

Knights



Annual Report and Accounts
30 April 2025

We're different.

Built on more than a decade of consistent investment and growth, Knights has become the business that people turn to for legal and professional services across the UK.

With unrivalled national scale, underpinned by a strong centralised operational infrastructure, we have become one of the largest collaborative legal and professional services teams in the UK. Built upon the foundations of a mature commercial structure within a corporatised model and combined with our strong culture, Knights has become a unique platform, dedicated to delivering unrivalled expertise and client experience across the UK regions.

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It's deliberate.

A premium national brand with a one team approach.

Our commitment to delivering a premium experience means the Knights' brand has become synonymous with the provision of consistently high-quality services across the UK regions. Free of structural and cultural constraints, all our professionals work together in collaboration to bring their collective skills and expertise to all our regional markets.

This distinctive model and approach bring a unique proposition for both clients and professionals, which means we can attract the leading talent and businesses in the UK regions.

Our continued success and growth are underpinned by our teams working closely together and being connected across the whole business. Our Client Services Directors and Business Services Directors bring

a unique combination of strong, invested and highly engaged local and regional leadership working together as one national team with a shared vision and purpose.

Our business model continues to show resilience across the economic cycle, providing a strong platform for further geographical and organic growth, driven by our experienced leadership team.

Financial highlights

In a year of solid progress, the Group has continued to deliver good revenue growth, increased underlying profits and continued excellent cash conversion.

Revenue

£162.0m

+8% (2024: £150.0m)

Underlying EBITDA*

£42.9m

+11% (2024: £38.7m)

Underlying PBT*

£28.0m

+11% (2024: £25.3m)

Reported PBT

£12.3m

(2024: £14.8m)

Post tax profit

£7.6m

(2024: £9.8m)

Net debt*

£64.8m

(2024: £35.2m)

Underlying basic EPS*

23.95p

(2024: 21.81p)

Reported EPS

8.83p

(2024: 11.47p)

Cash conversion*

130%

(2024: 131%)

Dividend per share

4.81p

(2024: 4.40p)

Note

* The Group reports certain Alternative Performance Measures ('APMs') as management believe these measures provide valuable additional information for the understanding of the underlying trading performance of the business. In particular, underlying profit measures are used to provide the users of the accounts with a clear understanding of the underlying profitability and cash generation of the business over time.

Full definitions and explanations of these measures and reconciliations to the most directly referenceable IFRS line item are provided on pages 143 – 146.

Building on consistent growth and investment in its operational infrastructure, Knights is now established as a leading UK regional provider of legal and professional services.

Where we are

At the end of the reporting period, we operated from 30 regional locations, each having an established client base and strong local market knowledge and connections.

Who we are

We are a unique business built on culture and the early adoption of a corporate structure in 2012 following de-regulation of the legal sector, enabling Knights to become one of the largest regional collaborative legal and professional services providers in the UK.

We work together seamlessly as one team, through a commitment to not having individual or location-based financial targets, together with centralised management and dedicated local leadership.

What we do

Offering an unrivalled breadth of services locally, we serve the regional UK market where there is a strong underlying demand for a broad range of legal and other professional services.

We retain deep local relationships by being close to our clients and providing premium service focusing on speed, access, communication and quality.

Who we work with

We work with businesses and private individuals seeking a premium service experience.

We have a diverse local and regional client base who value our strong local and regional market knowledge and connections.

We have national clients across a wide range of sectors who value our diverse specialised capabilities and agile delivery from a regional cost base.

Regional office locations

30





Number of professionals
1,268
head count as at 30 April 2025

Corporate platform enabling an efficient commercial model...



Collaborative culture with **consistent commercial principles** across offices



Partner bureaucracy removed; focus on outstanding service & relationships



Differentiated from a partnership model which is focused on fees over profit and cash collection

...supported by a differentiated remuneration structure...



Partners **not exposed to the financial ownership risks** of partnership structures



Competitive remuneration at or above market levels



No fee targets removes unproductive pressure and **fosters a collegiate, client focused culture**

...driving sector leading outcomes

30

Locations

Scalable structure

3.8:1

Fee earner: support staff ratio*

1,267

Average full time equivalent employees

Financial discipline

86

Lock up days*

Knights model enables outstanding results

01

Commercial structure; excellent culture



Which attracts & retains

02

Talented people



Which engages

03

High quality client base



Which delivers

04

Outstanding results

* See Glossary on pages 143 – 146.

A leading provider of diversified legal and professional services with national scale and a premium brand.

Increasingly unique in the sector, Knights brings an unrivalled breadth of consistently high-quality services to the under-served regional markets.

01

Diversified capabilities and expertise

02

Strong client base

03

Local dominance and low risk model

04

Enhanced scale and reputation

05

Strong platform for organic growth and future acquisitions

06

Delivering profitable, cash generative growth

Underlying profit before tax*

£28.0m

Profitable growth
(2024: £25.3m)

Fee earner: Non-fee earner ratio

3.8:1

Robust platform for growth
(2024: 3.6:1)

Working capital lockup days*

86 days

Highly cash generative
(2024: 78 days)

A mature corporatised platform enabling an efficient commercial model

We focus on regional markets throughout the UK where we can become the leading business in our sector. Our increased scale and brand awareness continues to build our reputation across the UK regions, attracting clients who seek the best service experience and professionals seeking the best regional platform from which to deliver those services.

Having no personal and team targets removes unproductive pressure and fosters a collegiate, client focused culture, meaning all clients in all locations always have the benefit of our combined expertise.

Operating from regional locations with lower competition reduces cost pressure, resulting in greater value for clients and a healthier work-life balance with reduced commuting time for our colleagues.

Our established leadership team provides engaged and present local leadership while maintaining and promoting consistency of approach with a strong one-team culture.

Our fee earner to non-fee earner ratio is above market average because of our investment in systems and centralised operating model.

Professional advisors with a commercial mindset

Industry-leading working capital management – facilitated by a focus on financial management, supported by technology, actionable analytics and Client Services Directors who provide a continued focus on revenue generation and cashflow.

Practitioners focus on client service while experienced managers run the business – our professionals focus on delivering services and generating revenue without the distractions of running the business, which is executed by an experienced, agile and established leadership team.

Strong client relationships and limited sector and fee earner concentration brings diversity and resilience to our revenue base.

A scalable model

We continue to strengthen our position in a fragmented regional UK market worth c.£3.8bn, building on a strong platform to grow organically, complemented by carefully selected strategic acquisitions.

A proven, mature and compelling platform for professionals attracted by the freedom from the constraints and ownership risk associated with partnership structures, together with security and unrestricted career development opportunities.

Culture, market and ever-increasing geographical coverage drives recruitment of talented professionals attracted by the opportunity to be equipped and empowered to target and secure high quality regional work.

Track record of unlocking value from acquisitions. Supported by our experienced integration team, acquired businesses are fully integrated into our business and our systems and processes, generally within three months and are fully culturally integrated within 12 months of acquisition.

Investment in our centralised operational backbone, including our systems and technology platforms, provides an optimised and scalable platform for future growth, with fixed costs diluted as we grow.

This year we have entered new markets through our acquisitions in the West Midlands and the Thames Valley, building on our existing platform for organic growth and recruitment.

* See Glossary on pages 143 – 146.



Underlying profit
before tax*

£28.0m

Dave Wilson
Non-Executive Chairman

‘The Board is pleased with the Group’s performance during the year and the strategic progress made to support our strategy of continuing profitable growth.’

* See Glossary on pages 143 – 146.



Revenue

£162m

I am pleased to present Knights' results for FY25.

During my time as Chair, I have witnessed first-hand the key elements that differentiate us from our traditional peers. There is a distinctive collaborative culture, facilitated by the Group's corporate model, and thanks to concerted efforts within the business, an embedded 'one team' mindset. As a result, Knights has been able to attract high quality talent, through both recruitment and acquisitions, enabling it to become one of the leading national legal and professional services providers, operating throughout the UK regions and delivering comprehensive, premium solutions to clients, locally.

These strengths, combined with the tireless dedication of our talented professionals and executive management team, have driven a good performance with strong profit growth, despite an uncertain macroeconomic environment. The Group achieved an 11% increase in underlying profit before tax ("UPBT") to £28 million, reflecting improved margins on revenue of £162.0 million, an 8% increase from FY24.

On behalf of the Board, I would like to express our gratitude to our dedicated colleagues, for their efforts in achieving this success, and to our clients and shareholders for their continued support.

A strategy that continues to deliver

Our strategy has driven remarkable growth since our IPO, with the management team and business support teams continuing to execute it well throughout the year. The Group continued to build its platform through acquisitions which, combined with driving operational efficiency, and recruiting top talent, positions us favourably for organic growth and operational leverage in the coming year.

High quality talent continues to be attracted to Knights' friendly and supportive culture, with an increasing number of professionals joining the business during the year.

We added significant scale through two high quality acquisitions during the year, which brought a total 247 fee earners to the Group and further expanded our range of services. In the first half, we acquired Thursfields Legal Limited (Thursfields), enhancing our Midlands presence. In the second half, we significantly expanded our South East presence by acquiring IBB Law LLP. Post period end we have acquired Birkett Long LLP, extending our legal and wealth advisory services and Rix & Kay LLP, strengthening our Kent and Sussex footprint. We have also acquired Le Gros Solicitors Limited adding a team of 6 professionals to build on our recent partner appointments in Cardiff.

As part of Knights, these acquisitions benefit from our well-developed infrastructure from day one, and will provide strong platforms for ongoing recruitment and growth. On behalf of the Board, I would like to welcome all our new colleagues that have joined Knights during the year and to thank all at Knights for the hard work that has resulted in such seamless integration of all our acquisitions.

We are well-positioned financially to continue our growth strategy, through hiring talented individuals, opening new offices, and selectively pursuing value enhancing acquisitions.

Dividend policy

The Group's dividend policy, to distribute 20% of underlying profit after tax, balances profit retention to support our long-term growth strategy with shareholder returns as our growth strategy continues to yield positive results. The Board proposes a final dividend of 3.05p, which, along with the interim dividend of 1.76p per share, totals a 4.81p dividend for the year, a 9.3% increase from FY24's 4.40p. The dividend is scheduled for payment on 7 November 2025 to shareholders recorded on 10 October 2025, pending shareholder approval at the Group's AGM.

Summary

The Board is pleased with the Group's performance and the step changes made during the year – with significant strategic progress, operational discipline and a strengthened and well-embedded leadership team in place – all enhancing the platform for future growth. We, therefore, continue our focus on driving further profitable growth, as we benefit from ongoing recruitment momentum, acquisition opportunities and client wins, and as we continue to expand across the UK.

Dave Wilson
Non-Executive Chairman

12 September 2025



Revenue growth

8%

FY24: 13%

Debtor days *

31

FY24: 28

David Beech
Chief Executive Officer

‘The Group has delivered a strong performance in the year with good momentum in recruitment and employee retention positioning the Group well to deliver our continuing growth strategy.’

* See Glossary on pages 143 – 146.



+47

Our proven strategy has continued to deliver, as demonstrated by the Group reporting an excellent profit performance and enhanced margins, despite a macroeconomic backdrop that remains challenging. We have strong momentum in recruitment which, coupled with significantly increased retention in the second half of the year, will drive future growth, and we have continued to execute our value-accretive acquisition strategy, including making our largest acquisition to date in the second half of the year.

Knights is one of the largest legal services businesses outside London and is now benefitting from growing recognition of our national brand – with professionals, sellers of law firms, and clients attracted to our differentiated proposition which combines a national scale provider of a broad range of premium services with a local presence and relationships.

We built on our progress in the first half, with positive momentum in the latter part of the year. We continued to scale and expand our national footprint through selective acquisitions, enhancing our presence in key growth markets, in the West Midlands, and we significantly strengthened our footprint in the attractive South East market. All acquisitions during the period, and prior year acquisitions, are integrating well and performing as anticipated.

Knights' strong reputation, increasing scale, and differentiated corporate model and collaborative culture, continue to attract new, and support the retention of, high quality talent across the business. We recruited 28% more senior fee earners in the year, compared to prior year, with all new recruits, including those that join via acquisition, now undertaking their inductions at our refurbished Stoke office, the central hub of our business. This is supporting seamless integration into the business and embedding the core aspects of our unique, collaborative culture and model from day one.

Our internal measure of churn* reduced significantly, to just 10% in the second half of the year, which we believe to be significantly lower than the industry average. The maturity and settled nature of our business is reflected in the achievement post year end of an employee NPS score of +59.

Clients continue to be attracted to Knights' increasingly diverse services offering, with several key wins and clients being able to benefit from our increasing range of services, which is testament to our relentless dedication to high quality client service. Optimising costs and operational excellence also remain a key focus and have supported our strong profit performance.

A strong performance, marking an inflection point

Knights delivered another consecutive year of double-digit profit growth, and continued to scale the business at pace, despite the effect of ongoing macroeconomic uncertainty on business confidence.

Total revenue for the year was £162.0m, an 8% increase compared with the previous year (FY24: £150.0m), driven primarily by acquisitions. We maintained organic revenues across our balanced portfolio and service lines and locations. While growth from recruitment was held back by a period of higher churn coming into the first half of the financial year, the reduction in churn during the second half means the business is now well-positioned for increased organic revenue growth.

Pricing discipline – with sustained and consistent annual rate increases – combined with driving efficiencies and cost optimisation across the Group, remain key priorities and drivers of our strong profit performance.

We have also realised synergies from the effective integration of acquired businesses, building on our strong track record of generating value from acquisitions.

Our debtor days remain industry-leading, at 31 as at 30 April 2025 (30 April 2024: 28), reflecting our commitment to disciplined working capital management.

Chief Executive's review continued

This financial discipline, alongside strategic recruitment, and driving new business and stronger client relationships are cultivated across the business by our Client Services Directors ("CSDs") in their respective regions, and we recently appointed a Group Client Service Director to oversee and support the regional CSDs. With most of this team now having been in place for a number of years, the business now benefits from their greater experience in managing the business and leading a high-performance culture.

Growing from a strong foundation

Knights' model, pioneering when established 13 years ago, is now increasingly emulated across the professional services sector. For us, it continues to be a differentiator and key to attracting talent. It remains a compelling alternative to the traditional partnership model, which increasingly faces structural challenges and is no longer attractive to a new generation of talent unwilling to make a financial commitment to the firm and wishing to work in a supportive, high calibre firm with a strong platform built around broad-based services and a mature, centralised operational infrastructure.

This has helped us bring 51 new senior fee earners into the Group during the year (FY24: 40), attracted not only by our modern, corporatised model, but also Knights' excellent reputation, scale, and strong culture which prioritises collaboration, excellence and a clear commercial mindset.

Our increased coverage nationwide means we can now also access a wider pool of talent and is enabling us to selectively explore opportunities to open offices organically, adjacent to regions where we are already strong. For instance, we are currently establishing a presence in Cardiff, where we have already employed ten partners, aided by the city's proximity to our offices in Bristol and Cheltenham. This expansion will accelerate further as we open an office in the city in September 2025. Our ability to grow in this way is testament to the heightened awareness and reputation of Knights across the UK and we expect to open further such offices in the future.

Importantly, the initiatives we have driven through the business to increase mentoring from our Client Services Directors, face to face time in the offices, and regular forums for Partners and Senior Associates to come together in our Stoke office is supporting a stronger team culture and better understanding of the breadth of our services and our business strategy. We are pleased that this has resulted in a substantial step down in churn in the second half of the year to 10% (15% across the full year), a level we expect to become more normalised as we continue to engage with the team in this way. Bringing our most experienced people together is also supporting greater cross-collaboration, with colleagues increasingly forming teams across different offices to deliver the best possible solutions to clients.

We continue to embrace technology, and are monitoring rapid advances in areas such as AI closely. Post year end, we have recruited a Chief Information and Technology Officer, John Earl, who has over 23 years' experience working with global organisations, to further optimise our data and technology use. Building on our years of experience in developing solutions built on automation, systemisation and workflows, where we remain a sector leader, we are now exploring and deploying a number of AI-enabled tools and are exploring further AI tools and platforms for other commercial uses, remaining mindful of sensitivities, including security, and taking a measured approach to ensure we remain at the forefront of developments without compromising our robust systems, whilst selecting the most appropriate technologies.

Executing our value-accretive acquisition strategy

The regional legal services market remains highly fragmented, with numerous opportunities for consolidation. In line with our strategy to bolster future organic growth through selective, value-accretive acquisitions, during the year we acquired two high-quality law firms. As well as aligning culturally with the Group and adding to existing service lines across the business, these acquisitions allowed us to expand in growth areas such as Private Wealth and explore adjacencies such as wealth advisory services. As part of Knights, acquired firms can accelerate growth by broadening their offering to clients and leveraging the strength of Knights' well-invested central infrastructure, which is increasingly valuable given the more onerous regulatory, technology and cost burdens facing independent firms.

In the first half, we acquired Thursfields, a premium, full service legal services business with offices across the West Midlands, and a national client base which now benefits from access to Knights' broad range of services and established platform.

Thursfields has offices in Worcester, Solihull and Birmingham, and a strong Private Wealth offering, spanning Private Client, Family and Residential Property, alongside Corporate, Real Estate and Dispute Resolution. The acquisition has cemented Knights' position as a leading legal and professional services business in the Midlands and added 86 fee earners to the Group.





Number of senior recruits

+51

Building scale in the attractive South East market

In the second half, the Group scaled up significantly in the areas immediately surrounding London.

We acquired IBB Law LLP, a premium service law firm based in the South East, with locations in Uxbridge, Beaconsfield, Reading and Ascot, providing proximity to areas of inward investment and major corporate clusters. The acquisition, Knight's largest to date, complements Knights' existing offices in Oxford and Weybridge, enhancing our presence in the region and adding 161 fee earners.

All acquisitions acquired during the year have integrated well and are performing to plan.

Post period end we have also acquired Birkett Long LLP, a premium service regional law firm and independent financial advisory business based in three locations across Essex, in Colchester, Chelmsford and Basildon. With a leading position in the region, the acquisition brought a team of 98 fee earners to Knights, with an equal split between service lines for business and private clients. Birkett Long IFA LLP, a separate legal entity, which has been established for 30 years, brought a team of 13. Together, they provide the unique ability to offer both legal and wealth advisory services under one roof and have provided an entry point into financial advisory for the Group, which we have long considered a complementary service line and growth opportunity.

We have also acquired Rix & Kay LLP, a firm with a strong reputation across Kent and Sussex, building on recent expansion in Essex and the Thames Valley. The business has particular strength in Corporate, Commercial Property, Disputes and Private Client work. The 27 fee earners joining via the acquisition will relocate to existing Knights offices in Brighton and Kings Hill.

In August 2025 we acquired Le Gros Solicitors Limited, adding a team of six professionals to our recent partner appointments in Cardiff.

We continue to assess a solid pipeline of opportunities across a growing number of legal and professional services firms seeking integration into a large, well-established group.

In November 2024 we extended our existing revolving credit facility to provide total committed funding of £100m until November 2027. With these extended facilities, the Group is in a strong financial position with sufficient headroom and flexibility to enable us to continue to execute our growth strategy.

Current trading and outlook

Trading in the early part of the current year has been in line with our expectations. We are seeing the benefits of our maturity and growth to date, with increased levels of recruitment alongside reduced churn positioning us well to deliver future growth.

We are also well positioned to seize the opportunities presented by structural trends in our industry. Knights is reaching an inflection point in terms of scale, the breadth of our service offer and operational excellence. An increasing number of people are joining our teams, and we are consistently adding high quality acquisitions to the Group, which expand our opportunities for organic growth. We have financial headroom to build on our strong acquisition track record and have an encouraging pipeline of active opportunities under review.

As such we expect FY26 trading to be supported by the momentum we have seen building through the year, particularly the improvement in churn during the second half. We have a strong team of Client Services Directors, who are playing an increasingly vital role in both people, and client acquisition, as well as continuing to embed strong operational discipline. We are, therefore, confident in further growth through the year and in the medium-term, complemented by our value-accretive acquisition strategy.

David Beech
Chief Executive Officer

12 September 2025

* See Glossary on pages 143 – 146.

Consolidation is beginning to accelerate within the fragmented regional market.

With our experience and track record of 28 law firm acquisitions over 13 years, we are well-placed to capitalise on the increasing consolidation in the sector.

Our competitive advantage

01

Unrivalled breadth of locally accessible specialisms

- ♦ Underserved locations with strong underlying demand for a broad suite of professional services
- ♦ Retaining deep local relationships with proximity to clients

02

Premium quality with a deep talent pool available at a lower cost

- ♦ Premium service built on speed, access and communication
- ♦ Diverse, specialised capabilities with a regional cost base
- ♦ Brand strength underpins ability to attract leading talent

03

Benefits of scale and a nationally recognised brand

- ♦ National scale attracts high quality work, enhancing employee experience and retention
- ♦ Efficient central functions enable significant and rapid cost reduction from acquired partnerships with enhanced service quality and breadth

Large and fragmented addressable market

Opportunity to consolidate and professionalise a fragmented market

Ongoing active discussions with potential targets



The UK legal services market, while continuing to show resilience, is starting to see increasing pressures in a challenging and ever-evolving operating environment.

The sector continues to face challenges over working habits, higher operating costs, increased regulation, changes in buying patterns, and access to funding. In the regions, lack of appetite for succession within partnerships and rapid advances in technology are bringing additional uncertainty for law firms.

The regional market remains highly fragmented

The UK legal services market is becoming increasingly diverse with large law firms, operating predominantly from London and internationally, at one end of the spectrum and high street and medium-sized independent firms at the other. Many are still operating under a traditional partnership or quasi-partnership structure, restricting their ability to be nimble and adapt quickly to change.

The evolution of the sector continues to accelerate, with more law firms likely to become stressed, or experience challenges in securing succession for retiring partners, turning to consolidation out of necessity rather than choice – compounding this polarisation and providing new opportunities to agile responders. Regional firms expect significant consolidation in the UK legal services market within the next five years. We are well-positioned to thrive because of this evolution, responding to challenges with rapid decision-making through our well-established corporate structure.

This agility underpins our growth ambitions enabling us to invest and grow at speed. In our addressable market for potential acquisitions, there are c.200 firms operating regionally with annual revenues of £2m–£75m and total aggregate revenues of c.£3.8bn.

Increasing and changing demand

Key drivers of change are national and international business environments, the way in which legal services are procured and delivered, and the continued development of technology and delivery systems, placing increased pressure on existing providers and new businesses entering the market.

In contrast, our model, size and capability mean we see a changing market as an opportunity, with the consolidation in the sector driving more acquisition opportunities, faster recruitment and expansion into more service lines. We also have the financial resources to invest in our technology and new delivery platforms, including our in-house IT and technology development capability.

Continuing our acquisition strategy, we acquired two independent law firms during the last 12 months taking us into seven new locations. Their successful integration has continued our ongoing penetration of the regional market in the UK. Post year end we have moved into another 3 locations in Essex through one acquisition and have added 27 new colleagues into our existing offices in Brighton and Kings Hill through another acquisition. We have also moved into Cardiff through both recruitment and the acquisition of a team of 6 colleagues.

