited	England and Wales	100 Liverpool Street, London, United Kingdom, EC2M 2AT	Indirect	100%
Peel Hunt LLP	England and Wales	100 Liverpool Street, London, United Kingdom, EC2M 2AT	Indirect	100%
Peel Hunt Europe Fondsmaeglerselskab A/S	Denmark	C/O Zieglers Gaard Office Club, Nybrogade 12, 1203 København K	Indirect	100%
Peel Hunt Inc.	Delaware, USA	10th Grand Central, 155 East 44th Street, New York, NY 10017, USA (previous address: 250 Park Avenue, 7th Floor, New York, NY 10177 USA)	Indirect	100%
Retail Book Holdings Limited*	England and Wales	10 Queen Street Place, London, United Kingdom, EC4R 1AG	Direct	51.46%
Retail Book Limited*	England and Wales	10 Queen Street Place, London, United Kingdom, EC4R 1AG	Indirect	51.46%
Peel Hunt Ventures Limited	Guernsey	Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH	Direct	100%
P.H. Nominees Limited**	England and Wales	100 Liverpool Street, London, United Kingdom, EC2M 2AT	Indirect	100%

*Previous address is 100 Liverpool Street, London, United Kingdom, EC2M 2AT.

**Company is dormant.

23 Investments in subsidiaries continued

Retail Book Limited is a 100% (31 March 2024: 100%) owned subsidiary of Retail Book Holdings Limited. There are no other changes in the Group's interests (percentage holdings) in subsidiaries compared to the prior year except as indicated below.

The SFA loan disclosed in Note 18 is secured against the assets of Peel Hunt Limited, as the obligor of the loans.

Investments in subsidiaries are accounted for at cost. The Company's investment in the share capital of Peel Hunt International Limited was as follows:

	2025 £'000	2024 £'000
Balance at 1 April	**3,627**	1,127
Additional investment in subsidiary	**955**	2,500
Impairment of investment in Peel Hunt International Limited	**(580)**	–
Balance at 31 March	**4,002**	3,627

In the prior year, the Company invested £2.5m capital into Peel Hunt International for the purposes of capitalising Peel Hunt Europe Fondsmaeglerselskab A/S. The Company invested £1.0m in Peel Hunt International Limited to settle the intercompany position.

The £0.6m gross investment in Peel Hunt International Limited related to an onward associate investment in Peel Hunt Fintech Ventures LLP by Peel Hunt International Limited and is held as an investment in subsidiary in the Company financial statements whilst the carrying amount is accounted for as an investment in associate in Peel Hunt International Limited's individual financial statements. As a result, the Company's £0.6m gross investment in Peel Hunt International Limited was impaired following the write off of the £0.5m net investment in associate (see Note 24).

The Company's investment in the share capital of Peel Hunt Partnership Group Limited was as follows:

	2025 £'000	2024 £'000
Balance at 1 April	**182,129**	266,775
Impairment of investment in subsidiary	**–**	(84,646)
Balance at 31 March	**182,129**	182,129

The Company's investment in the share capital of Retail Book Holdings Limited was as follows:

	2025 £'000	2024 £'000
Balance at 1 April	**3,212**	1,000
(Disposal)/investment in subsidiary	**(9)**	2,212
Balance at 31 March	**3,203**	3,212

In the prior year, the Group invested £2.2m in the Company, resulting in a total investment of £3.2m. Retail Book Holdings Limited raised £2.5m (£1.0m cash raised from the Group and £1.5m cash raised from external parties) in a March 2024 fundraise, resulting in the Group's interest being diluted to 56.58%. As part of the £2.5m fundraise, Retail Book Holdings Limited issued 33% of its shares at par to collaboration partners and its Employee Benefit Trust. Steven Fine, CEO of the Company, Darren Carter, Non-Executive Director of the Company, and Aaqib Mirza, CEO and Director of RetailBook (formerly CTO of the Group) (together the 'Peel Hunt related parties') participated in the fundraise investing £0.1m, £0.8m and £0.1m respectively. Peel Hunt-related parties participated in the same terms as all other investors.