Addressable regional legal market

c.£3.8bn

Firms operating regionally with revenues of £2m–£75m

c.200

Inputs >

Clients

Seeking a premium service and experience for optimum value

Professional advisors

Seeking career progression in a collaborative, ambitious but low risk environment

Owners of law firms

An opportunity to either secure or take their business to another level within a strong national platform

Key strengths

Growth

A platform for organic growth

- Enlarged, mature and strong platform for organic growth through the hiring of new colleagues and winning new clients.
- Increasing breadth of services and a collaborative culture allows for the delivery of more services to clients.
- Focus on providing premium services with strong financial discipline leading to more profitable work.

Acquisition track record

- Experienced and dedicated team identifying and acquiring businesses.
- Unlocking value from synergies quickly and creating new value from enhanced opportunity sustainably.
- Operational experts in integrating businesses.

Corporate structure

- Established senior management team, with broad experience within and beyond the legal sector.
- Leadership team dedicated to running the business, freeing professionals to focus solely on clients.
- Corporatised platform enabling an efficient and disciplined commercial model with proactive and rapid decision-making.

Efficient and scalable platform

- Single primary IT platform driving efficiency, speed of service, and facilitating business-wide collaboration.
- Work quickly directed to the right expert or experience level, maximising value for clients.
- Teams rapidly assembled to deliver on short lead times, complex matters or high-volume client needs.

Cultural

An empowering culture

- Where our people can thrive in our collaborative environment without constraints and personal targets.
- One national collaborative team, optimising resources to create the best value and outcomes for our clients.
- Where professionals are empowered to adopt an entrepreneurial, commercial mindset.

Trusted advisors to clients

- Investing time in understanding their requirements.
- Delivering premium service with speed, accessibility, and responsiveness at its core.
- Long-term partner to clients seeking a high-quality service and respecting those who deliver it.

Financial

Cash and capital

- Highly cash generative, supporting investment in people, technology, infrastructure, and expansion.
- Profitable business with a low-cost base, strong balance sheet and industry-leading working capital management.
- Supportive banking partners and facilities of £100m available with £30m unused at the year end.

Underpinned by our vision of creating the leading regional legal and professional services business, our unique business model enables us to build value by executing our strategy across four pillars:



Grow
organically

Creating value >

Delivering value for clients

We are focused on meeting clients' needs with a commercial mindset, strong local market knowledge and high levels of expertise.

As trusted advisors we spend more time with clients ensuring accessibility and quick delivery.

Our national platform and regional focus is structured to deliver best value with high levels of service, underpinned by our 'one team' approach and competitive regional cost base.

Accelerating career ambitions

Our new model is attractive to energetic, commercially-minded professionals with a merit-based approach to reward and progression.

Our rapid growth, broad expertise and a collaborative culture provides a platform for people to grow and thrive in a supportive environment with opportunity to work across local, regional, national and international markets.

We enable people to play to their strengths, with partners focused on delivering services to clients without the risk and distraction of running a business.

Unlocking value from acquisitions

We make strategic acquisitions, selecting businesses with a strong cultural fit, and people who share our vision.

We quickly unlock value from synergies, our highly developed platform and the adoption of our business principles and working practices.

Our growth is accelerated by bringing scale, enhanced operational infrastructure and expertise, enabling the delivery of more services to clients and winning new business.

Outputs >

Clients

+47

Net Promoter Score*

>439

Clients generating fees over £50k

Employees

85%

Retention*

51

Partner and Senior Associate hires

Shareholders

23.95p

Underlying basic earnings per share* (pence)

15.6%

3 year underlying profit CAGR*

Communities

4

Working hours a month per employee available to dedicate to their community

2%

Reduction in paper usage compared to last year

* See Glossary on pages 143 – 146.



Strategic
acquisitions



Scale the
operation



Exploit data
and technology

Our vision

To redefine the legal and professional services sector in the UK regions.

Our strategy

To continue to build the leading premium, fully collaborative legal and professional services business across the UK regions.

Our priorities

Continue to increase the range of our specialist services.

Leverage the benefit of scale and increased brand recognition in the regions.

Drive organic growth by working with colleagues to unlock the opportunity from our mature regional platform.

Continue to attract high-quality professionals with client relationships from leading law firms.

Increase the number of professional services we provide to each of our clients.

Accelerate the growth of our client base and become established in key sectors.

Become the provider of choice for individual clients in all our regional locations.

Capitalise on the accelerating consolidation of the UK legal services sector by making selective, high-quality acquisitions.

Use our acquisition strategy and capability to enter new regional markets and accelerate growth in existing markets.

Realise targeted cost and revenue benefits, and then accelerate growth.

Continue to create increased efficiency and capability through investment in our operating platforms and our focus on continuous improvement.

Continue to invest in creating sufficient operational capacity to accommodate growth and sustain our agility.

Continue to accelerate the integration of new colleagues into the business through high levels of engagement and support.

Enhance our existing delivery platforms through system development and acquire complementary technology platforms.

Create greater economies of scale within our operational infrastructure.

Increase the use of actionable business intelligence to drive growth.

Enhance service to clients by accelerating speed of delivery and improving their efficiency.

Continue our investment in technology, process automation and workflows and the responsible adoption of AI-based applications.



What we did this year

30

Partner and
Senior Associate
promotions

7

New locations

247

New colleagues
through
acquisitions

3.8:1

Fee earner/
non-fee earner
ratio*

34%

Increase in revenue
from top 50 clients
for FY24 (excluding
one off Corporate,
Integrar and CL
Medilaw clients)

* See Glossary on pages 143 – 146.

Grow organically

A well-established platform for organic growth.

Overall, organic growth was flat during the year, delivered from a smaller organic fee earner base than in the previous reporting period. This was achieved by maintaining our long-term strategy of focusing on premium service delivery. The underlying drivers of organic growth remain healthy as we continue to focus on high-quality, profitable work, which provides a strong platform for increased future organic growth. Our reputation for being synonymous with providing a premium experience across more regional locations is gaining momentum. Recruitment of partners and senior associates, a key driver of organic growth, during the reporting period has been strong in the second half and this has continued into FY26.

We invested in our organic growth strategy this year by:

Leveraging our scale and national reputation

Our increased size, capabilities, and visibility continues to cement our reputation as a premium service provider for the UK regions, allowing us to attract exceptional talent and high-quality clients.

We continued to focus on generating high-quality, profitable work and revenues over less profitable work from the competitive low to middle market, building a robust platform for future organic growth as this strategy evolves and the business matures in the premium space.

Recruitment from leading law firms and highly regarded professional services firms continues to accelerate as partnership and equity-based models continue to become less attractive to the current generation of professionals.

Our lateral recruitment strategy centred on partners and senior associates with a strong client following or network continues to accelerate, with 51 joining during the period compared to 40 in the previous reporting period.

Our ever-increasing strength in depth and breadth of our capability, coupled with our unique collaborative culture with all our professionals working as one team means we are ideally placed to be the provider of choice for the clients we work with across local, regional, national and international markets.

This awareness and our capability has enabled us to recruit in the Cardiff market during the period, in preparation for the organic opening of a new office in the Welsh capital during FY26.

Extending our service offering to our clients

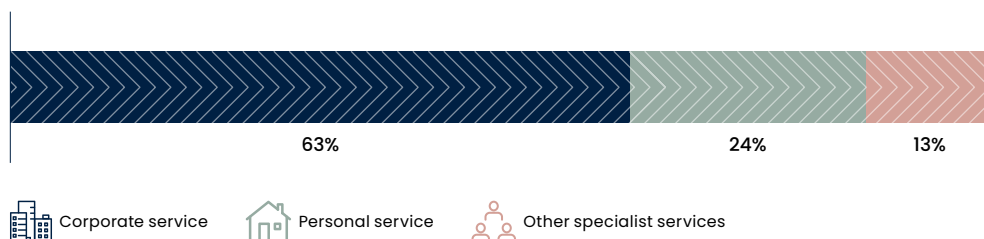
Our commitment to working together in our offices combined with the continued growth of our business into new regional locations drives opportunities from collaboration and further increases our breadth of services, making us well positioned to drive organic growth by delivering a greater share of our clients' needs. This growth is driven by both the confidence our clients have in the Knights brand, as well as a strong trust between colleagues to work together and facilitate introductions.

Expanding our range of services

Our combination of lawyers working alongside other professional advisors provides clients with complementary service offerings.

From acquisitions made during the year, we added significant additional expertise in intellectual property and franchising services. From an acquisition completed after the end of the period, we also now provide bespoke wealth advisory services, an area we have long considered a natural extension to our service offering.

FY25 revenue split



Diversified portfolio of services and specialisms

CORE SERVICES OFFERING

Real Estate	Dispute Resolution	Corporate & Commercial	Employment
29%	15%	13%	6%
Expert, multi-sector advice in a broad range of commercial matters including asset management, plot sales, property litigation, construction, development and town planning	Expert advice for a broad range of disputes including breach of contract, professional negligence, defamation and reputation management and intellectual property	Full suite of corporate & commercial services provided to international, PLC and owner managed clients, including M&A, restructuring, corporate governance, public procurement, contracts, IP and data privacy	Range of commercial employment advice and training including disputes, restructuring, redundancy, HR support, immigration, investigations and trade union matters

STRENGTHENED WITH OTHER SPECIALIST SERVICES

Private Wealth	Residential Property	Integrar	CL Medilaw
16%	8%	3%	10%
Full range of services advising private individuals and families including landed estates, trusts, tax, wills & succession planning and probate	Premium, partner-led conveyancing services for buyers and sellers including new build, freehold and leasehold, with additional specialist construction, planning and agricultural teams	A market leader in the provision of remortgage services for lending institutions / intermediaries such as banks, building societies, mortgage brokers, estate agents and financial advisors	Specialist medical negligence and serious injury solicitors advising individuals and families High growth, non-cyclical service offering



Strategic acquisitions

In recent years, our acquisition strategy has been a key factor in helping us achieve critical mass and has enabled us quickly to establish the business across the UK.

Our increased size and expanded footprint have delivered a step change in the Group's reputation and visibility, expanding our client base and increasing our recruitment pool.

With a focus on full integration immediately rather than simply aggregating new businesses, Knights has now achieved maturity with an established platform and approach to delivering acquisitions. These acquisitions provide the platform for future organic growth.

The Knights M&A model:

- ♦ Led by a dedicated M&A Director
- ♦ Supported by the capability in-house to run transactions end to end
- ♦ An established process to identify, execute and integrate acquisitions in a fragmented market
- ♦ A clear plan from initial contact through acquisition and post-acquisition
- ♦ Day 1 integration all on a single operating platform
- ♦ With a proven track record of delivering synergies and unlocking embedded value

A highly differentiated proposition for sellers:

Progressive corporatised model

- ♦ Opportunity to exit outdated partnership model
- ♦ No exposure to financial ownership risk of partnerships
- ♦ Remove the burden of compliance for equity partners
- ♦ Allow partners to focus on clients and people

Accelerate growth & profitability

- ♦ National brand and scale to support new client acquisition
- ♦ Broad service portfolio to cross sell to existing clients
- ♦ Well invested group support functions and technology

Superior proposition for employees

- ♦ Succession planning and investment in the next generation
- ♦ Enhanced career progression, underpinning talent retention
- ♦ Premium brand supports regional talent acquisition



An acquisitions strategy focused on achieving full UK coverage in the medium term and now also acquiring into existing locations, leveraging our existing office space.

We acquired two regional law firms during the year

1. West Midlands

Acquired Thursfields, a leading independent law firm with offices in Worcester, Kidderminster, Solihull and Birmingham in September 2024

Birmingham team moved immediately into our existing Birmingham office – accelerating integration and leveraging office space

Brings full coverage and visibility in the West Midlands region

2. Thames Valley

Our largest acquisition to date, we acquired IBB Law in April 2025 giving us a presence Uxbridge, Reading, Beaconsfield and Ascot

Significantly increasing our scale and presence in the South East, a market with a significant concentration of businesses and personal wealth

Created an opportunity to relocate our existing Newbury team into Reading, accelerating integration, leveraging office space and bringing greater regional capability to the Newbury team

Strong platform for organic growth in FY25

We acquired three more regional law firms shortly after the year end

We acquired Birkett Long taking us into new locations in Colchester, Chelmsford and Basildon

We acquired Rix & Kay, building our presence in the South East bringing new colleagues into our existing locations in Kings Hill and Brighton

In August 2025 we acquired Le Gros Solicitors Limited, adding a team of six professionals to our recent partner appointments in Cardiff

Growth within a prior year acquisition

The acquisition of Baines Wilson in Carlisle in FY24 expanded our presence in the North West, giving access to a strong local market and a platform for strong future growth. Although we generally budget prudently for c.20% fee attrition, integration and financial performance have exceeded expectations, we saw no fee attrition post-acquisition:

- ♦ Revenues £3.4m (FY24) to £3.9m (FY25)
- ♦ Full time employees 22 (FY24) to 18 (FY25)
- ♦ Gross profit 55% (FY24) to 62% (FY25)

Scale the operation

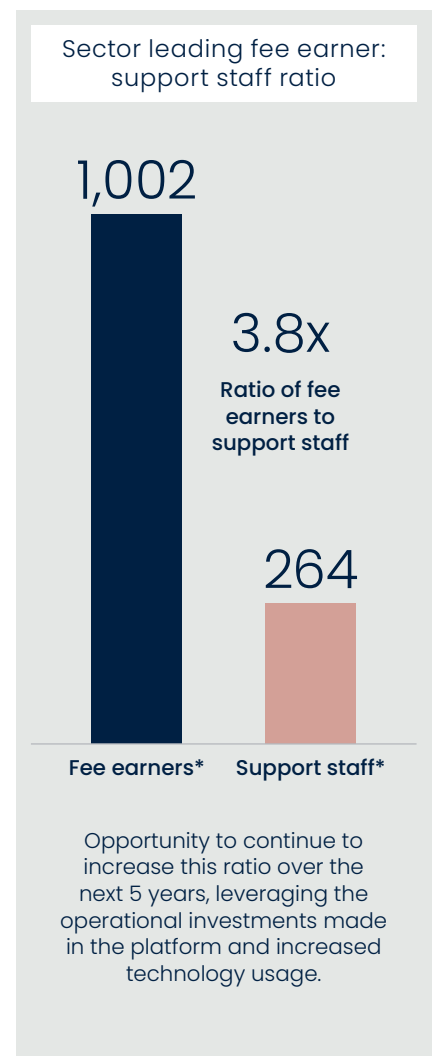
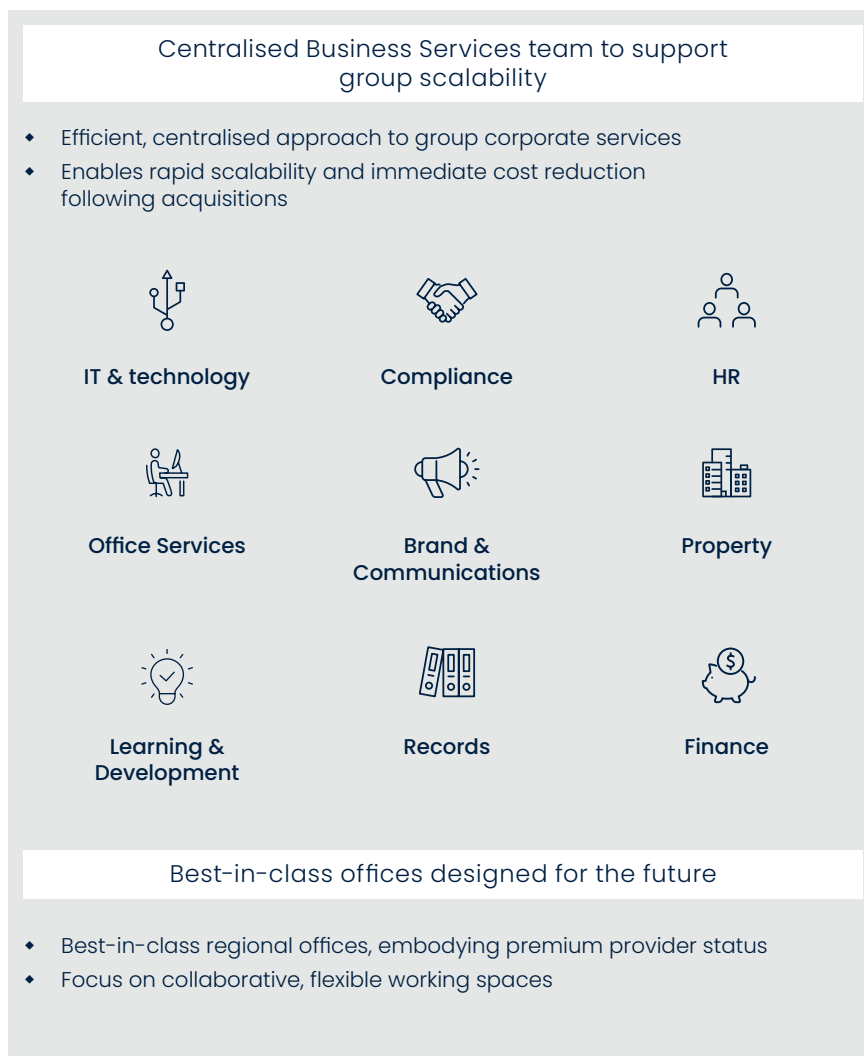
To support our growth plans, we maintain a constant focus on:

1. Strengthening and developing our leadership within a one team culture.
2. Our team of experienced Client Services Directors working together and delivering against our growth strategy within their regions and nationally.
3. Investing in the operational infrastructure to support growth and underpin margin enhancement, led by our Business Services Directors.

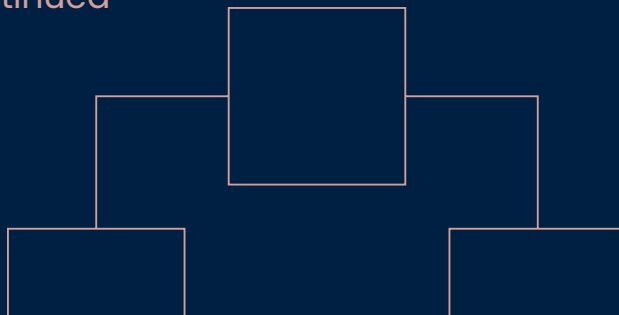


* See Glossary on pages 143 – 146.

Our unique, scalable operating model, with a well invested operational backbone



* See Glossary on pages 143 – 146.



Exploit technology and data

Utilising technology to grow margin and differentiate our services.

We have created a robust, scalable platform able to integrate acquisitions in a matter of weeks. We maintain a constant focus on enhancing client service delivery by creating an experience both for our clients and colleagues based on speed and quality of service which differentiates us from our competition.

The use of technology across the business to support our premium services and to grow profitability is a core part of our strategy. Technology continues to enhance the way we operate, elevating efficiency, productivity, and client service.

Key components of our IT and technology strategy:

A single, scalable and robust platform

Our use of a single practice management software platform remains at the centre of our systems approach. Keeping client data in one system offers numerous benefits, including streamlining workflows, improved client experience, enhanced security, efficient collaboration, data analysis capabilities, and scalability. Our systems and operating environment allow for other complementary applications to work within or alongside our core platform.

Our use of technology continues to accelerate, and we are well positioned to build on the existing platforms and capability we have created. We will continue to invest in new and emerging technologies and systems to further drive business performance.

Investing in development capability

We have continued to invest in our internal IT development resources and capabilities to broaden our technology skill set which reduces reliance on third parties to deliver projects and continuous improvement initiatives.

Having development and programming capability in-house allows us to customise and develop our platform and resources quickly, enabling an agile approach to introducing change and improvement across our systems. We believe this strategy will enable us to sustain a competitive edge as we look towards new and emerging areas of innovation.

AI integration

As AI technology evolves, we operate a continuous programme of reviewing, testing and adopting AI based applications, aligning with market-leading providers and bespoke platform suppliers.

We are using various AI-enabled applications and exploring others based on arising commercial use cases.

Security

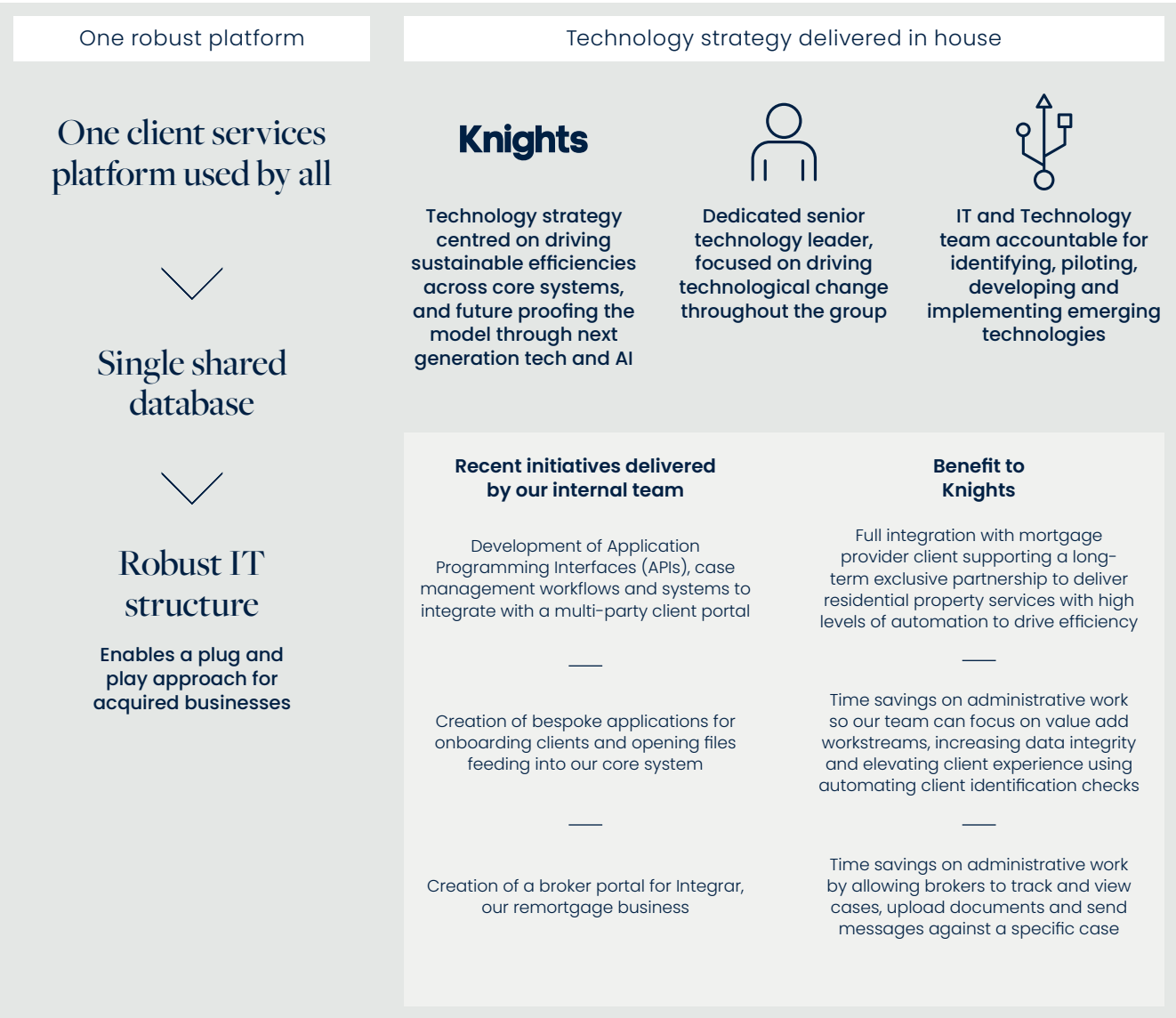
Continued focus has been given to ensuring we maintain the highest levels of data and IT security. We continue to work closely with our third-party IT security consultants on security focused initiatives including an ongoing programme of security testing and awareness.

Data

Using data and systems to manage and drive organic growth effectively.

Having all our client data and information in one central practice management system means we are easily able to generate key management information and reports from a single source.

Having an internal team of IT developers enables us to create bespoke reports quickly to support the business, deliver on key business KPIs such as time recording, invoicing, cash collection, productivity, and organic growth.



Building a sustainable business that benefits all stakeholders.

Knights is committed to building a sustainable, future-proofed business. A business that allows its stakeholders to thrive, empowers its people and the communities we are part of, minimises its environmental impact and operates ethically with the highest levels of governance.

These goals, which are fully aligned with the United Nations' Sustainable Development Goals, a plan of action for people, planet and prosperity, underpin the Group's investment case and are central to its purpose of transforming the way professional services are delivered.



The Group is also informed by guidelines from independent agencies such as MSCI and aligns with external disclosure recommendations, including those set out by the London Stock Exchange. We are proud of the continued progress we have made across Environmental, Social and Governance reporting, having initiated a strategic programme in 2020 to underscore our commitment to making a positive impact.

01

Managing our business
for the long-term

02

Caring for our people
and communities

03

Looking after
the environment

Our commitments and target.

Knights is a low impact, low carbon intensive business. We remain committed to improving what we do, including achieving net-zero in our own operations and across our entire value chain by 2050 or sooner.

Although our carbon usage has increased during the year, as a result of acquisitions adding 7 further offices to our portfolio, we remain committed to our social responsibilities both internally and externally and maintaining the high level of governance already established. We are currently setting science-based targets with the assistance of an external consultant.

We commit to:	By:	Progress during FY25:
<p>1 Reduce our carbon footprint by:</p> <ul style="list-style-type: none"> reducing our carbon emissions per employee by 10% in the short to medium term; achieve net-zero in our own operations (scope 1 and 2 emissions) by 2050 or sooner. 	<p>Our property strategy is aligned with our commitment to energy efficiency, focusing on buildings that incorporate advanced energy-efficient HVAC systems & renewable energy sources. By selecting properties with these sustainable features, we aim to reduce energy consumption, lower our carbon emissions & create an environmentally responsible workplace.</p> <p>We are committed to reducing our carbon footprint by right sizing our estate, reducing under-utilised spaces & in-efficient buildings, lowering our environmental impact whilst providing a best-in-class environment for colleagues.</p> <p>We aim to minimise energy consumption by implementing energy-efficient lighting & HVAC systems via refurbishment of existing premises or relocation to new, energy efficient buildings.</p> <p>The following criteria are key to our property selection process;</p> <ul style="list-style-type: none"> Green certification BREEAM & LEED Grade A, best-in-class offices EPC B & above Renewable energy sources Green transport options (cycle storage & EV charging) to reduce carbon footprint <p>Right size underutilised assets via subletting or surrender of excess space</p> <p>Introducing electric company cars</p> <p>Investing in audio visual equipment to reduce unnecessary travel</p>	<ul style="list-style-type: none"> Office upgrade: <ul style="list-style-type: none"> We have relocated from our existing premises Bristol, Sheffield, Newcastle-upon-Tyne and Leicester to energy-efficient & sustainable buildings, ensuring our new location supports our sustainability commitment whilst minimising our environmental impact. Each relocation, and all related refurbishment, aligns with our property selection criteria. We consolidated our Worcester and Kidderminster offices into one new location. We completed a wholesale refurbishment of our existing premises in Stoke following 11 months in temporary accommodation, creating an energy-efficient & sustainable building, ensuring our new workspace supports our sustainability commitment & minimises our environmental footprint providing significantly reduced energy consumption with a more efficient space with collaborative areas and open plan layouts. Our new and refurbished offices are designed to promote employee health and well-being by designing with natural lighting, ventilation, and ergonomic furniture throughout. During FY24 we introduced an electric vehicle company car scheme allowing colleagues to acquire an electric car through an approved salary sacrifice scheme. As our central car fleet comes up for renewal, we are introducing electric cars where feasible. During the period, 24 new electric cars were ordered, increasing from 15 ordered in FY24 We augment our energy management practices on an ongoing basis through the proactive collation of energy usage data to support the active management of positive behavioural change to reduce energy consumption We have continued to invest in Audio Visual equipment as part of office refits carried out during the period and we continuously upgrade and replace old and obsolete equipment ensuring that all offices have access to quality video conferencing equipment reducing the need for unnecessary travel

We commit to:	By:	Progress during FY25:
2 Support a reduction in employee commuting emissions by encouraging the transition to electric vehicles	Charging points to be installed where possible at office locations Launching a cycle-to-work scheme in FY24 'Think before you travel' guidance to be developed and issued	<ul style="list-style-type: none"> Our Cycle to Work scheme was launched in November 2023. 26 applications have been made since the scheme was introduced Our Travel policy was revised during FY24 to actively encourage colleagues to consider if travel is necessary, to consider car sharing and encourages the use of video conferencing facilities
3 Engage and educate our people on ESG matters to drive engagement and build ESG considerations into our every day	Regular programme of communication and training to be implemented	<ul style="list-style-type: none"> We continue to develop our internal policies to increase ESG awareness. This includes training courses alongside awareness of ESG issues through day-to-day behaviours During the second half of the year, building on our Employee Value Proposition introduced in the previous year, we have undertaken a focused engagement programme with colleagues across the business, identifying and capturing the values and culture our people can expect from us in return for their skills, experience and commitment. In particular, we focus on the opportunities our unique platform provides for our people and their careers
4 Achieve net-zero across our entire value chain by 2050 or sooner	Sustainable procurement Identifying additional actions to reduce emissions as we benefit from advancements in technology and the transition to renewable energy	<ul style="list-style-type: none"> Building on the steps we took in FY24, we continue to look for opportunities to source more of our consumable items to fully recyclable materials and wherever possible, items made from recycled materials. We have invested in technology such as digital mailrooms and electronic ID systems to reduce the need for courier and postal services and the use of paper
5 Ensuring all of our employees are paid a minimum of the Real Living Wage	Regular reviews to ensure all employees continue to be paid above the Real Living Wage	<ul style="list-style-type: none"> All employees continue to be paid at above minimum living wage. The changes to the National Living Wage and the National Minimum Wage were implemented, ensuring all employees are paid above these levels to enable them to participate in salary sacrifice benefit schemes. Monthly reviews ensure ongoing compliance
6 Increasing our social engagement in the community	Encourage increased engagement in our 4 Our Community programme	<ul style="list-style-type: none"> Colleagues continue to engage in voluntary work within their local communities through the 4 Our Community programme in which everyone is encouraged to spend four hours every month assisting and volunteering We have adopted an approach to make all our offices a focus and hub for social and business engagement and activity in all our regional locations, supporting our identity as a national platform "on your doorstep" for the UK regions
7 Continuing to develop an inclusive culture	Embedding of Welcoming Everyone approach to inclusion	<ul style="list-style-type: none"> Our Welcoming Everyone approach to inclusion is embedded in our equality based and meritocratic approach along with our friendly culture Development of new Welcome programme to an in-person key integration tool Development of key internal events programme to bring colleagues together to foster socialisation and One Team culture in each location. The same event is held in all locations simultaneously to create whole business connection Focus on health and wellness with social activities based on healthy pursuits including running clubs, charity challenges and walking activities

Managing our business for the long-term.

The Group focuses on three key pillars within its sustainability approach:

Managing our business for the long-term

Aiming for the highest standards of corporate and social behaviour and running its operations with high ethical standards.

Board Composition

- ♦ Non-legal background 80% (4 out of 5) (2024: 80%)
- ♦ Independent Directors 60% (3 out of 5) (2024: 60%)
- ♦ Gender diversity 60% (3 out of 5 are female) (2024: 60%)

Accountability

- ♦ Board member accountable for ESG: Jane Pateman
- ♦ Independent Audit Committee chair: Gillian Davies
- ♦ Independent Remuneration Committee chair: Jane Pateman
- ♦ Internal General Counsel and Compliance team and Anti Money Laundering Officer
- ♦ COLP and COFA

Foundations

- ♦ ESG and Corruption fines: None
- ♦ Political contributions: None
- ♦ Compliance training: 82% of staff fully trained

Caring for our people and our communities

Fostering a diverse, team based, meritocracy-driven culture and encouraging community contributions.

Sentiment

- ♦ Employee NPS* +59 (2024: +15)
- ♦ Staff churn* 15% (2024: 12%)
- ♦ Client NPS* +47 (2024: +62)

Flexibility & Diversity

- ♦ Female Partners 46% (2024: 44%)
- ♦ Female Directors 39% (2024: 32%)
- ♦ Female promotions 68% (2024: 67%)
- ♦ Part-time colleagues 22% (2024: 22%)
- ♦ Part-time Partners 24% (2024: 21%)

People Investment

- ♦ 62 Trainee solicitors
- ♦ 30 Apprentices
- ♦ 11,683 hours of employee training
- ♦ 4 hours per month available for employees to assist in their community

Foundations

- ♦ Data Protection & Privacy (ISO27001, GDPR, UK Cyberessentials+)

Looking after the environment

Focusing on cutting our paper and carbon footprint.

Consumption

- ♦ 2% reduction in paper usage compared to last year

Waste

- ♦ Hazardous waste 0kg
- ♦ Recycled/energy recovery 100% (when under our control)

* See Glossary on pages 143 – 146.

Knights operates its business in accordance with the highest standards of corporate governance and conduct, overseen by a Board of Directors with a wide range of relevant skills and experience.

Board role, independence and diversity

The Board guides our approach and is committed to extending its values to all stakeholder groups, including shareholders, clients, employees, governments and regulators, as well as the communities in which it operates.

Further details of the Board’s role are set out in our Section 172 statement on pages 43 – 45 of this Annual Report.

The Board is comprised of two Executive Directors, the Non-Executive Chairman, and a further two independent Non-Executive Directors.

The Board believes that the Directors have an effective blend of financial and public market experience, diversity, skillsets, and capabilities. Our CEO, David Beech, is the only member of our Board with a legal background. The rest of the Directors bring a broad range of experience from various disciplines and a wide range of industries.

5
Board members

60%
Independence

80%
Non-legal background

Business ethics and compliance

Operating responsibly, sustainably and with integrity is a fundamental part of our culture and informs everything we do. It is also essential to the long-term success of the Group.

The Group is regulated by the Solicitors Regulation Authority and is subject to a range of regulations, including the Solicitors Accounts Rules, AIM Rules and rules imposed on listed businesses by the Financial Conduct Authority as well as its own rigorous commitment to conducting its business to the highest standards.

We have a meticulous ‘Know Your Client’ process to ensure that its business is not used as a conduit for the proceeds of crime, terrorism, or money laundering. The Group conducts thorough audits on client backgrounds prior to working with them, and its dedicated, independent, in-house compliance teams rigorously monitor all work being conducted throughout the business on an ongoing basis.

Everyone receives mandatory compliance training during the onboarding process and are required to refresh this every year.

Anti-Bribery and corruption

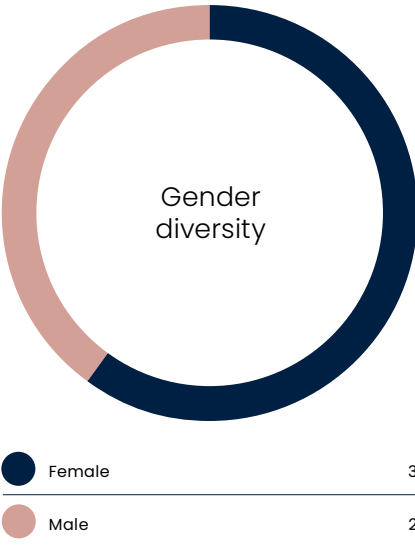
The Board are committed to maintaining the highest standards of ethics and compliance with all relevant laws wherever we do business. We do not tolerate any form of bribery or corruption and require all individuals to comply with anti-bribery and corruption laws and ethical standards.

Whistleblowing

All employees should feel able to raise concerns about any safety, legal or ethical issues. If they feel unable to report these concerns to a manager, we also have an anonymous whistleblowing policy, available on the intranet.

Modern Slavery

We have a zero-tolerance approach to modern slavery anywhere in our supply chain. Our policy is available on our website.



Caring for people and our communities.

Having become one of the largest, collaborative, regional professional services teams in the UK, Knights has the reputation, market positioning and size to recruit the best professionals in our industry who are attracted by the opportunity to join an open-minded, transformational and resilient business delivering a premium bespoke experience for clients.

We believe in giving people the freedom to discover and fulfil their full potential within a truly collaborative team-based business.

Our inclusive, people-first culture is a clear differentiator and something of which we are incredibly proud.

Excellence together

Excellence is the promise that we make to ourselves and for each other; defining the experience and environment we create at Knights.

We recognise the importance of helping our colleagues, clients and the communities in which we operate to thrive. We celebrate excellence, hold ourselves to high standards of excellence and encourage excellence in each other.

Working together without hierarchy and with high levels of communication and engagement supports and enhances our unique collegiate culture.

Our culture is simple. We support our people while giving them freedom. We focus on what people contribute, we reward people who deliver, we help each other, and we are honest.

Collaborating, sharing and coaching – as agile team players, we become increasingly effective, creative and successful together. We are proud of this approach and believe it makes us a stronger and happier business.

Our approach means we are increasingly diverse. We are proud that the percentage of female Partners remains high and that we benefit from the talent of a wide range of ethnicities, religious backgrounds and sexual orientations.

Excellence together is our commitment to our people, with our people and from our people – activated through our pillars:

- ♦ Your career, your path
- ♦ Difference with purpose
- ♦ One team

Client NPS*

+47

Female partners

46%

Part-time colleagues

22%

Retention*

85%

Employee NPS*

+59

* See Glossary on pages 143 – 146.

Helping people thrive.

Working life at Knights centres on creating a supportive environment which puts our people first and allows them to grow, set and realise their own ambitions. This makes us stand out. At Knights there are no glass ceilings or limits on how our people can progress. Our people are in control of their own careers.

Health and wellbeing

Focusing on the wellbeing of colleagues, and ensuring they are supported, happy and healthy is paramount to us. Our 'one team' collaborative culture is something of which we are immensely proud.

In FY25, we maintained focus on mental health awareness and extended this to nutrition and physical wellbeing. We changed our health and wellbeing provider to Care First – giving our people a greater range of guidance – we held regular focused events across the business to enhance social inclusion, healthy eating and promote physical activity. We provide free fruit to all our colleagues every day, to aid wellbeing. Our focus has been on providing healthy, sustainably sourced food and beverage options with particular emphasis on catering for all dietary preferences including providing a wide range of non-alcoholic beverage options at all events which has seen a very substantial reduction in alcohol consumption.

Learning and personal development

Investing in the growth of our people is important to our business. Excluding our 62 Professional Trainees and 30 Apprentices who are enrolled in formal training programmes, our colleagues have received more than 11,683 hours of formal training across areas ranging from technical skills, business skills, and health and wellbeing. This includes specific, bespoke mentoring sessions for all those colleagues reaching key milestone promotions.

Salaries and promotions

Alongside our recent work to properly price the value that we deliver to clients, we conducted a full salary review by 30 April 2025 which has enabled us to deliver positive uplifts to colleagues across the business.

We are confident that the salaries we offer, at all levels, are competitive. We have also made 91 promotions during the year, reflecting how we continue to nurture and develop our talent and recognise high performance.

Work-life balance

We believe we are stronger, more creative and more productive when we are with our colleagues. We also coach and learn more effectively too. We continue to support and promote a balance between work and personal life to meet individual needs. 22% of colleagues work part-time, including 24% of Partners.

The introduction of the option to purchase up to five additional days holiday from January 2024, enabling colleagues to make individual decisions about their work-life balance has been received positively with 282 colleagues purchasing an additional 1,208 days during 2024.

Offices

Our offices are fundamental in supporting learning and development, collaborative working and building inclusive teams. That is why we continue to invest in best in class office space offering a modern working environment and capacity for future growth. Our focus for office design is on clean, simple, well maintained, uncluttered spaces with natural light, ambient temperatures, refreshing scent and calming décor to support colleagues' mental well-being. Our modern workspaces align with our organisational standards and support both colleagues and clients. Consistent and purposefully designed interiors across locations are intended to facilitate wellbeing, operational efficiency, and collaboration in both in-person and remote settings.

Benefits

During the previous financial year, following feedback from our colleagues, we significantly increased the scope of our benefits available to all employees. We introduced a range of other benefits that our people can opt to participate in.

These benefits include an electric car scheme, a healthcare cash back scheme funded by the business, cycle to work, and a retail discount scheme amongst others. Participation in these benefits has been steadily increasing since their inception.

From the beginning of this financial year, we also increased the employer pension contribution to a minimum of 5% and increased the amount of life assurance to 4 times salary for all employees.

“We continue to make good progress in delivering against our ESG strategy with a programme of property improvements focussed on helping us to meet our long-term carbon usage targets. We are pleased to have continued to enhance our employee value proposition through our enhanced in-person welcome programme, creating office environments which promote employee health and well-being, and through an ongoing programme of workshops and social events for colleagues of all ages and experience levels across the business, while our 4 Our Community initiative continues to grow.”

Jane Pateman

Non-Executive Director Responsible for driving the Group's ESG initiatives since FY20

Events and social calendar

We believe creating opportunities to spend social time and having fun together is important in supporting and promoting our team culture.

Reflecting on our commitment to sustainability, reduced travel, reduced carbon footprint and minimising time commitment for colleagues, we have continued to hold smaller and more focused local and regional social events rather than hold national gatherings.

Following the re-development of our Stoke office, the central hub of our business in December 2024, we have held group workshops for our Partners and Senior Associates, plus other team days, combining a mixture of business and social activities. This is continuing for other colleagues across the business during the current year. We also moved back to holding our welcome programme for new colleagues in-person in Stoke from January 2025, again with a combined business and social focus.

Throughout the year we also run a calendar of events which are a combination of locally organised social events in our offices combined with nationally organised events such as National Cheese Day, World Kindness Day and Valentines Day which we often combine with charitable initiatives.

Nationwide efforts to support disadvantaged people

Our 4 Our Community programme ('4OC'), through which we encourage all our people to give four of their working hours each month to support local causes they care about through volunteering and fundraising, remains our primary national community-focused initiative.

Throughout the last year teams in all our offices have come together to support organisations which make their communities a better place. In the process, our people have used 4OC time to provide mentoring, collect hundreds of Easter eggs and create festive packages.

Similar local initiatives run alongside and in addition to our 4OC programme, including combining appeals for donations to local foodbanks alongside our office social events.



Supporting our communities.

Part of creating a healthy working environment involves enabling our colleagues to make an impact beyond the business. It helps them to feel good, build relationships outside the business and contribute to the communities in which we operate.

We believe those who help others are more engaged and better connected within the communities they serve as part of their work for our business.

This is why our 4 Our Community ('4OC') programme is so important to us and has continued to grow as our business has grown.

Oxford Team supports school for children affected by trauma

Oxford office volunteers used their 4OC hours to support The Mulberry Bush Charity. Over the past year, they assisted with gardening, painting, and maintenance at the school in Standlake, Oxfordshire. Their work has improved and maintained the outdoor spaces for children recovering from trauma by making them safer, more welcoming, and functional.

Using 4OC time to support legal innovation and community learning

Parabhpreet Gill used her 4OC hours to volunteer at the annual Legal Tech in Leeds conference. She also attended sessions on AI, ethics, and sustainability, and networked with other legal professionals. Her involvement promoted knowledge exchange, highlighted emerging issues in legal tech, and helped strengthen networks in the local community.

Team helps hospital charity prepare for summer fundraising

Holly Illingworth, Hannah Berry, Sophie Tucker, Stan Fox, Louisa Drouard, and Tadiwa Daka used their 4OC hours to offer support to a local hospital charity. They assembled fundraising packs for the Snowflake Campaign, helping the hospital launch its first major appeal since rebranding and prepare for key events over the summer.

Caring for big cats through 4OC Time

Jasmin Crook, from our Kings Hill office, uses her 4OC hours to volunteer at the Big Cat Sanctuary in Ashford. For over 18 months, she has helped care for wild and endangered cats. Recently, she supported the rehoming of lions displaced by the war in Ukraine, contributing to their safe relocation.

Cheltenham team supports local Sue Ryder hospice

Adam Schonbeck and colleagues from our Cheltenham office have built a long-term relationship with their local Sue Ryder Hospice, utilising their 4OC hours to volunteer and fundraise.

Supporting parents and carers of young people with SEND

Emma Newton, Paige Gillon, and Amber Whitehouse used their 4OC hours to volunteer with PEGIS, a group that supports parents and carers of young people with special educational needs and disabilities. They provided refreshments at a local event, helping to create a welcoming space for families and service providers to connect.

Supporting local communities in Nottingham

The Nottingham office team used their 4OC hours to serve breakfast and cook meals, helping homelessness charity Emmanuel House support more people. They also wrapped and delivered Christmas presents for refugee families supported by the Nottingham and Nottinghamshire Refugee Forum, providing practical assistance to vulnerable individuals during the winter period.

Supporting local toy appeals in Teesside

The Teesside office team supported The Teesside Charity's toy appeal by collecting donations for children in need. They also backed the Salvation Army's appeal, organising an in-office collection. Both efforts helped provide gifts and practical support to local families, making a positive difference during the festive season for those in need.

Colleagues marked Christmas jumper day with fundraising activities

Hundreds of colleagues took part in Christmas Jumper Day, wearing festive jumpers to support good causes. Many linked their fundraising, collections, and volunteering activities with the event.

Oxford office takes part in OxClean Spring Litter Pick

Eighteen colleagues from the Oxford office used their 4OC hours to join the OxClean Spring Litter Pick. On 7 March, they worked alongside the local community to collect litter across the city, supporting the Oxford Civic Society's initiative to ensure that public spaces are clean, safe, and welcoming for everyone.

Volunteering for the Royal National Lifeboat Institution in Portsmouth

Julie-Ann Harris used her 4OC hours to fundraise for the RNLI across Wiltshire, including dressing as mascot Stormy Stan. In 2024, the Salisbury & Wilton RNLI branch – her local team – raised over £28,000 (the highest annual total to date), helping to fund equipment, training, and emergency response across the region.

Donating blood in Manchester and Wilmslow

Charlotte Lowe coordinated 26 colleagues from the Manchester and Wilmslow offices to donate blood following a colleague's appeal.

Volunteering to maintain Silverdale Park in Stoke

Diane Beardmore, from the Stoke office, used her 4OC hours to volunteer at Silverdale Park, a former mine now managed as a public green space. Working with the Groundwork Trust, she carried out scything, drystone walling, path laying, and coppicing to support conservation and improve public access to nature.

Looking after the environment.

Knights is a low impact, low carbon intensive business. It is deeply committed to minimising the environmental impact of the Group's operations by reducing carbon emissions and considering environmental and sustainability issues as part of all strategic and environmental decisions.