23 Investments in subsidiaries continued

Following additional fundraises during the year, the Company's direct interest in Retail Book Holdings Limited was reduced from 56.58% as at 31 March 2024 to 53.23% on 15 May 2024 with a further reduction to 51.46% on 28 March 2025. RetailBook raised £0.5m in its March 2025 fundraise in which two of its directors participated in the fundraise. Darren Carter (Peel Hunt Non-Executive Director) subscribed for £0.1m shares and RetailBook directors Aaqib Mirza and Nicholas Cullen subscribed for £0.2m and £0.1m shares respectively on the same terms as all other investors. The Group did not participate in the £0.5m fundraise.

Subsidiary with significant non-controlling interests (Retail Book Holdings Limited and its subsidiary Retail Book Limited).

As at year ended 31 March	2025	2024
Proportion of ownership interests and voting rights held by non-controlling interests (%)	**48.54**	43.42

Place of business	United Kingdom	United Kingdom
Loss attributable to non-controlling interests	**(852)**	–
Accumulated non-controlling interests in subsidiary	**1,575**	1,575
Dividends paid to non-controlling interests	**–**	–

Summarised financial information

As at year ended 31 March	2025 £'000	2024 £'000
Total assets	**2,855**	3,712
Total liabilities	**(496)**	(85)
Net operating loss	**(1,898)**	(310)
Loss for the year*	**(1,769)**	(310)
Total comprehensive expense for the year	**(1,769)**	(310)

*Loss for the prior year is 100% attributable to the Group as the dilution happened at the end of year.

24 Investments in associates

The following entity has been included in the consolidated financial statements using the equity method:

			Percentage ownership by the Group	
Name of associate	Country of incorporation	Registered office	**31 March 2025**	31 March 2024
Peel Hunt Fintech Ventures LLP	England and Wales	100 Liverpool Street, London, United Kingdom, EC2M 2AT	**16.96%**	19.53%

The Group acquired a 25% interest in Peel Hunt Fintech Ventures LLP in May 2023. The Group's interest was subsequently diluted to 19.53% in FY24 and a further dilution to 16.96% during the year. The Group holds significant influence despite holding less than a 20% interest due to having the right to buy up to a 50% interest in the investee and the ability of the Group to participate in the running of the investee as a designated member.

The Group's wholly owned subsidiary Peel Hunt International Limited is appointed as one of the two designated members of Peel Hunt Fintech Ventures LLP. Designated members make all business decisions and have a right to enter into and execute deeds for and on behalf of the investee.

The Group's gross investment in Peel Hunt Fintech Ventures LLP is £0.6m. The £0.5m carrying amount of the investment in associate has been fully impaired during the year due to failure to achieve milestones set as a result of challenging market conditions. The impairment loss has been recognised in the consolidated statement of comprehensive income under the share of loss from associate line item. The recoverable amount was determined based on the value is use of nil assuming no material expected future cash flows will be received from the investee.

Summarised financial information (immaterial associate)

Year ended 31 March	**2025 £'000**	2024 £'000
Loss from continuing operations	**538**	42
Post-tax loss from continuing operations	**538**	42
Other comprehensive income	**–**	–
Total comprehensive expense	**538**	42

25 Related party transactions

During the year, the following transactions occurred with related parties:

25.1 Transactions with Group companies

Peel Hunt Limited is the ultimate controlling party of Peel Hunt Partnership Group Limited, Peel Hunt Partnership Limited, Peel Hunt LLP, Peel Hunt International Limited, Retail Book Holdings Limited, Retail Book Limited, Peel Hunt Europe A/S, Peel Hunt Ventures Limited and Peel Hunt Inc. Intra-group transactions between Group companies and the Company are eliminated on consolidation and are not disclosed in this note. Amounts owed between the Company and its subsidiaries are disclosed in Notes 12, 15 and 17.