Climate change and carbon emissions

We aim to reduce our emissions and ensure efficient use of all resources within our business. Our main use of energy is in relation to the day-to-day operation of our office locations. We aim continually to assess our real estate portfolio to ensure efficient use of space, rightsizing underutilised assets where feasible, as we have done this year in Bristol, Kidderminster, Leicester, Newcastle, Sheffield and Worcester, either through subletting or surrender of excess space. During the year we relinquished offices reaching the end of their lease terms in Brighton and Kidderminster with colleagues relocating to other nearby offices. This consolidation of office space and the relocation of other acquired premises into suitably sized, modern, best in class office space is part of the Group's strategy to maximise energy efficiencies within the business.

When refitting and upgrading our office space we ensure that a large portion of the procurement is considered to be environmentally sustainable including furniture items such as our task chair which contains 20% recycled content, is 89% recyclable and Greengard Gold Certificated and our carpet which is a carbon neutral product.

We have reported as required on the Taskforce for Climate-related Financial Disclosures ('TCFD') on pages 36 – 42 and in accordance with The Streamlined Energy & Carbon Reporting ('SECR') regulations on pages 43 – 44.

The SECR report for the year shows an increase in both location and market based usage in absolute terms as we have grown the Group through acquisitions inheriting 9 new offices. Our intensity level ratios compared to both revenue and average number of employees have both also increased. We expect this to be a short term increase in ratios whilst we work to manage our property portfolio and to right-size existing and acquired properties in the short to medium term.

Paper reduction

Traditionally, law firms are heavy paper users. Our investment in technology and commitment to a 'paper-lite' way of working across the Group supports our aim to be continually below the industry average in terms of our paper usage. With our continued focus on investing in technology we aim to continuously reduce our paper consumption per employee. In FY25 we have reduced paper usage per employee by 2%. To add to this, the paper we use for everyday printing is now FSC and EU Ecolabel certified, free from ECF, ISO 14001 certified and finished to reduce toner use.

Waste management and recycling

We recycle wherever possible, including paper, cans, plastic, cardboard and computer equipment. Recycling bins are in all of our offices to ensure recycling is simple and easy for our people. We provide glasses along with water stations to reduce the use of plastic water bottles across the business. We have introduced glass hand soap and washing up liquid dispensers to reduce single use plastic, refilling using environmentally sustainable products; we have transitioned to using FSC and EU Ecolabel certified hand towels (which we fully recycle nationwide). We rapidly modernise the businesses that we acquire, improving their digital infrastructure and digitising all paperwork in offices on our platform. We also have a continuous programme to reduce the amount of paper in storage to reduce energy costs associated with storing excess paper. All paper taken out of offices and storage is recycled.

We engage with our electrical waste suppliers to ensure there is a high degree of re-use and recycling of our retired IT equipment. Redundant equipment is recycled by ISO 27001 accredited firms which are certified by the Asset Disposal and Information Security Alliance ('ADISA'). ADISA recycles as much of the equipment as possible. Any parts which are not recyclable are disposed of in line with the Waste Electric and Electronic Equipment Regulations 2013 ('WEEE').

Non-financial and sustainability information statement

We recognise the climate change risks facing the global environment, and we support the global transition towards a sustainable low carbon economy with a transition towards net-zero.

In this section we report climate related disclosures in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 which has requirements aligned to the Task Force on Climate-related Financial Disclosures (TCFD) Statement.

This year our focus has been on continuing to develop our understanding of the climate-related impacts and related disclosures applicable to the Group. We have engaged with an external consultant who is completing a full review of our climate related issues and strategy ensuring that we develop challenging but achievable targets for the Group.

We support the TCFD recommendations and are committed to implementing them, providing all stakeholders with full information on our exposure to climate-related risks and opportunities, aiding them in making informed investment and other decisions.

Governance

Requirement	Disclosure
Describe the Governance arrangements of the Group in relation to assessing and managing climate-related risks and opportunities (CCROs).	<p>The Board is responsible for the Group's overall strategy and appetite for risk. This includes areas relating to sustainability, environment, and climate.</p> <p>Knights' ESG committee meets regularly to discuss existing and identify emerging risks and opportunities relating to climate change. The ESG committee is a small, agile team comprising as a minimum the group CFO, Operations Director, Property Director and Company Secretary.</p> <p>The ESG Committee is responsible for ensuring that any material risks are included within the Group's risk register under a climate sub-section. This register is reviewed annually by the audit committee and Executive and plc Board. Potential opportunities identified are escalated for discussion annually by the executive and plc board, as well as internally at management meetings throughout the year and actioned as necessary.</p> <p>While the Executive Board are ultimately responsible for the impact of climate related risks and opportunities on the Group, the ESG Committee and internal Business Services Directors are responsible for ensuring that all potential risks and opportunities are considered in all operational areas across the business, including (but not limited to) estate management, procurement, sector dependencies, health and safety, IT, HR policies, and finance.</p> <p>The Executive and plc Board consider risks and opportunities when reviewing and making strategic and operational decisions, and assessing capital expenditure and acquisitions.</p> <p>In 2025, Knights began a partnership with an external sustainability consultant, with whom we continue to develop the roles and responsibilities of the management team in assessing and managing any climate related risks and opportunities across the Group. From FY 2026 they will join one quarterly ESG committee meeting per year to provide technical expertise.</p>

Risk management

Requirement	Disclosure
Describe how the Group identifies, assesses and manages climate-related risks and opportunities.	<p>Risk management is an integral part of our governance, and we focus on the key risks that could impact our ability to achieve our financial and strategic goals.</p> <p>Knights' climate-related risks and opportunities (CRROs) log is updated annually at group level via partnership with external climate change specialists. The CRROs are subsequently reviewed by the ESG committee for ongoing relevance and completeness.</p> <p>Two categories of CRROs are recorded in a climate risk matrix:</p> <ul style="list-style-type: none"> Physical CRROs are assessed via UK climate forecasts across two scenarios (RCP 4.5 and RCP 8.5) across the short, medium and long term. Transition risks were identified, via facilitated workshops, across four risk categories (policy and legal, technology, market, and reputation) for a disorderly transition scenario across three timescales. <p>CCROs are assigned a likelihood and consequence score, which are multiplied to rank overall risk. The climate related risks deemed material are then included in the company risk register maintained by our compliance team, and escalated and reviewed annually by the board. Appropriate mitigating factors are in place for all risks identified.</p> <p>Climate related opportunities are also discussed at board level annually. If time sensitive (<1 year) CCROs are identified in ESG committee meetings, these are escalated to board level more frequently.</p> <p>Mitigation actions are then disseminated down to responsible individual Business Service Directors by the ESG committee to ensure appropriate actions are in place.</p> <p>This framework ensures that we centrally capture, document, review and manage the risks facing the business.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the Group.	<p>Climate risks are currently identified via a separate, climate-specific risk management process by the ESG committee in partnership with an external sustainability consultancy. Findings are reviewed regularly.</p> <p>The Knights ESG committee identifies material risks and integrates them into the central Knights risk register. These risks (and opportunities) are considered in all significant business decisions at Executive Board and individual Business Service level.</p> <p>We continually embed into our culture the consideration of climate and environmental related issues, and in FY 2026, plan to provide companywide training to ensure a base level of climate change knowledge across our business. Furthermore, all of the ESG committee are undertaking more detailed climate specific training this year to ensure current knowhow and enhance their ability to identify emerging risks throughout the year.</p>

Non-financial and sustainability information statement continued

Strategy

Requirement	Disclosure
Describe (i) the principal climate-related risks and opportunities arising in connection with the operations of the Group, and (ii) the time periods by reference to which those risks and opportunities are assessed.	<p>Our analysis of the key risks and opportunities relating to climate change over the short, medium, and long term are summarised in the tables below. These opportunities and risks are reviewed and updated in response to the evolving landscape.</p> <p>The timeframes used for the climate risk assessment are:</p> <ul style="list-style-type: none"> • Near term: to 2030 • Medium term: 2030 to 2040 • Long term: to 2050
Describe the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Group.	<p>A summary of our analysis of the actual and potential impacts of the identified climate risks and opportunities are tabulated below. In brief:</p> <ul style="list-style-type: none"> • Transition risks are primarily around market and policy changes that focus on increasingly ambitious ESG requirements and market expectations. This does however present an opportunity for Knights in climate litigation. • Direct physical risk is considered generally low due to the service-based nature of Knights' operations. While there are additional physical risks around key elements of the value chain, such as data centres and other key services, these are also generally low-risk.
Describe the resilience of the business model and strategy of the Group, taking into consideration different climate-related scenarios.	<p>Knights' exposure to climate risk is relatively low for most plausible scenarios. Current mitigation, in conjunction with ongoing monitoring of embedded climate risk management and escalation processes, lead us to consider our business model to be resilient. These processes would give us sufficient notice to adapt our business model and activities to mitigate any new or growing risks.</p>

Metrics and targets

Requirement	Disclosure
Describe the targets used by the Group to manage climate related risks and to realise climate-related opportunities and performance against targets.	<p>In response to the reality of climate change, the group has carried out a full greenhouse gas assessment and is in the process of setting science-based GHG reduction targets.</p> <p>In FY26 we will develop a decarbonisation strategy, mapping out specific actions to meet this target, and are in the process of having these targets formally submitted to the Science Based Targets initiative.</p> <p>We have set additional targets on upskilling 100% of Knights ESG committee and offering training to the wider workforce during FY26 to ensure a base level of climate-related knowledge to better inform decision-making.</p> <p>We do not currently report on the proportion of group revenue from climate-related workstreams, but will monitor this over the coming years. Material climate risks will be monitored and any appropriate additional risk-specific targets added as necessary in future.</p>
Describe the key performance indicators used to assess progress against targets used to manage climate related risks and realise climate-related opportunities and a description of the calculation on which those key performance indicators are based.	<p>The methodology for calculating group emissions follows the GHG Protocol set of standards, with targets set following the Science Based Targets Corporate Net-Zero Standard. These calculations include all Kyoto Protocol GHGs and are expressed as tonnes of carbon dioxide equivalent (tCO₂e).</p> <p>Our 2024 scope 1, 2 and 3 emissions are reported on page 43.</p> <p>Direct energy consumption is reported via our streamlined Energy and Carbon Reporting disclosure on page 43.</p> <p>Progress against our emissions reduction and staff engagement targets are reported internally, annually, to the Executive Board.</p>

Risks and opportunity identification and assessment

Transition risks were identified and assessed under four categories: market, policy and legal, reputational, and technical (although no key risks or opportunities were identified in the latter category). Key risks include increasing ESG requirements legally and commercially, and increasing expectation around sustainability from investors or other stakeholders. Key transition opportunities include a possible increase in climate-related compliance and litigation and the consequent increase in demand for legal services.

Owing to the nature of Knights' business model, **physical risks** from climate change presents little direct threat to Knights' operations over the timeframes assessed, although it is feasible that in the medium and long term suppliers and clients could be more affected. This could also extend to vital infrastructure such as data centres and other IT and telecom-related support services, for which reason much of the suggested mitigation relates to the value chain rather than to Knights' direct operations.

Transition risks and opportunities

Type	Description	Impact	Mitigation	Risk score		
				to 2030	to 2040	to 2050
Market						
Risk	An increasing number of clients require Knights to commit to binding science-based GHG reduction targets (SBTs).	SBT adoption would require Knights to carry out an annual all-scopes GHG inventory and set a baseline from which to decarbonise, typically by around 50% for direct operations.	Knights is in the process of adopting SBTi-aligned decarbonisation targets and in FY26 will submit formal SBTi targets.	4	8	12
Risk	Lack of climate-specific awareness at senior level leads to underestimation of climate risks and opportunities.	Reputational risk and climate risks not given adequate consideration.	Upskilling to take place in FY26, including climate training workshop for ESG group.	1	4	6
Opp	Increasing compliance and regulatory requirements open up new business opportunities for support on legal requirements, notably in the Mines & Minerals, Agriculture & Aviation sectors (and more broadly).	This is very likely to provide some degree of commercial opportunity for Knights.	Build capability and/or training around environment and sustainability-related services.	2	4	9

Non-financial and sustainability information statement continued

Type	Description	Impact	Mitigation	Risk score		
				to 2030	to 2040	to 2050
Policy & legal						
Risk	Via Knights' acquisition model, there is a risk of acquiring older building stock that does not meet future/imminent energy and carbon minimum standards under MEES regulations.	Potential liabilities to pay for upgrades required to meet 2030 targets, which is highly site-dependent but can entail significant capital expenditure.	MEES and other relevant ESG-linked site- and company-level requirements are both identified and fully covered in pre-acquisition due diligence process.	3	8	8
Risk	Increased resource and cost within organisation to ensure compliance with future ESG compliance and policy.	Minimal to minor change due to increased resource and cost.	Building capacity and external partnerships for sustainability reporting and compliance, ensuring environmental and regulatory readiness.	3	4	4
Risk	As government policy increases requirements for companies to reduce GHG emissions, Knights may need to implement emissions-reductions strategies such as investment in renewables or energy-efficient upgrades, leading to increased operational costs.	Given the embedded mitigation, Knights may see a minor change to operating costs in the medium-and long-term.	Knights are a low impact company in climate terms, but shall embed ongoing and embedded horizon scanning and anticipation of any new requirements together with ongoing decarbonisation efforts.	1	2	3
Risk	Potential consequences (including reputational) for non-compliance with any new legal requirements in the climate space.	In the short term, the consequences are low. Over the medium and long term, any non-compliance could result in financial or reputational repercussions if not met.	Knights are a low impact company in climate terms, but shall embed ongoing and embedded horizon scanning and anticipation of any new requirements together with ongoing decarbonisation efforts. As a legal company Knights are well placed to track and anticipate and meet future requirements.	1	4	4
Risk	Litigation risks exist for companies if they are seen to not comply with relevant laws and policies, or are accused of misleading claims that amount to greenwashing.	Consequences could include reputational damage, particularly from accusations of greenwashing. (This is also a potential opportunity for Knights – see market opportunity above).	Knights are a low impact company in climate terms, but shall embed ongoing and embedded horizon scanning and anticipation of any new requirements together with ongoing decarbonisation efforts. As a legal company Knights are well placed to track and anticipate and meet future requirements.	2	2	3

Type	Description	Impact	Mitigation	Risk score		
				to 2030	to 2040	to 2050
Reputation						
Risk	Investors are increasingly requiring ESG information and commitment to sustainability goals and may push for stronger climate commitments.	In the short term, the consequences will be manageable; failure to meet investor expectations in the medium and long term could result in financial repercussions.	As per other ESG compliance related risks, key mitigation is to track and respond to ongoing political and market-linked changes in expectation and requirement.	3	8	12
Opp	Knights becoming a sustainability exemplar in the legal sector could help attract new clients (i.e. those with SBTs) and staff.	This could lead to more work on legal requirements for SMEs without in-house capability.	More disclosure and publicising of current achievements and initiatives.	4	4	4
Risk	With expansion, Knights is coming under increasing press and public scrutiny, as well as from investors, which can include its ESG commitments and performance.	Increased ESG expectation (even if not regulatory) is likely to equate to increasing legal support requirements (this is also an opportunity for decreased interest rates with some investors if targets are met).	Continue to build capacity for sustainability reporting and compliance, ensuring environmental and regulatory readiness.	3	8	8

Physical risks and opportunities

Description	Impact	Mitigation	Risk score (RCP 4.5)		
			to 2030	to 2040	to 2050
Increased summer temperatures, heat waves and high heat days					
Prolonged exposure to high temperatures during heat waves impact value chain, including clients and vital support services	Possible cumulative impact on supporting infrastructure such as data centres and even reliability of transport infrastructure such as rail lines and roads.	As a business continuity measure, consider engaging with key product and service suppliers to ensure they have mitigation and adaptation plans in place for heat-based climate risk.	4	4	6
Increased intensity and duration of hot summers could cause material and asset deterioration at Knights' sites, leading to increased energy and maintenance expenditure and operational costs. Failure of critical infrastructure such as data centres may become more common	Increase in energy (for cooling) and maintenance costs, plus possible indirect cost increases for data and supporting infrastructure as adaptation becomes required across the supply chain.	<p>The condition and integrity of buildings and components should be regularly assessed, with scope and frequency adapted based upon prevailing weather risk.</p> <p>Additionally, readiness for heatwaves should also be appraised with possible mitigation in mind – for instance, installing pare-brises and/or blinds over south-facing windows and ensuring that AC is as efficient as possible.</p> <p>If moving buildings, consideration should be given to heat adaptability, such as avoiding sites with large south-facing atria.</p>	4	4	6

Non-financial and sustainability information statement continued

Description	Impact	Mitigation	Risk score (RCP 4.5)		
			to 2030	to 2040	to 2050
Increased summer temperatures, heat waves and high heat days, coupled with decreased summer precipitation					
Increased temperatures (according to UK CP18 projections, max summer temperatures are projected to reach nearly 40C under RCP 8.5) and diminished precipitation rates may contribute towards drought	Although owing to the nature of Knights' business, direct impacts from drought are likely to be minimal, there is also a risk of negative impacts on key suppliers such as data centres (which can use water for cooling).	As a business continuity measure, consider engaging with key product and service suppliers to ensure they have mitigation and adaptation plans in place for climate risk such as drought.	4	4	6
Increased winter precipitation and increase in magnitude and frequency of extreme rainfall events, with potential to lead to river and/or surface water flooding					
Storm damage to built assets, e.g., damage to buildings from fallen trees, extreme winds or heavy rainfall	Storm events and associated heavy precipitation may damage assets, either directly or indirectly.	Ongoing preparation and PPM will help mitigate the most extreme direct consequences. For indirect (value chain) impacts, again the key mitigation is engaging with key value chain members proactively to ensure mitigation and adaptation measures are in place for key risks.	2	2	6
Extreme weather events such as storms and flooding may render some Knights or client sites harder to access, and impact on wider transport and distribution networks, affecting supply of resources and/or staff to sites	Depending on the severity of the extreme weather event, disruptions may be caused to supply chains, supporting infrastructure such as communications, clients, and staff access to Knights offices or client sites.	Supply chain risks and staff resourcing should be considered to determine resilience to climate-related events that may disrupt the procurement of time-sensitive materials, or the availability of staff resource on sites. Continued engagement with suppliers to monitor situation.	4	6	8
Sea level rise					
Coastal flooding could theoretically impact Knights' value chain	Flood impacts, even if severe enough to disrupt travel and supply chains, are unlikely to persist for an extended period of time in the UK over the periods assessed. UKCP18 data suggests a sea level rise range of between 18 and 35 cm in London by 2050 under RCP4.5 and 21 and 40 cm under RCP8.5.	Supply chain risks and staff resourcing should be considered to determine resilience to climate-related events that may disrupt the procurement of time-sensitive materials. Continued engagement with suppliers to monitor resilience.	2	2	4

Streamlined energy and carbon reporting.

Greenhouse gas emissions ('GHG') statement

We have reported scope 1, 2 and 3 greenhouse gas ('GHG') emissions in accordance with the requirements of Streamlined Energy and Carbon Reporting ('SECR').

This includes our stated emissions for the reporting year – the 12 months starting 01/05/2024 and ending 30/04/2025 with comparatives for the year ended 30 April 2024.

	01/05/2024 to 30/04/25	01/05/23 to 30/04/2024
Annual energy consumption (kWh)		
Electricity	2,294,600	1,806,990
Gas	301,330	324,212
Transport fuel	1,756,325	987,634
Total	4,352,255	3,118,836
Annual GHG emissions (tCO₂e)		
Scope 1		
Emissions from combustion of gas	55	60
Emissions from combustion of fuel for transport purposes	19	16
Scope 2		
Emissions from purchased electricity – location-based	475	374
Emissions from purchased electricity – market-based*	579	311
Scope 3		
Emissions from business travel in rental cars or employee vehicles where company is responsible for purchasing the fuel	411	224
Emissions from electricity upstream transportation and distribution losses and excavation and transport of fuels – location based	156	123
Emissions from upstream transport and distribution losses and excavation and transport of fuels – market based *	14	37
Total tCO₂e emissions (location-based)	1,130	833
Total tCO₂e emissions (market-based)*	1,234	770

* Carlisle, Exeter, Kidderminster, Leicester, Stoke, Teesside and York offices use 100% renewable tariffs.

	01/05/2024 to 30/04/25	01/05/2023 to 30/04/2024
Annual energy consumption (kWh)		
Intensity (tCO₂e/FTE)		
Full Time Equivalent ('FTE') Employees	1,267	1,323
Intensity ratio: total location-based tonnes per FTE employee tCO₂e/FTE	0.90	0.63
Intensity ratio: total market-based* tonnes per FTE employee tCO₂e/FTE	0.98	0.58

	01/05/2024 to 30/04/25	01/05/2023 to 30/04/2024
Intensity (tCO₂e/£m revenue)		
Revenue (£m)	162.0	150.0
Intensity ratio: total location-based tonnes per £m revenue tCO₂e/£m	6.98	5.56
Intensity ratio: total market based tonnes per £m revenue tCO₂e/£m	7.62	5.14

Methodology GHG Protocol Corporate Accounting and Reporting Standard

Non-financial and sustainability information statement continued

Methodology

This report has been compiled using the methodology laid out in the UK's Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, published by BEIS and Defra in March 2019. Energy consumption has been derived from invoices and meter readings. GHG emissions were calculated using activity data provided by Knights in conjunction with the UK Government GHG Conversion Factors for Company Reporting (July 2024).

Scope and subject matter

The boundary of the report includes all UK offices that were operational for any time during the reporting period.

Energy efficiency actions

In the period covered by the report, Knights has undertaken a number of efficiency measures including:

Kidderminster & Worcester consolidation

Relocation from two existing premises to an energy-efficient and sustainable building, ensuring our new location supports our sustainability commitment whilst minimising our environmental impact.

- ♦ Bespoke refurbishment and occupation of 1 Kings Court, Worcester
- ♦ Significantly reduced footprint and liability from two acquired, in-efficient buildings into a right sized office for our colleagues
- ♦ Reduced energy consumption with a more efficient space with collaborative areas and open plan layouts
- ♦ Promote employee health and well-being by designing with natural lighting, ventilation and ergonomic furniture throughout.

New location offers:

- ♦ New VRF comfort cooling
- ♦ New LED lighting
- ♦ EV charging
- ♦ EPC A

The Board recognises that the Group has a number of stakeholders, and that it needs to seek to understand their views in order for the Group to deliver sustainable growth.

This section of the Strategic Report describes how the Board acts in line with Section 172 of the Companies Act 2006, and continues to have regard for:

- the likely consequences of any decision in the long-term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, clients and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Group.

By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent and appropriate in all circumstances. We delegate authority for day-to-day management of the Group to the Executive Board and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held bi-monthly at which the Directors consider the Group's activities and make strategic decisions. The Group's executive management team meet on a regular basis to discuss day-to-day operations and opportunities.

The disclosures set out below are some examples of how the Board has had regard to the matters set out in Section 172(1)(a) to (f) when discharging their Section 172 duties and the effect of that on certain decisions taken by them and how the Board seeks to ensure effective and continuous engagement with its stakeholders.

Engagement with stakeholders

Shareholders

Constructive engagement with our shareholders supports the future success of our business. The Board is committed to an open dialogue and fair and equal treatment of all shareholders to ensure that shareholders are kept up to date with strategy and business performance.