The intra-group balances disclosed in Notes 12 and 15 include transactions with Peel Hunt Partnership Group Limited, Peel Hunt Partnership Limited, Peel Hunt LLP, Retail Book Holdings Limited and Peel Hunt International Limited. As at 31 March 2025, the Company was owed £0.7m (31 March 2024: £1.8m) by Peel Hunt International Limited and £6.7m (31 March 2024: £5.5m) by the Employee Benefit Trust. These receivables are disclosed within Note 12.

Within Note 17, we disclosed the amounts of intercompany receivables in relation to the loans to Peel Hunt Partnership Group Limited and Peel Hunt LLP.

Interest on the subordinated loan to Peel Hunt Partnership Group Limited amounted to £1.1m (31 March 2024: £1.1m) for the year. In relation to the intercompany loan to Peel Hunt LLP interest amounting to £0.5m (31 March 2024: £0.5m) was charged for the year.

The intra-group balance disclosed in Note 15 relates to transactions with Peel Hunt Partnership Group Limited, Peel Hunt LLP and Peel Hunt Partnership Limited. As at 31 March 2025, Peel Hunt Limited owed £12.8m (31 March 2024: £11.4m) to Peel Hunt Partnership Group Limited, £12.3m (31 March 2024: £6.5m) to Peel Hunt LLP and £0.1m (31 March 2024: £0.1m) to Peel Hunt Partnership Limited.

In Note 23 we disclose the transactions related to investments in Retail Book Holdings by Peel Hunt-related parties.

25.2 Key management remuneration

Key management includes the Board and the Executive Board. The total short-term employee benefits are made up of fixed and variable remuneration paid to key management, which amounted to £2.2m for the year ended 31 March 2025 (31 March 2024: £3.7m). The share-based payment expense in relation to key management for the year ended 31 March 2025 under the RSP scheme was £0.2m (FY24: £nil).

26 Provisions

	2025 £'000	2024 £'000
Non-current		
At beginning of year	**708**	577
Amounts recognised in profit or loss during the year	**(97)**	131
Total provisions	**611**	708

The amount provided above is primarily in respect of dilapidations related to the Group's offices at 100 Liverpool Street representing the estimated amount of the liability.

27 Share-based payments

Employees of the Group are eligible to receive remuneration in the form of share-based awards, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

Under the Restricted Share Plan (PSP) and Performance Share Plan (PSP), certain employees were awarded share options which give them the right to acquire Peel Hunt Limited shares subject to the rules of the Peel Hunt LTIP.

2022 Restricted Share Plan (2022 RSP)

Nature

The 2022 RSP is designed to increase the interest of participants in the Group's long-term business goals and performance. The vesting conditions require a three-year service to be fulfilled and also the achievement of performance conditions, as specified by the Group's Remuneration Committee, after which employees are able to exercise the share options. There are no market conditions attached to the plan. Under the 2022 RSP, employees are entitled to any dividends declared during the vesting period.

The movement in award shares is as follows:

	31 March 2025	31 March 2024
Number of share options		
Outstanding at 1 April	**1,493,000**	1,605,000
Granted during the year	**–**	–
Exercised during the year	**–**	–
Forfeited during the year	**(104,000)**	(112,000)
Outstanding at 31 March	**1,389,000**	1,493,000

The weighted average fair value of each option granted was 114p at the grant date.

No share options were exercised during the year or are exercisable at year end. The weighted remaining contractual period for the share options is nine months including a six-month holding period. The share options have an exercise price of zero.

The share-based payment charge of the 2022 RSP for the year ended 31 March 2025 was £0.6m (31 March 2024: £0.6m). There were no transaction services received which qualified for recognition as an asset.

The 114p fair value of the share options was calculated using the Black-Scholes-Merton option pricing model. The 30% volatility assumption, measured at the standard deviation of expected share price returns, was based on a statistical analysis of daily share prices since IPO. The 2% risk-free rate was assumed to be the grant date implied yield on available zero-coupon government bonds in the United Kingdom with a remaining term equal to the expected return of the share options. The 11% (31 March 2024: 11%) forfeiture rate was based on the experienced historical employees' attrition rate.

27 Share-based payments continued

2023 and 2024 Restricted Share Plan (2023-2024 RSP)

Nature

The 2023-2024 RSP is designed to increase the interest of participants in the Group's long-term business goals and performance. The vesting conditions require a three-year or five-year service to be fulfilled and the achievement of non-market performance conditions, as specified by the Group's Remuneration Committee, after which employees are able to exercise the share options. The non-market performance conditions include earnings per share (EPS), profitability, number of client wins and revenue vesting conditions.

Under the 2023-2024 RSP, employees are entitled to any dividends during the vesting period.

	31 March 2025	31 March 2024
Number of share options		
Outstanding at 1 April[1]	**7,262,598**	–
Granted during the year[2]	**2,609,094**	7,444,592
Restated grant	**75,000**	–
Exercised during the year	**(10,921)**	(75,000)
Forfeited during the year	**(1,648,612)**	(106,994)
Outstanding at 31 March*	**8,287,159**	7,262,598

1. This includes of 1,860,387 share options with a three-year vesting period and 4,352,211 shares options that can vest at the end of three and five years subject to satisfying the vesting conditions.
2. 21% of these shares have guaranteed vesting after one year from grant date subject to certain vesting conditions being met.

The weighted average fair value of each option granted was 110p at grant date.

No share options are exercisable at year end. The weighted remaining contractual period for the share options is 2 years 9 months including the six-month holding period. The share options have an exercise price of zero.

The share-based payment charge for the year ended 31 March 2025 was £1.0m (FY24: £0.1m) for the 2023 and 2024 RSP awards and is driven by the guaranteed vesting share options. There was no transaction services received which qualified for recognition as an asset.

The 110p fair value of the share options was calculated based on the average five-day trading share price of Peel Hunt Limited leading to the grant date. We have considered that the fair valuation using an option pricing model will approximate 110p fair value in the absence of market performance conditions and given that dividends accrue to the holders of the options.

27 Share-based payments continued

2024 Performance Share Plan (2024 PSP)

Nature

The 2024 RSP is designed to incentivise Executive Directors to deliver long-term sustainable performance. The awards granted performance share are equal to 150% of salary for the Chief Executive Officer (CEO) and 87.5% of salary for the Chief Financial and Operating Officer (CFOO); this represents 50% of the maximum opportunity. The vesting conditions require a three-year service to be fulfilled and the achievement of non-market performance conditions, as specified by the Group's Remuneration Committee, after which Executive Directors are able to exercise the share options. The vesting of the awards is subject to meeting cumulative earnings per share (EPS) targets.

Under the 2024 PSP, employees are entitled to any dividends during the vesting period.

	31 March 2025	31 March 2024
Number of share options		
Outstanding at 1 April	–	–
Granted during the year	**687,317**	–
Restated grant	–	–
Exercised during the year	–	–
Forfeited during the year	–	–
Outstanding at 31 March	**687,317**	–

The weighted average fair value of each option granted was 136p at grant date.

No share options are exercisable at year end. The weighted remaining contractual period for the share options is 2 years 6 months including the six-month holding period. The share options have an exercise price of zero.

The share-based payment charge of the 2024 PSP for the year ended 31 March 2024 was £nil. There were no transaction services received which qualified for recognition as an asset.

The 136p fair value of the share options was calculated based on the average five-day trading share price of Peel Hunt Limited leading to the grant date. We have considered that the fair valuation using an option pricing model will approximate 136p fair value in the absence of market performance conditions and given that dividends accrue to the holders of the options.

28 Post balance sheet events

Retail Book Holdings Limited (RBHL) raised £0.2m cash from various investors in an equity fundraise completed in April 2025. Another c.£4.0m was raised from investors in an equity funding round in May 2025. The proceeds will be used to fund the next stage of RetailBook's growth. The Group did not participate in these fundraises.

Following completion of the above fundraisings, the Group's equity interest in RBHL has decreased to 40.6% resulting in loss of control; thus RBHL and Retail Book Limited (RBL) are no longer subsidiaries from 9 May 2025. Consequently, RBHL and RBL will no longer be consolidated in the financial statements of the Group from 9 May 2025 onwards. The assets and liabilities of RBHL and RBL will be derecognised (including non-controlling interests) and an investment in associate will be recognised in line with the Group Accounting policy. The Group still retains significant influence in the financial and operating decisions of RBHL and RBL.