The Board receives regular updates on shareholder engagement and analyst commentary and receives presentations from corporate brokers on investor perception. The Board also takes advice and guidance from its advisers on what is important to shareholders in planning all communications. This ensures that all communication addresses any emerging key topics and provides sufficient information about the Group to reassure our shareholders that the Group continues to be in a strong position and remains a good investment opportunity. Knights' CEO and CFO have a full programme of engagement with shareholders and present to the Group's largest shareholders, as well as market analysts, following the release of the full and half year results. The CEO and CFO also meet with individual shareholders throughout the year.

Our Annual General Meeting ('AGM') is an important part of effective shareholder communication, with all shareholders having the opportunity to hear from the Company and ask questions. The Board welcomes the opportunity to engage with shareholders, typically providing a brief update presentation at each AGM, with all Directors being available to answer questions.

Employees

As a people business, our employees are at the heart of everything that we do and every decision that we make. The Board recognises that delivery of the Group's strategy requires strong employee engagement, and we pride ourselves on having an open and honest relationship with our workforce, empowering them to have their say, whilst ensuring they remain supported. The Board continuously monitors our culture to ensure that it is a positive environment which allows our employees to develop and grow.

To achieve continuous engagement:

- the Group holds regular visits and meetings across all offices where our CEO and leadership team meet colleagues to discuss key drivers for the business;
- the Group holds regular CEO update webinars to present the results, vision and plans and at which employees are encouraged to have an open Q&A with the CEO with nothing being off limits;

- with the new training facilities available from the refurbishment of the Stoke office, the Group has increased its focus on providing regular in person training and collaboration sessions with all colleagues; and
- the Board meets with the leadership team throughout the year, through presentations at Board and Committee meetings and visits to offices to discuss the challenges and opportunities affecting the stakeholders and strategy of the business.

See page 29 for details of the results of the employee NPS programme undertaken during the year.

Regulators

The Group continues to work hand in hand with its regulator, the Solicitors Regulation Authority ('SRA') and its complaints handling body, the Legal Ombudsman, to ensure that it abides by its professional and regulatory duties and obligations in an open and transparent manner. The Board conducts regular regulatory compliance reviews, with a dedicated compliance section in every board pack to analyse client risks. Through the CEO and CFO, the Board is in contact with the SRA and, as an AIM listed company, the Group is in regular contact with our nominated advisor and the Financial Conduct Authority.

Clients

Our clients' needs are considered at every level of the business, from the Board to our office hosts. Knights takes a proactive approach to communicating with clients, with the CEO and members of the leadership team meeting existing and potential clients regularly, to maintain our strong, collaborative working relationships. Regular feedback is given to the Board on the outcome of those client reviews to ensure that the business consistently considers opportunities to improve the client experience whilst maintaining its excellent responsive standards of advice. Nurturing existing client relationships and new client opportunities is central to one of the Group's strategic priorities, organic growth.

Section 172(1) Statement

Suppliers

The Group's procurement policy includes a commitment to sustainable procurement and mitigation against the risk of modern slavery, bribery or corruption anywhere in our supply chain. The Group also aims to conduct itself to the highest standards and pay all invoices promptly. Our collaborative approach ensures all parties have a shared long-term objective of working together, reducing risk, maintaining high standards of business conduct and delivering to specific time and cost parameters. The Board plays a key oversight role in these policies.

Community participants

Our ESG strategy is focused on adding value to the communities in which we operate and is detailed on pages 31 – 34 of this report. Detailed updates on this strategy and associated programmes of work are regularly provided to the Board.

Decision-making

Acquisitions

The Group acquired two law firms during the year, providing additional scale, practice areas and presence in the Midlands and South East of England continuing its strategy to build the leading premium, fully collaborative legal and professional services business in the UK. The acquisitions provide enhanced revenue generation and new platforms for organic growth which in turn provide returns to shareholders in the longer term and enhanced employment opportunities as part of a wider Group. Prior to completing the acquisitions, the Board considered the effects that the

acquisitions would have on the Group's gearing and creditors to ensure that executing the acquisitions would not adversely impact creditors' interests. The Board, in conducting its due diligence, also considered how each acquisition would fit with the culture of the business and the long-term value creation strategy of the wider Group.

Dividend

The Board declared an interim dividend of 1.76p per share in January 2025 and recommended a final dividend of 3.05p per share in September 2025 for the year ended 30 April 2025. In arriving at this decision, the Board considered both the cash position of the business and shareholders' interests. The Board considered that the business' cash reserves are sufficient to ensure the continued ability to meet all its obligations and its acquisition and investment strategy for the future.

Approval of the budget

The Group's business plan is to drive sustainable growth in the long term, which is in the interests of all its stakeholders. The Board has paid close consideration to this objective in establishing and approving the annual budget and taking measures to continue to maintain excellent levels of cash collection and lock-up days, and to obtain the best interest rates achievable considering the wider economic environment. Given the current macro-economic climate, the Board has considered the impact of external factors on the Group's financial performance and ability to deliver for its stakeholders. The Group

has no over reliance on any practice area, professional or individual client; has significant headroom in its banking facilities and therefore the Board considers the Group is well placed to continue to deliver a high standard of client service, maintain strong relationships with our suppliers whilst continuing to focus on minimising the environmental impact of the Group.

The framework through which we provide transparency on how we operate in line with current regulations is set out in the Corporate Governance report on pages 68 – 75 and in the Principal Risks and Uncertainties report on pages 58 – 63.

We also recognise that better corporate behaviours provide improved long-term returns and therefore ESG is a key focus for the Board. Our ESG commitments and metrics are set out on pages 27 – 28.

We continue to develop our approach on how climate related risks impact our governance, strategy and risk management and have disclosed our approach and current positioning relating to climate related issues in accordance with the Task Force on Climate-Related Financial Disclosures ('TCFD') on pages 36 – 40.

The table below summarises our Non-Financial and Sustainability Information Statement, prepared to comply with sections 414CB and 414CA of the Companies Act 2006. A description of the business model and strategy as well as the non-financial KPIs relevant to our business are set out in the Strategic Report on pages 14 – 30.

Requirement	Where to find further information	Page number	Relevant policies if applicable
Environmental Matters	Looking after the environment Climate related financial disclosures regulations 2022 statement	35 36 – 42	ESG
Employees	Investment case Business model Caring for our people and communities Section 172 statement	4 14 31 – 34 45 – 46	Health & Safety Policy Training Policy Diversity & Inclusion Policy Conflicts of Interest and Related Parties Policy Whistleblowing Policy
Society and communities	Caring for our people and communities	31 – 34	Corporate and Social Responsibility Policy 4 Our Community
Respect for human rights	Managing our business for the long term Section 172 statement	30 45 – 46	Modern slavery Policy Procurement Policy
Anti-bribery and corruption	Managing our business for the long term Section 172 Statement Audit Committee Report	30 45 – 46 76 – 79	Anti-bribery and Corruption Anti-Money Laundering Policy Whistleblowing Policy



“I am pleased to report that the results for FY25 reflect another year of continued consolidation and acquisitive growth.”

Kate Lewis
Chief Financial Officer

CFO Review

I am pleased to report another year of profitable, cash generative growth with revenue of £162.0m, up 8% compared to the prior year (FY24: £150.0m) and underlying EBITDA* increasing by 11% to £42.9m (FY24: £38.7m).

Reported profit before tax (PBT) fell to £12.3m (FY24: £14.8m) due to increased non-underlying costs driven primarily by large acquisitions being completed in the year resulting in higher one-off costs from both the acquisitions and subsequent integration and restructuring processes.

Our continued disciplined approach to the management of lock up* has generated excellent cash conversion* of 130% for the year (FY24: 131%) enabling us to fund our continued growth strategy.

An increase in recruitment during the year and two complementary acquisitions, the second of which is the largest acquisition to date for the Group, have enabled us to deliver these positive results despite the continued uncertainty in the macro-economic environment throughout the period.

* See Glossary on pages 143 – 146.

Financial review continued

Financial results

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000	% change
Revenue	161,966	149,957	8%
Other operating income	9,649	10,439	(8%)
Staff costs	(97,607)	(93,007)	5%
Other operating charges	(29,839)	(28,218)	6%
Impairment of trade receivables and contract assets	(1,241)	(489)	154%
Underlying EBITDA*	42,928	38,682	11%
Underlying EBITDA %	26.5%	25.8%	
Depreciation charges under IFRS 16	(5,223)	(5,607)	(7%)
Finance costs under IFRS 16	(2,249)	(1,471)	53%
Underlying EBITDA post IFRS 16 charges	35,456	31,604	12%
Depreciation and amortisation charges (excluding amortisation on acquired intangibles)	(3,617)	(2,903)	25%
Investment income	58	–	–
Underlying finance charges (excluding IFRS 16)	(4,133)	(3,402)	21%
Underlying finance income	239	23	939%
Underlying profit before tax*	28,003	25,322	11%
Underlying profit before tax margin	17.3%	16.9%	
Underlying tax charge	(7,448)	(6,598)	13%
Underlying profit after tax*	20,555	18,724	10%
Underlying basic EPS (pence) *	23.95	21.81	10%

Revenue

Reported revenue for the year is £162.0m compared to £150.0m in FY24, an increase of 8%.

Of this increase, £12.5m was generated from acquisitions made during the year, with revenues from acquisitions made in FY24 remaining static in FY25, meaning that total organic revenues have reduced by £0.5m in the year.

Organic revenues

In the second half of FY24 we made the strategic decision to significantly reduce our restructuring and insolvency team. This led to a reduction in revenues of c.£0.8m in FY25 compared to FY24. Excluding the effect of this strategic reduction in revenue, organic revenue grew by £0.3m in the year.

Whilst some areas of the Group demonstrated strong organic growth e.g. CL Medilaw and residential property, other areas such as corporate and private client work declined due to macro-economic factors and churn within the business in FY24 and the first half of FY25.

Despite this, leading indicators of future organic growth have been improving particularly in the second half of the year with improvements in pricing, recruitment of senior fee earners with strong client following and a significant reduction in churn levels.

Revenue from acquisitions

At the start of FY24 we acquired Baines Wilson and St James Law. Combined revenues in FY25 have remained at broadly in line with FY24. Both acquisitions have also delivered strong organic growth with the Newcastle office acquired as part of the St James Law acquisition recruiting 10 senior fee earners (senior associates and partners) since acquisition.

The acquisitions of Thursfields Legal Limited and IBB Law LLP completed during the year. Both acquisitions are fully integrated onto the central business systems and are performing as expected contributing £12.5m of revenue since acquisition.

Staff costs

Total staff costs of £97.6m (FY24: £93.0m) have decreased as a percentage of revenue to 60.3% (FY24: 62.0%) reflecting the continued discipline on cost control whilst investing in the future growth of the business through recruitment of quality fee earners. During FY25 we invested in the continued recruitment of partners and senior associates with strong client relationships and in our business services team and management to ensure the Group is well placed to support future growth.

Direct staff costs

Fee earning staff costs have reduced to 49.5% of revenue (FY24: 51.2%). The leveraging of these costs reflects the reduction in organic staff numbers through churn in FY24 and the first half of this financial year. This improvement in gross margin to 50.5% (FY24: 48.8%) reflects higher fees per fee earner, control of fee earner costs and improvement in pricing.

Whilst managing our costs we have continued to invest in the recruitment of senior fee earners to support our future organic growth with 51 new senior fee earners being recruited organically during the year compared to 40 in FY24. Excluding the drag on gross margin from the investment in new recruits, gross margin for the year would be over 51% due to the increased recruitment in the year and the time taken for new recruits to be operating at run rate income and gross margin levels.

Support staff costs

Non fee earner staff costs have remained at 10.8% of revenue in the year (FY24: 10.8%) as we continue to invest in our management structure whilst leveraging our support staff costs and ensuring we have the sustainable business services platform in place to support our future growth.

Other operating charges

Other operating charges of £29.8m have reduced to 18.4% of revenue (FY24: 18.8%), leveraging our cost base through disciplined cost control and the full year impact of the work undertaken in the last 18 months to consolidate supplier contracts and maximise synergy savings from acquisitions.

Other operating income

Other operating income has decreased to £9.6m from £10.4m driven by a decrease in interest earned on client monies held due to lower interest rates in the year.

Underlying EBITDA*

Underlying EBITDA* excludes non-underlying operating expenses. These expenses include non-recurring transaction and onerous lease expenses, contingent acquisition payments and one-off restructuring and professional expenses mainly incurred in the streamlining of support functions or strategic reorganisations. The Board considers this to be a key metric to measure the underlying business performance.

Contingent acquisition payments are treated as a non-underlying expense as this represents payments for acquisitions which are dependent on the continued employment of certain individuals in the business for an agreed contractual period after an acquisition of one to three years, to preserve the goodwill and customer relationships. Accounting standards require such payments to be treated as remuneration in the Statement of Comprehensive Income. However, the individuals also receive market rate salaries, therefore, if not separately identified, these payments would significantly distort the reported results.

During the year, underlying EBITDA increased by £4.2m to £42.9m (FY24: £38.7m) representing an increase in margin to 26.5% (FY24: 25.8%) driven mainly by the increase in gross margin in the period as well as leveraging other costs.

IFRS 16 depreciation and finance charges

The IFRS 16 rental and finance expenses represents the accounting charge in respect of all leases with a term of over one year. Although during the year total charges have increased to £7.5m (FY24: £7.1m), costs as a percentage of revenue have reduced from 4.7% of revenue in FY24 to 4.6% of revenue in FY25 as we continue to manage our property portfolio to optimise our space wherever possible.

Depreciation and amortisation charges

The increase in depreciation and amortisation charges in the year to £3.6m (2.2% of revenue) from £2.9m (1.9% of revenue) in FY24 is a result of continued investment in property upgrades and refurbishments to support the growth of the business.

Finance charges

Finance charges increased by £0.7m in the year to £4.1m (FY24: £3.4m) driven mainly by increased drawn balances on our RCF facility to fund acquisitions during the year.

Underlying profit before tax (PBT)*

Underlying profit before tax excludes amortisation of acquired intangibles, transaction, and onerous lease expenses in relation to acquisitions, contingent acquisition payments, disposals of acquired assets, one-off restructuring and professional costs mainly incurred in the streamlining of support functions or strategic reorganisations.

Underlying PBT has been calculated as an alternative performance measure (see note 39 of the financial statements) to provide a more meaningful measure and year on year comparison of the profitability of the underlying business.

* See Glossary on pages 143 – 146.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit before tax	12,269	14,831
Amortisation on acquired intangibles	4,033	3,580
Contingent acquisition payments treated as remuneration	3,752	2,824
Other non-underlying costs	7,949	4,087
Underlying profit before tax*	28,003	25,322

Total Group underlying PBT has increased by 11% to £28.0m (FY24: £25.3m).

The underlying profit before tax margin in the year increased to 17.3% from 16.9% in FY24 primarily from an increase in gross margin offset by a reduction in other income and an increase in interest payable.

Reported profit before tax (PBT)

Reported PBT for the year has reduced to £12.3m in the year (FY24: £14.8m) due to an increase in non-underlying operating and finance costs from £6.9m in the prior year to £11.7m in FY25.

Non-underlying operating costs have increased in the year due to two larger acquisitions completed during the year resulting in £1.7m increased restructuring and transaction costs and a £1.0m increase in the charge to the Consolidated Statement of Comprehensive Income, in relation to contingent acquisition payments treated as remuneration under IFRS. There was also a one-off £2.1m charge in relation to impairment of right of use assets in relation to Worcester, Leicester and Newbury offices where offices have been relocated or merged into other Group offices. This has enabled us to focus on rationalisation of the property portfolio. There were also higher levels of transaction related costs and contract termination costs given the larger acquisitions completed during the year compared to the prior year.

Taxation

The taxation charge for the year is £4.7m (FY24: £5.0m) made up of a current tax charge of £4.9m (FY24: £5.2m) partially offset by a deferred tax credit of £0.2m (FY24: £0.2m) giving an increased effective rate of tax for the Group of 38% (FY24: 34%). The increase in effective rate compared to prior year and compared to the UK corporation tax rate of 25% is due to increased disallowable expenses, mainly contingent acquisition payments.

The effective rate of tax on the underlying profit of the Group is 27% (FY24: 26%).

Earnings per share (EPS)

Basic EPS in the period decreased by 23% to 8.83p per share (FY24: 11.47p per share) due to the reduction in reported profits after tax driven by the increased non-underlying costs as explained above. To aid comparison of EPS on a like for like basis, underlying EPS* has also been calculated based on the underlying profit after tax, calculated as set out below.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Operating profit before non-underlying charges and amortisation on acquired intangibles	34,088	30,172
Investment income	58	–
Finance costs	(6,445)	(4,939)
Finance income	302	89
Underlying profit before tax*	28,003	25,322
Taxation – underlying	(7,448)	(6,598)
Underlying profit after tax*	20,555	18,724

The underlying basic EPS* has increased by 10% to 23.95p for the year (FY24: 21.81p). The weighted average number of shares used to calculate the basic EPS in the year was 85,813,426.

Considering the dilutive impact of potential share options, the diluted EPS for FY25 is 8.43p per share (FY24: 11.11p per share). Underlying diluted EPS has increased by 8.3% to 22.88p per share (FY24: 21.13p per share).

Dividend

The Board continues to adopt a progressive dividend policy balanced with its commitment to continue to invest in the future growth potential of the business. Subject to approval at the Annual General Meeting in October 2025 the Board proposes a final dividend of 3.05p per share. This together with the interim dividend of 1.76p per share brings the total dividend in respect of FY25 to 4.81p per share (FY24: 4.40p per share) representing an increase of 9.3%.

* See Glossary on pages 143 – 146.

Balance Sheet

	30 April 2025 £'000	30 April 2024 £'000
Goodwill and intangible assets	105,873	86,900
Right of use assets	46,635	34,034
Investment in joint venture	111	50
Loan to joint venture	2,000	2,523
Property, plant and equipment	23,685	14,896
Assets and liabilities held for sale	394	–
Working capital	64,640	53,125
Other provisions and deferred tax	(20,272)	(14,590)
Lease liabilities net of lease receivables	(52,529)	(38,573)
	170,537	138,365
Cash and cash equivalents	5,853	5,453
Borrowings	(70,682)	(40,617)
Net debt*	(64,829)	(35,164)
Deferred consideration	(1,175)	(2,941)
Net assets	104,533	100,260

The Group's net assets as at 30 April 2025 increased by £4.2m to £104.5m (FY24: £100.3m) primarily reflecting profit for the year net of dividends paid in the period being £3.9m and £0.6m relating to the net impact of share based payment movements and purchase of own shares into the Employee Benefit Trust incorporated in the year. The key movements in the Balance Sheet are discussed in more detail below.

Goodwill and intangible assets

Goodwill and intangible assets include £32.8m of intangible assets relating to the Knights brand and customer relationships from current and prior year acquisitions. Purchased computer software amounts to £0.2m with the remaining balance of £72.9m relating to goodwill from acquisitions.

The Board carries out an impairment review of goodwill each year to ensure the carrying value in the financial statements is supportable. The value in use of the goodwill was calculated using a number of different scenarios, some of which assumed a considerably more negative outcome than is anticipated by the Directors. In all instances, the future trading of the business was more than sufficient to justify the carrying value of goodwill. Therefore, as at 30 April 2025, the Board is satisfied that the goodwill was not impaired.

Investment in, and loan to joint venture

The investment in joint ventures includes £0.08m relating to the joint venture with Convex entered into in FY24 (being the initial £0.05m invested plus share of assets recognised in the year) and £0.03m relating to a joint venture with Kubera Wealth acquired as part of the IBB Law LLP acquisition in the year.

Property, plant and equipment

During the year, the Group has continued to invest in its property infrastructure and business platform ensuring that the platform is well able to support our future growth plans.

We continued to invest in our technology and IT systems, investing £2.2m in the year (FY24: £1.4m).

During FY25 we have also continued to invest in our property portfolio, refurbishing existing and acquired offices to ensure we offer the same high quality grade A office space across the Group. Investment in the refurbishment of offices was higher than normal in FY25 at £9.6m mainly driven by the refurbishment of our central hub in Stoke where we invested £5.8m. Our central hub is key to us working as one team and allows us to collaborate with and train our colleagues in a high-quality central location which we consider key to cementing and developing our one team culture. As we grow our office footprint through organic openings and acquisitions, providing high quality space will remain a key differentiator to our regional competitors.

This investment in property and technology together with assets acquired as part acquisitions, net of disposals and depreciation has resulted in a net increase in our tangible fixed assets of £8.8m to £23.7m as at 30 April 2025 (30 April 2024: £14.9m).

Financial review continued

Working capital

Working capital is calculated as follows:

	30 April 2025 £'000	30 April 2024 £'000
Contract assets	50,998	40,191
Trade and other receivables	39,552	32,753
Corporation tax receivable	882	304
Total current assets	91,432	73,248
Trade and other payables	(26,662)	(19,935)
Contractual liabilities	(130)	(188)
Total current liabilities	(26,792)	(20,123)
Net working capital	64,640	53,125

Net working capital has increased to £64.6m as at 30 April 2025 (30 April 2024: £53.1m), an increase of £11.5m or 22% from the prior year. This increase is mainly driven by additional working capital from acquisitions together with an increase in contract assets at the year end. Based on run rate revenues for FY25 of £181m and FY24 of £150m (taking account of the full year impact of acquisitions) working capital represents 35.7% of revenue in FY25 compared to 35.4% in FY24.

Trade and other receivables as a percentage of run rate revenue have increased slightly to 22.0% (FY24: 21.8%) due to increases in prepayments driven by timing of invoices received pre year end. Trade and other payables have also increased as a percentage of run rate revenue mainly due to accruals inherited from the acquisition of IBB Law LLP.

Contract assets have increased by £10.9m to £51.0m as at 30 April 2025 (30 April 2024: £40.1m). The main reasons for the increase in contract assets are the acquisitions completed during the year, which added £6.3m of contract assets at the point of completion, and the continued growth of our CL Medilaw business, which holds higher levels of work in progress than the rest of the Group due to the nature of work done. Despite the increase in total contract assets in the CL Medilaw business, the total level of contingent work in progress at the year end has decreased marginally compared to the prior year.

The management of working capital continues to be a fundamental KPI for the Group with strong systems and controls in place to manage the levels of trade receivables and work in progress across the Group. The time taken to convert a unit of time incurred into cash is reported as the number of lock up* days for the Group and is a KPI monitored by the Board, Client Services Directors and wider management team. As at 30 April 2025 lock up* was 86 days (30 April 2024: 78 days), an increase of 8 days from the exceptional result achieved in FY24 but still in line with FY23, 87 days, and FY22, 86 days, and our internal target of 90 days.

Due to the disproportionate amount of time that it takes to conclude certain types of work, such as our CL Medilaw, Real Estate Investment and Insolvency matters these work types are excluded from our WIP days calculation as exceptions, so as not to distract the majority of the Group from focussing on achieving its excellent lock up* days. If WIP days were calculated including all valued WIP of the Group this would give WIP days of 81 and hence total lock up with no exclusions of 113 days as at 30 April 2025 (30 April 2024: 113 days).

The bad debt charge for the year has increased to 0.8% (FY24: 0.3%) as a result of a large one-off write off during the year (£0.6m) due to an insolvency event.

Right of use assets

The right of use assets capitalised in the Consolidated Statement of Financial Position represents the carrying value of property, equipment and vehicle leases. The increase in the value of right of use assets during the year to £46.6m, from £34.0m as at 30 April 2024, resulted from an increase in assets of £23.4m relating to new leases acquired through acquisitions and the relocation of existing offices to new properties, less disposals and impairment of £5.5m as we terminate existing leases and sublet excess space as part of our ongoing review of the property portfolio, less depreciation of £5.3m for the year.

Lease liabilities net of lease receivables

Lease liabilities net of lease receivables represents the present value of the total liabilities recognised in respect of the right of use assets, net of the present value of all amounts receivable in respect of any subleases of these assets.

The increase in net lease liabilities and receivables in the year to £52.5m from £38.6m as at 30 April 2024: £38.6m, is the net impact of receipts and payments made on existing lease agreements together with the increase in new leases entered into during the year and leases acquired, net of disposals and lease impairments recognised during the year.

* See Glossary on pages 143 – 146

Cash conversion*, net debt*, financing and leverage

Cash generation continues to be a key focus for the Board and management team. The Group measures cash by comparing the free cash flow from operations as a percentage of its underlying profit after tax*. As a result of the continued focus on this and specifically the management of lock up*, the Group generated underlying cashflows before capital expenditure of £26.7m during year equating to a cash conversion of 130%.

Cash flow

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Underlying EBITDA*	42,928	38,682
Change in working capital	(5,121)	(3,549)
Cash outflow for IFRS 16 leases	(6,515)	(6,245)
Movement in underlying share-based payment charge	1,195	1,121
Cash generated from underlying operations (pre-tax)	32,487	30,009
Tax paid	(5,820)	(5,432)
Net cash generated from underlying operating activities	26,667	24,577
Underlying profit after tax	20,555	18,724
Underlying cash conversion	130%	131%

The strong cash generation in the year has resulted in net debt* of £64.8m at the year end (30 April 2024: £35.2m) despite a cash outlay of £25.1m relating to acquisitions and investments in the year along with deferred and contingent acquisition payments paid for acquisitions in prior years. The continued strong cash conversion has also enabled us to invest £11.8m in our property portfolio and systems to ensure we continue to provide high quality infrastructure to support our premium service delivery and future growth strategy.

During the year the business implemented an Employee Benefit Trust to purchase shares in the market. An amount of £0.6m was invested in this during the second half of FY25.

The table below shows a reconciliation of the key cashflows impacting the movement in net debt in the year.

	Year ended 30 April 2025 £'000
Net debt 30 April 2024	35,164
Other net cash (inflows) from operating activities	(26,764)
Deferred and contingent acquisition payments	5,187
Consideration paid for acquisitions in the year (including acquired debt and cash)	25,145
Unpaid acquired debt	1,104
Non-underlying costs paid	5,366
Interest on borrowings	3,901
Purchase of own shares	598
Dividends paid	3,903
Associated lease costs	264
Disposal of assets held for sale	(141)
Joint venture loan capital and interest received	(734)
Capital expenditure (net of landlord contributions)	11,836
Net debt 30 April 2025	64,829

In November 2024 we renewed and extended our revolving credit facility (RCF) to £100m, committed until November 2027. As at 30 April 2025 the Group has c.£30m headroom in the RCF and is well within all covenants. For banking purposes our leverage as at 30 April 2025 was 1.6 times EBITDA (as defined for covenant purposes). Interest is payable on the loan at a margin of between 1.65% and 2.55% above SONIA dependent on leverage.

The Group is therefore in a strong financial position with sufficient headroom and flexibility within our financing arrangements to enable us to continue to execute our growth strategy.

Financial review continued

Capital expenditure

Capital expenditure (net of landlord contributions) during the year was £11.8m (FY24: £7.9m). The increase in the amount spent in the year compared to the prior year is due to the continued review of our property portfolio and the refurbishment of existing and acquired office space as we continue to consolidate our existing portfolio where appropriate, whilst also investing in new and existing space to provide Grade A offices ensuring colleagues benefit from a high-quality working environment. During FY25 we undertook a significant one-off refurbishment of our Stoke central Hub at a cost of c.£5.8m and therefore although we will continue to invest in our IT infrastructure and our property portfolio in FY26 and the medium term, we anticipate capital expenditure to reduce to a more normalised level of c.£6m.

Acquisitions

During the year we completed two acquisitions and also acquired another joint venture as part of the IBB Law LLP acquisition. The table below summarises the impact of these acquisitions and prior acquisitions on the cashflows during the year and in future years. This shows the consideration payable net of any cash in the acquired business.

Financial year ended	Acquisitions of subsidiaries (net of acquired cash) £'m	Repayment of debt acquired with subsidiaries £'m	Expected contingent & deferred acquisition payments £'m	Expected net cash impact of acquisitions pre year end £'m
2025	25.0	0.6	5.2	30.8
2026	–	1.0	6.2	7.2
2027	–	0.3	5.0	5.3
2028	–	0.2	4.7	4.9

The above includes estimated contingent acquisition payments disclosed as remuneration in the Consolidated Statement of Comprehensive Income.

Summary

Results for the year to 30 April 2025 reflect a year of continued consolidation and acquisitive growth. We have seen acquisitive growth during the year together with improvements in underlying profitability. Our increasing scale and diversity have provided good resilience against a continuing uncertain macro-economic environment. The reducing churn levels and continued investment in recruitment and business development places the Group in a strong position for the coming year.

Our continued excellent management of cash and extension of our banking facilities has resulted in a strong Balance Sheet with sufficient headroom in our banking facilities to fund future investment and growth.



Kate Lewis

Chief Financial Officer

12 September 2025

* See Glossary on pages 143 – 146.

The management team uses key performance indicators ('KPIs') to monitor the Group's performance against its strategic objectives. These comprise financial and non-financial measures which are agreed and monitored by the Executive and Group Board.

The financial indicators are generally calculated based on underlying results excluding any one-off transactional and acquisition related costs as these underlying KPIs provide a more meaningful comparison of the ongoing key drivers of the Group's financial success.

The overarching focus of the Board is on overall growth in fee income and profitability, with a view to improving the profit margins achieved across the business whilst still maintaining a well invested business with a strong management and support function able to meet its evolving needs.

The key financial measures are discussed in more detail in the Finance report on pages 47 – 54.

Financial KPIs

Revenue

£162.0m

FY24: £150.0m
FY23: £142.1m

Profit before tax

£12.3m

FY24: £14.8m
FY23: £11.5m

Underlying profit before tax*

£28.0m

FY24: £25.3m
FY23: £21.6m

Basic EPS

8.83p

FY24: 11.47p
FY23: 9.28p

Underlying profit before tax margin*

17.3%

FY24: 16.9%
FY23: 15.2%

Underlying EPS*

23.95p

FY24: 21.81p
FY23: 20.20p

Key performance indicators continued

Financial KPIs continued

Gross profit

50.5%

FY24: 48.8%
FY23: 48.5%

The Group has a long-term gross profit target of circa 50%. This varies over time dependent on the number and cycle of new fee earning recruits into the business. In general, new recruits into the business take 6 – 12 months to be at full run rate fee income. Therefore initially, new recruits have a negative impact on Group gross margin.

Cash conversion*

130%

FY24: 131%
FY23: 117%

The Group continues to deliver excellent cash conversion which is an important KPI for the board and has resulted in a strong balance sheet despite acquisition related payments and investment in property during the year. This is described in further detail on page 53 of the Finance report.

Net debt*

£64.8m

FY24: £35.2m
FY23: £29.2m

Monitoring of net debt is key to the Group to ensure sufficient headroom to invest in its growth strategy. With a RCF facility of £100m the Group has headroom of circa £30m at the year-end giving sufficient capacity for future investment in acquisitive and organic growth.

Number of fee earners*

1,002

FY24: 1,037
FY23: 1,077

This represents the average number of full-time equivalent fee earners ('FTE') employed by the Group during the year. It includes all organic recruits, joiners via acquisition less leavers during the period. Despite two acquisitions during the year, the average number of fee earners during the period has reduced reflecting the timing of acquisitions part way through the year and higher churn in the first half of the year together with a reduction in employees in our volume remortgage business, due to the current macroeconomic environment. With reduced churn in the second half of the year, increased recruitment and all employees from acquisitions during the year, the actual full time equivalent number of fee earners as at the 30 April 2025 is 1,157 (30 April 2024: 964).

Fee earner to support ratio*

3.8:1

FY24: 3.6:1
FY23: 3.9:1

The above represents the average ratio of fee earners to non-fee earners during the year. The improvement in the ratio over the year reflects the leverage of support functions as we centralised support services during the prior year. The ratio fluctuates during the year as we continually invest in Group support functions to provide a sustainable base for our growth ahead of acquisitions and growth. Looking at the position as at the year end, the impact of the growth in fee earners from acquisitions along with the centralising of acquired support functions has resulted in further leverage of the ratio to 4.1:1 at 30 April 2025 (30 April 2024: 3.6:1).

Fees per fee earner*

£162k

FY24: £145k
FY23: £131k

This represents the average fees per fee earner across the whole Group and mainly reflects improvements in pricing and recovery of time spent across the business.

The reported figure includes the results of Integrar (our volume remortgage business) which has a different operating model. Excluding this the fees per fee earner are:

£170k

FY24: £155k
FY23: £142k

* See Glossary on pages 143 – 146.

Debtor days*

31 days

FY24: 28 days
FY23: 30 days

The exemplary financial management and credit control policies in place across the Group continue to deliver excellent results in maintaining low debtor days which in turn helps to generate the strong cash conversion year on year. Debtor days are measured on the year end trade receivables balance (excluding unbilled disbursements, expenses and VAT) as the number of days revenue, based on bills raised in the preceding periods.

Lock up days*

86 days

FY24: 78 days
FY23: 87 days

Lock up measures the total time to convert a unit of time spent on a matter into cash. It is discussed further in the Finance report on page 52

The measure excludes WIP on clinical negligence, insolvency and real estate investment matter types as these work to a different lock up profile than the rest of the business.

Including all valued WIP* in the lock up calculation would result in lock up days of 113 as at 30 April 2025 (30 April 2024: 113 days).

Client NPS score*

+47

FY24: +62
FY23: +64

The NPS score measures the loyalty of our client base with a score from -100 to +100. A result of 47 shows very strong customer loyalty amongst the top 250 clients surveyed.

Employee NPS score*

+59

FY24: +15
FY23: +20

The NPS score measures the satisfaction of our employees by asking if they would recommend Knights as a place to work with a score from -100 to +100. The significant improvement in the ENPS score in the period is reflected in lower churn figures in the second half of the year and reflects the focus by the leadership team on high engagement with all colleagues, underpinned by strong communication, a focus on our people and their career development, all supported by our premium offices, enhanced benefits packages and a high level of internal social activity across the business.

Carbon usage

0.90

FY24: 0.63
FY23: 0.59

The above measure shows the intensity ratio of carbon usage per employee measured in tonnes of CO₂ per employee. Our carbon usage ratio has increased during the year as a result of acquisitions adding further offices to our portfolio covering a larger geographical area. We continue to monitor our impact on the environment, rightsizing our property portfolio as appropriate whilst ensuring that we are making continual improvements to our premises to work towards our ESG targets as set out on page 43.

Principal risks and uncertainties

Many of the risks faced by the Group are similar to those risks faced by many other businesses and due to the nature of the business are ongoing risks which will continue to affect the business year on year. The principal risks and uncertainties outlined in this section reflect those risks that, in the opinion of the Board, might materially affect the Group's future performance, prospects or reputation.


Risk management processes

The Executive Board, supported by the Group's General Counsel, has management responsibility for risk and internal control. The Board sets our overarching risk culture and appetite reviewing our risk register and incident reporting processes and risk thresholds bi-annually and ensuring that we manage risk appropriately across the Group.

At a functional level, each operational business function is responsible for preparing and maintaining their risk register and, with the assistance of the risk team, identifying, assessing, managing and monitoring current and emerging risks within their function. Each risk is assigned an owner through which ongoing activities, control measures and any mitigating actions related to that risk are updated, whilst always applying the agreed risk appetite set by the Board.

Given that the very nature of our business requires our professionals to advise our clients on risk, our risk management culture is firmly embedded throughout our business with self-reporting mechanisms in place in each operational business function and amongst our professionals.

Principal risks

Professional liability and uninsured risks		Change in risk: 
Description The Group provides legal and professional services which give rise to the potential liability for negligence, breach of regulatory duties or other similar third-party claims. Such claims have the potential to cause financial loss and could also negatively impact the reputation of the Group which ultimately could adversely affect the financial performance of the Group.	Mitigation The Group maintains comprehensive professional liability insurance to reduce or mitigate against any financial risk from claims that may be made. Potential claims and complaints are dealt with by a central team within the business to ensure that they are handled effectively, and in line with the Group's policies and procedures. The Claims team works closely with insurers, the relevant regulatory bodies and the Client Services Directors within the business to proactively identify and minimise risk. The processes and procedures implemented by the business are continually reviewed and amended to consider up to date guidelines and advice, which are then communicated to the professionals within the business. The Group's professional duties to its clients are of paramount importance and the Board considers that the business has appropriate processes and procedures in place with a good overall claims history.	

Key: No change  Increasing 

Description

The legal sector is heavily regulated and the business is required to comply with rules imposed by the Solicitors Regulation Authority ('SRA'), Information Commissioners Office ('ICO'), Financial Conduct Authority ('FCA') and AIM amongst others. Non-compliance with any regulations could result in reputational damage to the business and may have financial implications.

Employee misconduct and litigation.

As a professional services provider, the Group is exposed to the risk that personnel may engage in misconduct or improper use of confidential client information. Such misconduct could damage the Group's reputation or result in regulatory sanctions and financial damage.

Restrictions imposed by the Legal Services Act 2007 ('LSA') Knights Group Holdings Plc is a Licensed Body. The LSA places restrictions on the holding of 'restricted interests' in Licensed Body law firms so that the maximum shareholding that can be held, without prior SRA approval, by a non-lawyer shareholder is 10 percent of the issued share capital. If a non-authorised shareholder were to obtain a shareholding in excess of 10% of the issued share capital this would be classed as a criminal offence and the SRA could force divestment or revoke the Licensed Body status of the Group.

Mitigation

The Group has a strong Compliance and Regulatory team which regularly monitors compliance with all necessary regulations with external advice being obtained if required. The Board is updated on material regulatory developments and any reassessment of risk to the business so that it can ensure that such matters are fully considered in all business and strategic decisions.

The Group aims to ensure that colleagues are appropriately trained, supervised and incentivised to ensure their behaviour and activities do not inadvertently result in poor outcomes for clients. Regular reviews of our training programme are undertaken in order to ensure that all mandatory training is completed and the training programme provided remains current in accordance with industry and legal requirements and best practice.

Knights is ISO 27001 accredited following international best practices for information security management, in addition to being Cyber Essentials Plus certified.

The Compliance and Finance teams undertake regular audits of files and the group maintains robust processes to mitigate the risk of fraudulent transactions.

The Compliance team works closely with the SRA to ensure there are no breaches and proactively liaises with the SRA on a bi-annual basis regarding upcoming thematic reviews, challenges and operational matters within the sector.

The shareholder register is reviewed regularly with the Compliance team working with shareholders to obtain appropriate authority from the SRA if there is the expectation that their shareholding may exceed 10%. A note is included on the company's website explaining the requirement, to prevent a shareholder inadvertently exceeding the 10% threshold without seeking SRA approval.

Operational financial risk**Description**

Like all professional services businesses, the key areas of operational financial risk for the Group include:

- ♦ incomplete recording of time worked by professionals in the provision of services to clients;
- ♦ incorrect valuation of contract assets (unbilled revenue); and
- ♦ failure to collect monies owed to the Group from its clients for work performed on their behalf or expenses incurred while performing the work.

Mitigation

The Group prepares an annual budget on a bottom-up basis. The budget is phased on a monthly basis and includes specific assumptions relating to number of fee earning professionals; number of client hours per day and the recovery rate for the work done.

Each month, the actual performance of the Group is compared to the budget and the prior year period and material variances are investigated. This control allows management to identify potential areas of risk and to take appropriate corrective actions.

Contract assets are valued monthly by the responsible fee earner. Once complete, this valuation is analytically reviewed to ensure it is appropriate and in accordance with expected recovery levels.

The Group's standard credit terms are 30 days from date of invoice.

The Group aims to collect all receivables in accordance with these terms. Debtor days and aged unpaid bills are monitored continuously to ensure that monies owed to the Group are collected on a timely basis. The Group has a robust system in place for chasing overdue debts, the effectiveness of which is demonstrated by its industry leading low levels of debtor days.

Continuous training and engagement is undertaken with all colleagues by the senior management team regarding each of these areas of financial risk.

Principal risks and uncertainties continued

Employee risk

Change in risk: 

Description

Being a 'people' business, the ability to attract and retain suitably qualified and experienced employees is critical to the Group's success. There is strong competition in the marketplace for employees and any difficulties in attraction and retention of quality and experienced employees could impact on the Group's ability to deliver the financial forecasts.

The Group's future success and strategy is dependent on the performance and retention of the Executive Directors and senior management team. The loss of a key individual or the inability to expand the senior management team as the business grows could negatively impact the reputational and financial performance of the Group.

Mitigation

The Group has a continual focus on recruitment with recruitment being led by senior management, supported by an in-house recruitment team. The Group offers competitive remuneration and benefits packages, flexible working conditions and a collaborative team culture, allowing individuals to maximise their job satisfaction and work-life balance.

The Executive Board and management team engages regularly with employees to ensure that they understand the drivers and strategy of the business, feel involved in the growth opportunities available to the business as a whole. This helps to reinforce the transparent and collaborative culture, Regular peer group, team and one to one engagement is undertaken across the business both with local Client Services Directors and the executive board. The Group continues to develop its intranet to enhance internal communications across the Group and regularly collects employee feedback. Please see page 146 of the report which explains our employee net promoter score demonstrating a secure and engaged workforce.

Employee contracts include appropriate provisions to protect the business where possible.

An extensive training programme is in place for all employees allowing access to systems, skills and technical training resources.

The Board is responsible for the implementation of succession plans for the business to ensure that the management structure in place is sufficient to support the future growth of the business. During the year the Board has assessed that the optimum number of offices that a Client Services Director should be responsible for is between two and three and the management team has been working to achieve that. Additional Client Services Directors have been appointed during the year with the intention to recruit further Client Services Directors in the next financial year to prepare the business for the next stage of growth and to ensure that the leadership team has sufficient depth to continue to support the integration of acquisitions.

Acquisition risk

Change in risk: 

Description

A key part of the Group's strategy is to expand the business through culturally aligned, earnings enhancing acquisitions.

The Group could overpay for, fail to integrate, or not achieve the expected returns from an acquisition.

The Group may also fail to identify potential acquisitions to support its growth strategy.

Mitigation

The Group has an experienced in-house acquisitions team with a strong track record for identifying, executing and integrating earnings enhancing acquisitions.

The acquisition team complete a robust due diligence exercise with external advice being sought where necessary. Warranties and indemnities are obtained from the sellers on each acquisition as appropriate. All acquisitions are reviewed and approved at Board level with the Board recognising that strong cultural integration is key to the success of every acquisition. The Group has developed a full integration plan for its acquisitions which is under continuous review and refinement and which is underpinned by learnings from each of its previous acquisitions. This plan is tailored to account for any nuances (such as additional practice areas) applicable to any target firm. The management team ensure that early in person meetings take place with acquired colleagues to keep colleagues fully informed of each stage of the integration process and help acquired colleagues understand more about the business which assists in the cultural integration process.

The Board considers that the professional services market will continue to consolidate providing sufficient acquisition opportunities to support its growth strategy.

Key: No change  Increasing 

Description

Current uncertainty in the market as a result of:

political instability in Ukraine, the Middle East and political uncertainty in the US;

general economic downturn;

the potential for disruptive technology driven innovation that could impact the competitiveness of current service offerings; and

many potential competitors within the legal and professional services market competing for the Group's professional employees and clients.

Mitigation

The Board believes its exposure to both macro and micro economic environmental factors is limited because;

The Group has processes in place to continually monitor any exposure to countries with sanctions and is satisfied that there are no areas of concern. The Group's operations are based in the UK.

Within the Group there is no reliance on any one practice area, client or professional resulting in the business being resilient and well positioned to withstand the effects of economic headwinds that might impact particular sectors or the broader economy.

On an ongoing basis, the Group seeks to be an innovation leader through its use of technology to create a competitive advantage. The Group's continued focus on cash collection results in it being able to invest in technology and its IT development team to maximise opportunities for automation and efficiencies throughout its operations.

The Group expects current macroeconomic conditions, the decreasing appeal of the traditional partnership or structure of many law firms, which often requires personal investment from partners and the ever-increasing regulatory framework applicable to legal services to support the recruitment strategy of the Group. The Group's well-established corporatised model along with the increasing scale and quality of professionals and clients allows experienced professionals to earn a competitive salary and undertake high quality work without the need to have capital at risk. The Group is evolving its internal feedback processes in order to ensure that colleagues needs can be met and feedback is considered at board level to ensure high levels of colleague retention. See our eNPS score of +59 at page 31 of this report.

The Group seeks to be the leading professional services provider in the UK regions providing a premium service experience to its clients to ensure that clients choose to use the Group for all of their legal needs. To achieve this colleagues are encouraged to collaborate across office and across service lines to ensure that clients receive the best service at the right level of experience with swift proactive service delivery, and Client Services Directors work closely with colleagues to maintain these service levels across the business.

Principal risks and uncertainties continued

Reputation and brand risk	Change in risk: 
<p>Description</p> <p>Knights brand and the reputation of the Group and its professionals are driving factors behind the success of the Group. Anything that damages the Group's brand or reputation could negatively impact the future success of the business.</p> <p>Damage to the Knights brand could have a detrimental impact reputationally which ultimately could have financial implications for the Group.</p>	<p>Mitigation</p> <p>Management has in place processes to ensure that all work is undertaken in accordance with the Code of Conduct and Professional Ethics. New clients and matters go through an internal acceptance process that includes a comprehensive risk assessment which is under continual development to ensure that all aspects of risk are considered. This includes the potential impact of each engagement on the Group's integrity and reputation. Regular internal audits are undertaken to identify areas of non-compliance with our policies and procedures.</p> <p>The employment contracts for all employees also contain appropriate provisions regarding the standards expected and preservation of confidential information.</p> <p>An open, candid and non-hierarchical culture is nurtured whereby all colleagues are expected to behave in accordance with the internal processes and standards in place.</p> <p>The Group takes appropriate steps to protect its intellectual property rights.</p> <p>Corporate profile is a key part of the Board's strategy and external public relations advisers are engaged to assist where necessary. The Group continues to closely monitor press communication ensuring that it continues to respond quickly to press activity in line with the agreed strategy to mitigate any brand/reputational damage.</p>
Information systems, data security and cyber risk	Change in risk: 
<p>Description</p> <p>The Group is heavily reliant on its information technology systems for all day-to-day processes. A major IT system failure, a malicious attack, data breach, vulnerabilities created by AI or a virus could impact the ability of the Group to operate having both reputational and financial implications.</p> <p>Because of the complexity and speed of development of AI solutions it becomes harder to identify in an effective and timely manner existing risks which become enhanced because of new technologies.</p> <p>The risk of a cyber-attack continues to increase within the professional services sector as it does for all businesses operating using technology. The key risk to the Group is from the potential of malicious hacking of IT systems creating risks to the confidentiality of client data, potential related ransom attacks and interception of emails providing incorrect payment details for client and office account payments.</p>	<p>Mitigation</p> <p>The Group's systems are supported by appropriately qualified and experienced individuals and third parties. External advice and support is sought when necessary and the Group has in place both an internal and external IT security team who seek to provide resolutions in respect of any incidents or near misses, horizon scan for trends in the cyber security sector and undertake threat assessments in relation to real world incidents.</p> <p>The Group is ISO 27001 accredited in respect of its information security management standards. Critical systems failure and recovery are regularly tested, and no issues have been identified.</p> <p>The management team liaise regularly with their key suppliers and its internal development resource to continuously improve and develop the operating systems utilised by the Group to reflect efficiencies and to maximise new opportunities for development.</p> <p>External advisors undertake full regular penetration tests on the Group's systems and work to ensure that the security and integrity of the Operating System is at its optimum level mindful of new and emerging technologies which may make traditional technology solutions subject to heightened risk.</p> <p>Knights' information security awareness training helps colleagues to identify and prevent fraud/misuse of information and this training is regularly updated to ensure that where certain risks are increased due to environmental factors (such as cybercrime and ransomware attacks), the business and colleagues are aware of any heightened risk.</p> <p>Knights has rigorous processes in place for checking and verifying all bank details before any payments are made. All staff are aware of the checks that need to be carried out and the finance team have regular additional training on potential cyber risks related to bank payments.</p> <p>Beyond training, Knights' open culture and team ethos delivers a supportive, high communication environment which ensures colleagues can ask questions and be guided as required, which results in regular monitoring and reporting.</p>

Key: No change  Increasing 

Emerging Risks and uncertainties

The Group defines emerging risks as, generally external, new or unforeseen risks, that may affect the business in the longer term (over 5 years). The impact of the risk may be material to the Group but is currently difficult to quantify. The Board continues to monitor the issues surrounding any emerging risks identified to ensure that the Group is taking a proactive approach to mitigating the impact of any of these risks.