Abbreviations and glossary

AGM	Annual General Meeting
AI	Artificial Intelligence
AIM	Alternative Investment Market
CEO	Chief Executive
CFOO	Chief Financial & Operating Officer
COO	Chief Operating Officer
Company	Peel Hunt Limited
CRO	Chief Risk Officer
DCM	Debt Capital Markets
DEI Forum	Diversity, Equity and Inclusion Forum
DORA	Digital Operational Resilience Act
DTR	Disclosure Guidance and Transparency Rules Sourcebook
EBT	Peel Hunt Share Trust, the Group's Jersey-based employment benefit trust
ECM	Equity Capital Markets
ESG	Environmental, Social and Governance
EU	European Union
FCA	Financial Conduct Authority
FINRA	Financial Industry Regulatory Authority
FOP	Free of Payment
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FY25	Financial Year 1 April 2024 – 31 March 2025
Group	The Company and its subsidiaries
HR	Human Resources
IAS	International Accounting Standards
ICARA	Internal Capital And Risk Assessment
IFPR	Investment Firms Prudential Regime
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
KBC	KBC Bank or KBC Group NV, a Belgian bank-insurer
KBW	Keefe, Bruyette & Woods – an investment firm and the Company's broker; part of the Stifel Group
kgCO_2e	A measurement of greenhouse gas emissions, in kilogrammes of carbon dioxide equivalent

KPI	Key Performance Indicators
kWh	KiloWatt Hours
LLP	Limited Liability Partnership
LSE	London Stock Exchange
LTIP	Long-term Incentive Plan
M&A	Mergers & Acquisitions
Mid- and small-cap	The segment of the market where the total value of each individual equity transaction falls in the range between £100m and £1,500m
PBT	Profit Before Tax
PCM	Private Capital Markets
Peel Hunt	The Company and its subsidiaries (also termed the Group)
PHAT	The Company's internal pre/post-trade analytics, risk and quote management system for market making
PPT	Percentage point
QCA	Quoted Companies Alliance Corporate Governance Code 2018
RCM	Retail Capital Markets
RCSA	Risk and Control Self-Assessment
RMF	Risk Management Forum
RSP	Restricted Share Plan
SBTi	Science Based Targets initiative
SEER Committee	Social, Environmental, Ethical and Reputational Committee
SID	Senior Independent Director
SONIA	Sterling Overnight Index Average
t CO_2e	A measurement of greenhouse gas emissions, in tonnes of carbon dioxide equivalent
UN SDGs	United Nations Sustainable Development Goals

Information for shareholders

Financial calendar

16 June 2025	Full-year results announced
18 June 2025	Annual Report issued
3 July 2025	Annual General Meeting
1 December 2025	Interim results

Company information

Incorporated and registered in Guernsey
Company Number 65579

Registered office

Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey GY2 4LH

Trading office

100 Liverpool Street
London
EC2M 2AT

investors@peelhunt.com

peelhunt.com

Nominated adviser (NOMAD)

Grant Thornton UK LLP
8 Finsbury Circus
London
EC2M 7EA

Broker

Keefe, Bruyette & Woods (KBW)
150 Cheapside, 4th Floor
London
EC2V 6ET

Independent Auditors

PricewaterhouseCoopers LLP (PwC)
1 Embankment Place
London
WC2N 6RH

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing, West Sussex
BN99 6DA

Bankers

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

PR

Powerscourt
One Tudor Street
London
EC4Y 0AH

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C022913

This report has been printed on an FSC® certified material. This document was printed by Pureprint Group using its environmental print technology, with 100% of dry waste diverted from landfill, minimising the impact of printing on the environment. The printer is a CarbonNeutral® company. Both the printer and the paper mill are registered to ISO 14001.

Edited, designed and produced by Falcon Windsor

falconwindsor.com

PEEL
HUNT