Sustainability, climate change and reporting requirements

Change in risk: 

Description

Focus on environmental, social and governance matters continues to increase and our business needs to be environmentally responsible and create shared value for all stakeholders to ensure sustainability and reinforce our values. Climate risk is a key priority for governments and organisations globally, and Knights recognises that it needs to play its part in reducing carbon emissions and its environmental impact.

Although there are no significant revenue streams derived directly from energy and fuel markets, as the UK transitions to a net-zero carbon emission economy by 2050, we need to closely monitor the impacts on our business to ensure there are no indirect impacts through client relationships and that our revenue streams remain sustainable.

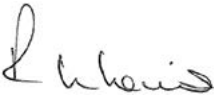
Mitigation

The Executive Board have overall accountability for our climate and social responsibility agendas. We align our business strategy and decision-making processes with reducing carbon emissions, and continually assess our approach to environmental risk and social responsibility. In addition the Group undertake ongoing horizon scanning in anticipation of any new regulatory requirements concerning ESG compliance in order that the business can be proactive in its response and actions.

We have a breadth of policies and processes governing our social responsibility strategy and continually assess and evolve our strategy, working practices and supply chain arrangements to ensure the best outcomes for stakeholders and the environment.

The Group have engaged an external consultant to assist with the management of any risks and are in the process of compiling science-based targets which will be measured against and monitored.

The strategic report and the information referred to herein was approved on behalf of the Board on 12 September 2025.



Kate Lewis
Chief Financial Officer

National scale.

Our proven strategy has continued to deliver in FY25 with an excellent underlying profit performance despite a challenging macroeconomic environment.

DIRECTORS' REPORT



Regional focus.



Corporate governance

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An experienced board with a range of skills.

Key to Director skills

- Legal
- Finance and Banking
- People
- Operational
- Governance, Risk Management and Control
- Sustainability
- Strategy and M&A



David Beech
Chief Executive Officer



A corporate lawyer and former manager of a private equity fund, David joined Knights in 2011 with the vision to transform the business into the UK's leading legal and professional services business outside London. David acquired and remodelled Knights in 2012 with a clear strategy to transform the business into a growth platform.



Kate Lewis
Chief Financial Officer



Kate is a Chartered Accountant and has been a member of the ICAEW since 1996. After qualifying, Kate spent over 10 years as an Audit Manager at Baker Tilly and KPMG.

Kate joined Knights in 2012 as Finance Director, overseeing its corporatisation, several refinancing's, the IPO in June 2018, and all of its acquisitions.



Dave Wilson
Non-Executive Chairman



Dave has over 35 years international, board-level, and operational experience, having spent 12 years in senior roles, including as Deputy Chief Executive Officer at AIM-listed GB Group plc.

Other senior positions included roles as Chief Financial Officer at Codemasters and EXi Group, and Chief Operating Officer for a division of Fujitsu. Dave is currently Chair of AIM-listed media group, LBG Media plc.



Gillian Davies
Senior Independent
Non-Executive Director



Gillian is a Chartered Accountant and has extensive experience as an Executive and non-executive Director on listed Boards. She spent 11 years as Group Finance Director of 4imprint Group plc, during which time the group was extensively restructured and delivered significant growth. More recently, she was CFO of AIM listed Harwood Wealth Management Group plc until its sale to Private Equity as well as NED and Chair of Audit for Ten Lifestyle Group plc and Procook Group plc.



Jane Pateman
Non-Executive Director



Jane most recently was Group HR Director at Biffa plc. She has a strong track record in driving business benefits through the development and delivery of human capital strategies. During her 14 years at Biffa, she provided significant support in delivering solutions during major growth periods, including during its IPO, as well as driving people and cultural integration for the multiple acquisitions Biffa has made in recent years and its subsequent return to private ownership. Jane is also a Co-Optee to the Board of We Are With You, a charity supporting individuals with dependencies on drugs and alcohol.



“I’m honoured to lead the Board as it maintains its strong and ongoing commitment to a robust corporate governance model – one that reflects the scale and complexity of our business and delivers value for all stakeholders.”

Dave Wilson
Non-Executive Chairman

The Board is committed to maintaining a strong corporate governance framework to support the long-term growth and sustainability of the business. To this end, it has chosen to adopt the principles outlined in the Corporate Governance Code for small and mid-sized companies, issued by the Quoted Companies Alliance in April 2023 (the ‘QCA Code’)

Set out on the next pages are the key principles adopted by the Board in order to comply with the QCA Code.



	Governance principle	Compliant	Explanation	Further reading
1	Establish a purpose, strategy and business model which promotes long-term value for shareholders	✓	<p>Our purpose is to bring a differentiated quality and breadth of legal and professional services to the under-served UK regions underpinned by a unique delivery platform and a collaborative one-team culture.</p> <p>Our strategy is to be the UK's largest regional legal services business and we aim to achieve this through:</p> <ul style="list-style-type: none"> • accelerating our recruitment of new partners and teams; • continuing our acquisition of culturally aligned law firms as consolidation of the sector accelerates, within both existing and new locations; • opening new offices in target regional locations; • continuing to expand the breadth of our services we can offer to our clients; and • building on our delivery platform to increase productivity and efficiency, with a focus on investment in our systems and technology 	See page 16
2	Promote a corporate culture that is based on ethical values and behaviours	✓	<p>We pride ourselves on our one team culture.</p> <p>Maintaining a transparent and collaborative culture through consistent engagement with our colleagues and key stakeholders is integral to our success and we achieve this in a variety of ways including:</p> <ul style="list-style-type: none"> • having a flat leadership structure with day-to-day management of our people and teams by Client Services Directors and Business Services Directors. Each Client Services Director is responsible for between two and three offices. This ensures regular one-to-one interaction, creating a culture of trust and candour with and amongst colleagues; • having an equal opportunity approach to the recruitment of new colleagues and throughout their employment in our business; • high levels of personal engagement with and among all our people, supported by our intranet, The Hub, which enables us to send general and tailored communications across the entire business, ensuring that all colleagues are aware of key activities and communications across our offices; • having a centralised in person welcome programme for all colleagues during which we explain our business, our purpose and one team culture in addition to how to use our systems and our policies and procedures; • holding regular engagement sessions and workshops with all employees, centrally with the leadership team and locally by Client Services Directors and Business Services Directors, supported by CEO updates to the whole business during the financial year; • having a dedicated central compliance team to support colleagues with ethical and regulatory matters; and • undertaking internal reviews which include awareness interviews with colleagues to ensure that they understand key policies and procedures and how they can access support. 	See pages 26 – 35 and page 46

Corporate governance statement continued

	Governance principle	Compliant	Explanation	Further reading
3	Seek to understand and meet shareholder needs and expectations	✓	<p>The Board regularly communicates with investors and analysts as a matter of course, and receives presentations from corporate brokers on investor perception. The Board also takes advice and guidance from its advisers on key issues for shareholders in planning all communications.</p> <p>During the year:</p> <ul style="list-style-type: none"> the Chairman has independently met with investors to understand how the strategy, action and performance of the business is perceived by the investor community; and a management incentive plan was implemented whereby performance share awards and restricted stock awards were granted to key members of the management team. Prior to granting these awards the Chair of our Remuneration Committee wrote to certain material shareholders outlining the proposals to seek investor feedback on the design and implementation of the awards. Feedback received from these responses was delivered to the Board to ensure that consideration of investor needs and expectations and the business strategy are aligned. <p>The Board also believes that the results presentations and our Annual General Meeting provide a platform for transparency and engagement with investors.</p>	www.knightspc.com/company/investors/corporate-governance/
4	Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success	✓	<p>Aside from our shareholders, our clients, employees, suppliers, and regulators are our most important stakeholders. We engage with these communities via regular communications in our day-to-day activities including:</p> <ul style="list-style-type: none"> the Group takes a proactive approach to communicating with clients, with the CEO and members of the leadership team and relationship holders within the business meeting existing and potential clients regularly, to maintain our strong, collaborative working relationships. Regular feedback is given to the Board on the outcome of those client reviews to ensure that the business consistently considers opportunities to improve the client experience whilst maintaining its excellent responsive standards of advice. Nurturing existing client relationships and new client opportunities is central to one of the Group's strategic priorities, organic growth; regular colleague feedback via surveys conducted via our intranet, our eNPS survey, continuous colleague engagement via Client Services Directors, Business Services Directors and the Executive Directors. The new training facilities available from the refurbishment of the Stoke office has increased ability to provide regular in person training and collaboration sessions with all colleagues within the business; regular review meetings with our suppliers to understand key business developments of each party, performance against key performance indicators and opportunities and challenges; and bi-annual meetings with the SRA to discuss key business developments and regulatory risks/challenges, the outcome of thematic review and forthcoming areas of focus. <p>We recognise the importance of the contribution that we can make by supporting our local communities and on environmental issues and our ESG report refers to the role that we play in this regard.</p>	See pages 26 – 35 and page 46

	Governance principle	Compliant	Explanation	Further reading
5	Embed effective risk management, internal controls and assurance activities considering both opportunities and threats, throughout the organisation	✓	<p>The Board sets our overarching framework and approach and the impact of any changes to the risk profile, driven by both macro and micro environmental conditions, ensuring that we manage risk appropriately across the Group.</p> <p>The Executive Board, supported by the Group's General Counsel has management responsibility for risk and internal control with the Board completing a full review bi-annually of the risk profile to consider any emerging risks or notable changes in existing risks.</p> <p>Risk owners review the risks included within our risk register which they are responsible for quarterly and feed back to General Counsel any changes to risks or additional mitigating actions that are being carried out. Risk assessments are also conducted regarding those activities which are not considered to be 'business as usual' in order to ensure that any risks associated with a new project have been fully considered and assessed prior to new projects being implemented.</p> <p>Internal information security audits are conducted throughout the year, together with annual external audits from the British Standards Institute to maintain our ISO 27001 accreditation for information security.</p> <p>Independent third-party audits are conducted every two years in respect of our anti money laundering compliance activities.</p> <p>As part of the audit planning process, the auditor also provided confirmation that in their opinion the external auditor, RSM UK Audit LLP, was independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and team remained unimpaired. This primarily involves a review of other services carried out by the auditor during the year and length of relationship with the audit partner.</p> <p>We have engaged a third-party consultant to consider and recommend best practice in regard to risk management strategies in regard to climate risk.</p> <p>Feedback from any audits conducted is then given to the relevant risk owners and made available to the Board so that any recommendations can be swiftly implemented.</p>	See pages 58 – 65
6	Establish and maintain the Board as a well-functioning, balanced team led by the Chair	✓	<p>The Board has three established committees for audit, remuneration and disclosure.</p> <p>The composition, tenure and experience of the Board is reviewed regularly by the Board and shareholders are given the opportunity for an annual vote on the re-election of all directors to the Board.</p> <p>Given the size and composition of the Board, the Board does not consider that a nominations committee is required as the Board are able to collectively work together to consider both succession issues and new appointments.</p> <p>The Board conducted its external annual review of its performance and the performance of its committees in February 2025 and considered amongst other issues its mix of skills. It was determined in accordance with that review that the Board maintains a good balance of breadth and experience however the Board would benefit from greater insight into the exploitation of data and information. The Group have appointed a new Chief Information Technology Officer after the year end who will provide insight and overview to the Board to broaden the Board's knowledge within this area.</p> <p>The annual Board review provided open and informative feedback which was reviewed at the subsequent board meeting with any areas for development being actioned.</p>	See pages 66 – 67

Corporate governance statement continued

	Governance principle	Compliant	Explanation	Further reading
7	Maintain appropriate governance structures and ensure that, individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities	✓	<p>The Board is satisfied that its current composition includes an appropriate balance of skills, experience and capabilities, including experience of recruitment, people management, funding requirements, sustainability and risk management. See pages 66 – 67 for details of the Board's principal skills. Please see our comments at section 6 above regarding broadening the Board's awareness in respect of the exploitation of data and information. In addition, to assist the Board in establishing science based environmental targets further external training will be made available to the Board.</p> <p>As demonstrated the Board obtains external advice and training as required and where the Board considers that it does not possess the necessary expertise or experience it will engage the services of third-party advisers.</p> <p>During the year the Board has focussed on succession planning for Client Services Directors noting the importance of having a sufficient number of leaders with sufficient skills to manage and motivate colleagues within its regional locations. The Board keeps succession planning under continuous review and is continuing to invest in the management team of the business to support the future growth of the business in the medium term.</p>	See pages 68 – 75
8	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	✓	<p>The Board regularly considers the effectiveness and relevance of its contributions, any learning and development needs and the level of scrutiny of the senior management team and has conducted its first external review during the year with previous reviews having been conducted internally.</p>	See pages 74 – 75

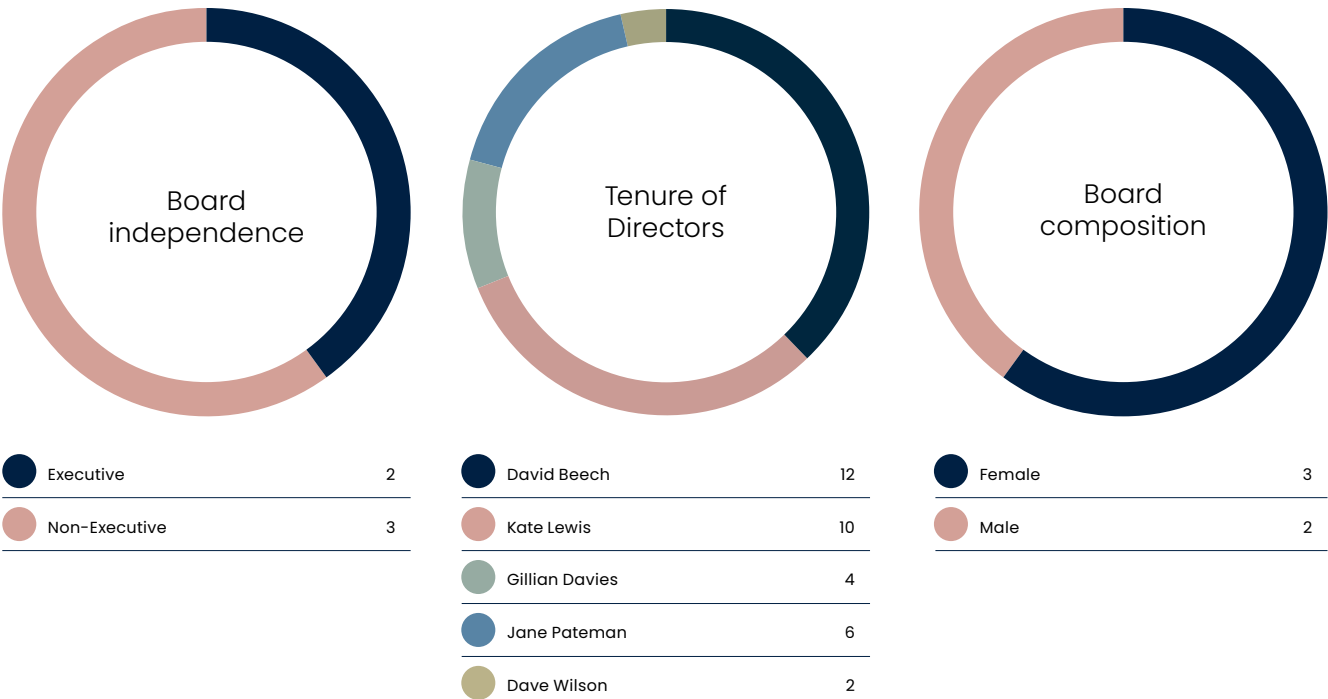
	Governance principle	Compliant	Explanation	Further reading
9	Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	✓	<p>The Board, supported by the remuneration committee has developed a remuneration policy which is in alignment with the Company purpose and culture and is clearly linked to the successful delivery of the long-term strategy. This is demonstrated by the following:</p> <ul style="list-style-type: none"> • ensuring that base salaries and pension contributions are appropriate and where increases are awarded, they are normally aligned with increases awarded to the workforce more generally; • linking any annual cash bonus to achievement of annual PBT targets, aligned to the business strategy and with the facility for bonus deferral; and • implementing straight forward long-term incentive share award structures including performance shares subject to the achievement of EPS targets, promoting long-term value for shareholders. <p>In line with principle 9, the annual remuneration report is put to an advisory shareholder vote.</p>	See pages 80 – 83
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	✓	<p>The Group is committed to maintaining good communication and having constructive dialogue with its shareholders. The Chairman has independently met with several shareholders to obtain and consider their feedback. Regular shareholder meetings are held with the CEO and CFO to discuss Group performance, particularly following publication of the Group's interim and full year results and any trading updates.</p> <p>Employees are updated with all key developments within the business and the business maintains transparent and collaborative engagement with its regulators.</p> <p>In addition, a range of corporate information (including copies of presentations and announcements, and an overview of activities of the Group) are available on the Group's website.</p>	www.knightsplc.com/investors

Board Composition

The Board comprises five Directors, two of whom are Executive Directors and three of whom are Non-Executive Directors.

The Board considers that it has an effective blend of financial acumen, public market experience, and complimentary skillsets (details of which are included on pages 66 – 67) to allow it to pursue its strategic growth opportunities whilst dealing with any challenges faced by the Group. The composition of the Board is such that no individual (or a small group of individuals) can dominate the Board’s decision-making.

Details of the Board’s tenure and independence are set out below:



The Group has an established division of responsibilities between the Chairman of the Board and the CEO, with the Chairman being responsible for the effective leadership and governance of the Board leading the Board’s discussions, decision-making and promoting a culture of openness and debate between Executive and Non-Executive Directors. The CEO has delegated authority by the Board to lead the day-to-day management of the Group. This separation of responsibilities between the Chairman and the CEO, coupled with the schedule of matters reserved for the Board ensures that no individual has unfettered powers of decision-making.

Gillian Davies is the Board’s Senior Independent Non-Executive Director, acting as a sounding board for the Chairman in seeking to achieve the strategy and the board objectives and is an intermediary for Non-Executive Directors and shareholders alike.

A schedule of regular board meetings is convened throughout the year with additional meetings being held throughout the year to consider and if thought appropriate approve more significant ad hoc decisions such as acquisitions. This ensures that the Board are well-informed and are diligently able to oversee the implementation of the Group’s strategy and to consider significant risks to the business. An annual agenda, coupled with periodic reports from the senior management team ensure that the Board can consider all aspects of the business and the Non-Executive Directors have an appropriate forum for update and challenge.

Meeting attendance

Name	Board*	Remuneration	Audit
Dave Wilson	5/5	4/4	3/4
David Beech	5/5	3/4	–
Jane Pateman	5/5	4/4	4/4
Kate Lewis	4/5	2/4	4/4
Gillian Davies	4/5	4/4	4/4

* During the year additional meetings were held principally to approve the terms of the acquisitions undertaken and trading updates and the release of results within the period.

The Company Secretary supports the Board with compliance and governance matters and ensures that all Directors are aware of their right to have any concerns noted, to ask questions regarding ongoing governance requirements and to seek independent advice at the Group's expense where appropriate. The Non-Executive Directors are also encouraged to meet independently to discuss matters if they consider it to be necessary.

Committees

The Group has established an audit committee (the **'Audit Committee'**) and a remuneration committee (the **'Remuneration Committee'**) with formally delegated duties, authority, and responsibilities, and written terms of reference. These terms of reference are reviewed annually to ensure that they remain appropriate and compliant with changes to legislation.

Each Committee is comprised of the Non-Executive Directors with Gillian Davies chairing the Audit Committee and Jane Pateman chairing the Remuneration Committee.

The Committees have unrestricted access to employees of the business or external advisors, to the extent that they consider it necessary in relation to any specific matter under consideration.

During the period the Remuneration Committee has engaged with FIT Remuneration Consultants LLP who have provided external remuneration advice, including providing advice on all aspects of remuneration policy for the Executive Directors. They also advised on the structure and implementation of the management incentive plan and the establishment of the employee benefit trust during the year.

The Audit Committee has met with RSM UK Audit LLP, the Group's auditors, both with and without the presence of Executive Directors and members of the finance team.

Details of the reports of the Remuneration Committee and Audit Committee and their respective responsibilities can be found on pages 76 and 83 respectively of this Report.

The Board has a disclosure committee (the **'Disclosure Committee'**) to enforce its inside information policy and ensure compliance with the Market Abuse Regulation (**'MAR'**) and the AIM Rules for Companies.

The Group has elected not to constitute a dedicated nomination committee, instead retaining such decision-making with the Board given the size and nature of the Board's composition. The Board undertakes a continuous review of the skills and experience required in the business in order to successfully execute its strategic objectives and should it be determined that additional expertise is required, the decision not to constitute a nominations committee would be revisited.

Annual General Meeting ('AGM')

The AGM of the Group will take place on the 24 October 2025 and the Notice of Annual General Meeting which includes the associated resolutions can be found on pages 147 – 152 of this Annual Report.



“The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed.”

Gillian Davies
Chair of the Audit Committee

Its role includes:

- monitoring the integrity of the financial statements (including annual and interim accounts and results announcements);
- reviewing the risk management and internal control systems, reviewing any changes to accounting policies;
- considering the impact of any new accounting standards;
- reviewing and monitoring the extent of any non-audit services undertaken by RSM UK Audit LLP ('RSM'); and
- oversight of the relationship with the external auditors and the quality of the audit completed.

Dear Shareholders

As Chair of the Audit Committee ('Committee') I am pleased to present the Audit Committee Report for the year ended 30 April 2025. The report summarises the remit of the Committee, its key areas of focus for this financial year and the Group's relationship with its external auditors, RSM UK Audit LLP.

The Committee consists of me as Chair and Jane Pateman, with the Chairman, CFO and FD routinely attending by invitation. All members of the committee have recent relevant financial experience. We met four times during the year, with meetings timed to coincide with the full year and half year auditing and reporting timeframes. The Committee has also held discussions with RSM UK Audit LLP, without Executive Directors being present, to discuss any issues arising from their audit work.

Duties

The main duties of the Audit Committee during the year included:

1

Monitoring the integrity of financial statements

The Committee reviewed both the interim and the annual financial statements as well as related results announcements made as part of their disclosure. This process included a review of any judgements made in preparing the results, ensuring sufficient attention was given to matters where significant estimation was involved. This includes revenue recognition, accounting for acquisitions, review of the carrying value of Goodwill and intangible assets and the use of alternative performance measures which are used to enhance shareholder's understanding of the Group's financial performance.

In consideration of the significant accounting judgements used, the Committee reviewed the recommendations of the Chief Financial Officer and received reports from RSM UK Audit LLP on their findings.

These judgements are as follows:

Revenue recognition policy

The Group recognises revenue on legal and professional services provided based on the methodology set out in IFRS 15 Revenue from Contracts with Customers. There is estimation involved in establishing the value that will eventually be recovered on contracts.

Management use the expected outcomes as at the period end to establish the estimated value of ongoing contracts and compare to historic outcomes to ensure reasonableness.

Estimates are updated as work progresses and any changes in revenue recognition as a result of a change in circumstances is recognised in the Consolidated Statement of Comprehensive Income for that year.

In relation to any contingent matters, where the likelihood of success is less than highly probable, the value recognised in contract assets is further reduced to reflect this uncertainty.

The Committee considers that the approach adopted by management is prudent and minimises the risk of overstatement of income resulting in future revenue write-offs.

Accounting for acquisitions

During the year the Group made two acquisitions. Accounting for these acquisitions involves an assessment of the allocation of purchase price, treatment of any deferred and contingent acquisition payments, assessment of the requirement for any fair value adjustments, identification and valuation of the intangible assets arising, together with an estimation of the useful lives of each of these assets.

The fair value attributable to intangible assets arising on acquisition are recognised in accordance with IAS 38 Intangible Assets and is based on a number of estimates, including the long-term revenue growth rate and the related business and discount rate.

Having reviewed management's approach and the resulting accounting treatment of the goodwill and intangible assets, the Committee is satisfied that the approach adopted in the financial statements is reasonable and fairly represents the underlying transactions.

Goodwill and intangible assets impairment

At the year-end there is £106m recognised in the financial statements relating to goodwill and intangible assets from both current and prior year acquisitions. On an annual basis, management need to satisfy themselves that the carrying value of the goodwill is supportable by future expected returns from the Group. Management have completed a detailed impairment review considering future cash flows based on the Board approved three-year plan and then applying prudent long term growth rates in order to calculate terminal values.

These cash flows are then discounted to give a value in use which is then compared to the carrying value.

A sensitivity analysis has been prepared to determine the potential impacts of reasonably possible changes in the assumptions used for the value in use calculations.

Having reviewed management's impairment reviews, sensitivity analysis and conclusions in the carrying values of the goodwill and intangible assets in the financial statements, the Committee is satisfied that the carrying value of £106m is supportable and the assets do not need to be impaired with value in use calculations demonstrating considerable headroom.

Use of alternative performance measures

The Board uses a number of alternative performance measures to assess business performance. A key focus of the Board is the underlying profitability of the business and therefore the Board uses measures based on underlying profitability of the Group, excluding one-off and non-underlying items to monitor the growth in underlying profitability. Net debt is also a key focus for the Board and the management of this within the Group's overall facilities.

The Audit Committee is satisfied that this is a reasonable measure to use to review profitability of the underlying business and all non-underlying costs are appropriately classified as non-underlying in the accounts with sufficient disclosures included to enable the alternative measures to be easily reconciled back to the Financial Statements.

2 Risk management and internal controls

As described on pages 58 – 65 of the Strategic Report and pages 68 – 75 of the Corporate Governance Statement, the Board has established a framework of risk management and internal control systems, policies and procedures. The Committee is responsible for reviewing the risk management and internal control framework and for ensuring that it operates effectively. The Committee is satisfied that the internal controls currently in place are sufficient and operating effectively for a business of this size.

At present the Group does not have an internal audit function and the Committee believes that in view of the current size and nature of the Group's business, management is able to derive sufficient assurance as to the adequacy and effectiveness of the internal controls and risk management procedures without a formal internal audit function. This will be kept under review as the business evolves.

3 Changes to accounting policies

The Committee is satisfied that there are no changes in accounting policies impacting the reported results for the year.

4 Going concern, business model and strategy

The Board reviews the Group's business model to ensure it aligns with the overall Group strategy and ensures that the forecast cash flows, liquidity and covenant compliance calculations demonstrate that the Group will continue as a going concern for the foreseeable future. The Group prepares a detailed budget for the next financial year which is presented to and approved by the Board. This budget is based on the Group's strategic assumptions for organic growth. The Group does not budget in advance for acquisitions. However, additional forecasts are prepared for all potential acquisitions and the impact of this on Group results, liquidity and covenant compliance is considered as part of the strategic decision-making process on whether to proceed with an acquisition.

As part of the process of confirming the validity of the going concern assumption, the Committee has reviewed the detailed budgets for the next 12 months and the Group's three-year forecasts. The forecasting model includes an integrated Consolidated Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows along with forecast covenant calculations. In order to further satisfy the going concern assumption, the Group has modelled a number of different trading scenarios, some of which forecast a significantly more negative trading performance than is expected. In all of these scenarios the Group continued to maintain a sufficient level of liquidity to enable it to meet all of its liabilities as they fell due. Having reviewed the forecasts, the Committee is satisfied that these support the business model and strategy of the business and demonstrate sufficient liquidity for the foreseeable future and will recommend that the Board approves the going concern assumption.

5 Reviewing the extent of non-audit services provided by RSM

The Committee monitors the provision of non-audit services by RSM to ensure this has no impact on their independence.

During the year RSM has not provided any non-audit services to the Group other than audit related services.

6 Overseeing the relationship with the external auditors

The Committee considers a number of areas when reviewing the external auditor relationship, namely their performance in discharging the audit, the scope of the audit and terms of engagement, their independence and objectivity and their remuneration.

The auditor prepares a detailed audit plan which is presented to the Committee before the commencement of the audit.

The plan sets out the scope of the audit, areas of perceived significant risk where work will be focused, the audit timetable and any proposed remuneration for the year. This plan is reviewed and agreed by the Committee in advance of the detailed audit work taking place.

For the year ended 30 April 2025 the significant audit risks identified were: revenue recognition and contract assets; acquisition accounting; impairment of goodwill and intangible assets and management override of controls.

As part of the audit planning process, the auditor also provided confirmation that in their opinion RSM UK Audit LLP was independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and team remained unimpaired.

An assessment of the effectiveness of the audit process in addressing the significant issues identified is made by the Committee based on the auditors Audit Findings Report which the auditor presents to the Committee. These reports cover the conclusions from the work completed on the areas of significant audit risk and any other issues identified as part of the audit process. No major areas of concern were identified by RSM during the year.

Following detailed reviews of the Audit Findings Reports, discussions with auditors at Committee meetings and discussions with management on the effectiveness of the audit process, the Committee has confirmed that it is satisfied with the independence, objectivity, and effectiveness of RSM UK Audit LLP as external auditors and has recommended to the Board that the auditors be reappointed. There will be a resolution to reappoint the auditors at the forthcoming AGM.

7 Application of IFRSs, and new and forthcoming standards

As at the date of these financial statements, there is one new standard in issue but not yet effective and it has therefore not been applied as set out below:

- ♦ IFRS 18 Presentation and Disclosure in Financial Statement (effective 1 January 2027)

The full impact of IFRS 18 on the financial statements is in the process of being reviewed, however the directors do not expect that the adoption of the standard will have a material impact on the financial statements of the Group in future periods.

8 ESG and TCFD reporting

The Group considers its responsibilities in respect of ESG and climate change to be an important focus and ensures strategic decisions are made in a way that considers the ESG strategy. The Committee has reviewed the ESG and TCFD strategy and reports to ensure that the current strategy and reporting is appropriate and in line with current reporting requirements.



Gillian Davies

Chair of the Audit Committee
Senior Independent Non-Executive Director

12 September 2025



“As we grow, we are enhancing our remuneration frameworks to support our strategic direction and foster a unified, collaborative culture.”

Jane Pateman
Chair of the Remuneration Committee

Dear Shareholder,

I am pleased to present the Directors' Remuneration Report for the year ended 30 April 2025.

The Remuneration Committee comprises me as Chair of the Committee, Gillian Davies and Dave Wilson. We are all independent Non-Executive Directors.

The Chief Executive Officer and Chief Finance Officer were invited to attend meetings from time to time to provide relevant input and analysis. The Committee has also been advised by FIT Remuneration Consultants as required during the year.

This report will explain:

- ♦ the responsibilities of the Committee;
- ♦ the key activities of the Committee during the year; and
- ♦ details of Directors remuneration payments made in respect of the year ended 30 April 2025 together with our proposals for the next financial year.

Responsibilities

The key responsibilities of the Remuneration Committee are as follows;

- review of the performance of the Executive Directors and making recommendations to the Board on matters relating to their remuneration and terms of service;
- making recommendations to the Board on proposals for the granting of equity incentives pursuant to any equity incentive plans in operation from time to time; and
- reviewing and approving any significant changes in employment terms and conditions and the overall salary increases for the Group as proposed by the Executive Directors.

Key activities carried out in the year

During the year the Remuneration Committee formally met three times. Key areas discussed and approved during the period are set out below:

- the implementation of an employee benefit trust to purchase shares in the market to help the administration of our share plans and manage share plan dilution; The Knights Employee Benefit Trust operates a monthly purchasing programme for the purposes of satisfying share plan awards and as at 30 April 2025 it held 479,484 shares.
- approval of base salary changes for the Executive Directors for the financial year ended 30 April 2026 (as set out below);
- approval of bonus outcomes for the financial year ended 30 April 2025. A bonus of 35% of salary was paid to CFO for FY25 based on business performance (underlying PBT) in relation to budget and within consensus range in accordance with the MIP scheme for FY25. The CEO offered to forego his FY25 annual bonus and accordingly did not receive a FY25 bonus;
- the award of long term incentive share awards for the CFO for FY25 in the form of (i) options granted under a tax-advantaged Company Share Option Plan ('CSOP'); and (ii) restricted stock awards combined with performance-linked share awards; and
- consideration of awards under a management incentive plan ('MIP') for the Executive Directors for the financial year ended 30 April 2026.

In exercising its role, the Remuneration Committee has regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance.

During the year FIT Remuneration Consultants LLP ('FIT') provided the Committee with external remuneration advice, including providing advice on all aspects of remuneration policy for the Executive Directors and the senior management team of the Group. The Remuneration Committee is satisfied that the advice received from FIT was objective and independent. FIT is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure that objective and independent advice is given to remuneration committees.

Our performance and link to remuneration

As summarised in the Chairman's Statement on pages 6 and 7, the Group has continued to grow over the year with full year revenue of £162m, up by 8% compared to the prior year (2024: £150m), and underlying PBT of £28m, an 11% increase on the prior year (2024: £25.3m).

Following the end of our financial year, the Remuneration Committee reviewed performance in the year and determined that the Group had performed well achieving profitability levels within the range expected in the market and therefore triggering the cash bonus element of the scheme. A payment of 35% of salary was made to the CFO under the scheme, however the CEO decided to forgo a payment for FY25.

Executive Director service agreements

Each of the Executive Directors has a service agreement with the Group. Each service contract may be terminated by either party serving six months' written notice. At its discretion, the Group may make a payment in lieu of such notice or place the Executive Director on garden leave. The service contracts also contain provisions for early termination in the event of various scenarios and contain typical restrictive covenants.

The key remuneration components of Executive Director packages are summarised as follows:

Base salary: The salary of an Executive Director will be reviewed annually by the Remuneration Committee without any obligation to increase such salary. The current base salaries and increases are shown below. With effect from 1 May 2025, salaries for the Executive Directors were increased by 5% in line with the overall increases awarded to the rest of the business.

David Beech: The CEO's salary was increased from £360,000 to £378,000 for the upcoming financial year.

Kate Lewis: The CFO's salary was increased from £280,000 to £294,000 for the upcoming financial year.

The increases were aligned to the average increases applied for the rest of the business in the 2025 pay review.

Pension and benefits: Ancillary benefits include the reimbursement of all reasonable and authorised out of pocket expenses, eligibility for provision of a private healthcare cover up to a maximum premium of £2,000 (although none of the directors have utilised such cover). The Executive Directors are also entitled to 4x salary life cover in line with the benefit offered across the Group. The Group also contributes to pension plans or an additional cash supplement in lieu of pension contribution in respect of the Executive Directors. The Executive Directors are entitled to a pension contribution of 5% mirroring the employer contribution available to all employees.

Remuneration Committee report continued

Non-Executive Directors

Dave Wilson was appointed Non-Executive Chairman of the Group by letter of appointment dated 14 November 2023. His appointment is terminable on three months' notice by either party. With effect from 1 May 2025, the annual fee payable to the Chairman increased by 5% to £157,500, in line with the increases awarded to the workforce generally.

The other Non-Executive Directors were appointed subject to re-election at the Annual General Meeting and are terminable on one months' notice by either party.

The fee payable for services as a Non-Executive Director was unchanged throughout the year at £50,000 with an additional £10,000 payable to the senior independent Non-Executive Director. The Non-Executive Directors fees have been increased for the upcoming financial year to £52,500 with an additional £10,000 payable to the senior independent Non-Executive Director. The 5% increase in fees is in line with the increases awarded to the workforce generally. The increases for the Non-Executive Directors were approved by the Board.

As it is listed on AIM, the Group is not required to provide all of the information included in this Remuneration Committee Report. However, in the interests of transparency this has been included as a voluntary disclosure. The Remuneration Committee Report is unaudited.

I do hope that this Report clearly explains our approach to remuneration and enables you to appreciate how it underpins our business growth strategy.

Governance

The Board, supported by the remuneration committee has developed a remuneration policy which is consistent with principle 9 of the QCA code and is designed to support strategy and promote long-term value creation. The policy is set in alignment with the Company purpose and culture and is clearly linked to the successful delivery of the long-term strategy. This is demonstrated by:

- ensuring that base salaries and pension contributions are appropriate and where increases are awarded, they are normally aligned with increases awarded to the workforce more generally;
- implementing an annual cash bonus that is subject to achievement of annual PBT targets, aligned to the business strategy and with the facility for bonus deferral; and
- the grant of straight forward long-term incentive share award structures including performance shares subject to the achievement of EPS targets, promoting long-term value for shareholders.

In line with principle 9, the annual remuneration report is put to an advisory shareholder vote.



Jane Pateman

Chair of the Remuneration Committee

12 September 2025

Directors' emoluments

	Fees/basic salary £'000	Benefits £'000	Bonus £'000	LTIP £'000	Pension £'000	2025 Total £'000	2024 Total £'000
Executive Directors							
David Beech	360	–	–	–	–	360	315
Kate Lewis	280	–	100	–	14	394	247
Non-Executive Directors							
Balbinder Johal	–	–	–	–	–	–	35
Jane Pateman	50	–	–	–	–	50	40
Gillian Davies	60	–	–	–	–	60	50
Dave Wilson	150	–	–	–	–	150	69
Aggregate	900	–	100	–	14	1,014	756

Note

1 Balbinder Johal resigned on 14 November 2023.

Long-term incentives

	Type of award	Date of grant	Number of shares	Exercise price per share	Value at grant	Performance conditions	Vesting date
Kate Lewis	SIP	5 September 2018	2,831	N/A	£5,518	N/A	Matching Shares and Partnership Shares Vested
Kate Lewis	Performance Share Award	19 July 2021	50,114	£0.002	£220,000 ¹	EPS ²	July 2024 – lapsed in full
Kate Lewis	Performance Share Award	13 July 2022	167,476	£0.002	£172,500 ³	EPS ⁴	July 2025
Kate Lewis	Performance Share Award	29 October 2024	600,000	£0.002	£742,800 ⁵	EPS ⁶	July 2028
Kate Lewis	Restricted Stock award	29 October 2024	150,000	£0.002	£185,700 ⁷	N/A	July 2028
Kate Lewis	CSOP	29 October 2024	48,465	£1.238	£60,000 ⁸	N/A	29 October 2027

Notes

1 Based on 3-day average share price of £4.39.

2 3-year performance period with vesting dependent on underlying EPS performance in financial year ended 30 April 2024 with 25% vesting for EPS of 26.20p and 60% vesting for EPS of 27.58p increasing to 100% vesting for EPS of 28.96p. A sliding scale operates between these points. As EPS for the year to April 2024 is 21.81p this Performance Share Award has lapsed.

3 Based on 3-day average share price of £1.03.

4 3-year performance period with vesting dependent on underlying EPS performance in financial year ended 30 April 2025 with 25% vesting for EPS of 25.27p and 60% vesting for EPS of 26.60p increasing to 100% vesting for EPS of 27.93p (and a sliding scale operates between these points). As EPS for the year to April 2025 is 23.95p this Performance Share Award has lapsed.

5 Based on 5-day average share price of £1.238.

6 3-year performance period with vesting dependent on underlying EPS performance in financial year ended 30 April 2028 with 25% vesting for EPS of 27.26p, 50% vesting for EPS of 32.72p, 75% vesting for EPS of 38.17p increasing to 100% vesting for EPS of 43.62p (and a sliding scale operates between these points).

7 Based on 5-day average share price of £1.238.

8 Based on 5-day average share price of £1.238.

The Directors have pleasure in submitting their report and the financial statements of Knights Group Holdings plc.

Principal activities and business review

The principal activity of the Group is the provision of legal and professional services. The principal activity of the Company is that of a holding company. The results for the year and the financial position of the Group are disclosed in the detailed financial statements included on pages 89 – 143. A review of the performance of the business during the year and potential future developments is included in the Chairman's Statement, Chief Executive's Review and the Financial Review.

Dividends

The Directors recommend a final dividend of 3.05p per ordinary share to be paid on 7 November 2025 to the ordinary shareholders on the register on 10 October 2025. This, together with the interim dividend of 1.76p per share paid on 14 March 2025, makes a total of 4.81p per share for the year. The final dividend has not been included within creditors as it was not approved before the end of the financial year.

Future developments

The Board plans to continue to invest in technology, recruitment and acquisitions within both the legal and non-legal sectors to support the Group's strategy of continuing to build the UK's leading regional professional services business. Further details of the Group's future strategy can be found in the Strategic Report on pages 16 – 17.

Post balance sheet events

On 2 May 2025 the Group exchanged contracts to acquire Birkett Long LLP and Birkett Long IFA (collectively trading as Birkett Long). The Group will acquire Birkett Long for total consideration of £16.6m. The transaction completed on 13 June 2025 and all assets and liabilities of Birkett Long LLP were hived into the Group on that date.

On 30 June 2025 the Group exchanged contracts to acquire Rix & Kay LLP. The Group will acquire Rix & Kay LLP for a total consideration of £0.87m. The transaction completed on 1 August 2025 and all assets and liabilities of Rix & Kay LLP were hived into the Group on that date.

On 18 July 2025 the group disposed of the crime business, acquired as part of the IBB Law LLP acquisition in April 2025.

On 15 August 2025 the Group completed the acquisition of Le Gros Solicitors Limited for a total consideration of £0.5m. All assets and liabilities of Le Gros were hived up to the Group on that date.

There are no other significant post balance sheets events that require any further disclosure.

Directors and their interest in the shares of the parent company

The following Directors have held office since 1 May 2024:

Name	Number of shares	%
DA Beech	18,922,309	22.02
KL Lewis	105,356	0.12
G Davies	30,000	0.03
Dave Wilson	20,412	0.02
J Pateman	10,000	0.01

Substantial shareholdings

As far as the Directors are aware the only notifiable holdings equal to or in excess of 3% of the total issued share capital as at 30 April 2025 were as detailed below:

Name	Number of shares	%
DA Beech	18,922,309	22.02
Octopus Investments	11,859,309	13.80
Columbia Threadneedle Investments	9,240,100	10.75
Stitching Value Partners Private Clients	6,828,133	7.94
Van Lanschot Bankiers	4,536,757	5.28
Rathbones	3,756,019	4.37
BGF	3,325,120	3.87

Buy back of shares

During the year, the Group purchased 499,283 of its own ordinary shares to be held in treasury via an Employee Benefit Trust. These purchases were made throughout the year; the total cost of these purchases was £598,000.

Directors' indemnity provisions

During the period, and up to the date of approval of the financial statements, the Group purchased and maintained Directors' and Officers' Liability Insurance for all of the Directors and Officers to indemnify them from any losses that may arise in connection with the execution of their duties and responsibilities to the extent permitted by the Companies Act 2006.

Risk management

The Board manages financial risk on an ongoing basis. The key financial risks relating to the Group and its financial risk management objectives and policies are discussed in more detail in note 36 of the financial statements.

The Group's other principal risks and uncertainties are outlined in the Strategic Report.

Political donations

The Group has not made any political donations.

Streamlined Energy and Carbon Reporting (SECR)

In accordance with S414C (11) of the Companies Act, the Group has included the SECR report on page 43. This is included as part of the Group's Strategic Report as they are considered to be of strategic importance.

Other information

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, including an indication of likely future developments in the business, research and development and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report on pages 8 and 11 in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Disabled persons

The Group operates an equal opportunities employment policy.

The Group will employ disabled persons where they appear to be suitable for a particular vacancy and every effort is made to ensure that all candidates are given full consideration when any vacancies arise within the business. Should any employee become disabled during their employment full training will be provided and relevant adaptations to their working environment made, where possible, to ensure that they can continue their employment within the Group. The Group works with all employees to ensure that their working environment is appropriate and to ensure that all employees are provided with sufficient training, development and support to enable them to develop to their full potential.

Directors' report continued

Employee engagement

The Group places considerable value on the involvement of its employees in the future success of the Group. Although the overall strategic direction of the Group is managed by the Board, the Group manages its day-to-day operations with the assistance of its central management team consisting of Client Service Directors managing the fee generating side of the business and Business Service Directors managing the support side of the business. Local supervision is provided in each office by the involvement of Client Service Directors who assist in ensuring a common culture and working practice across the Group as a whole.

The Group prides itself on its culture and maintaining that culture through consistent engagement with its staff is integral to the Group's success.

The Group achieves this consistent messaging in a number of ways, including day-to-day management of teams by Client Service Directors and the Business Service Directors, regular meetings with teams, partners, all staff meetings and webinars as appropriate. This regular engagement ensures that all staff are fully informed about any key developments and the strategic direction of the Group. This collaborative management structure encourages engagement at all levels.

Further information on how the Group liaises with employees and includes them in decision-making where relevant, and encourages participation in share schemes to enable them to share in the success of the Group is included in the Corporate Sustainability Report on pages 31 – 33.

Engaging with stakeholders

The Directors have considered who the key stakeholders in the business are and documented how they engage with each of these groups, noting any key decisions made during the year. Details of this are included within the S172(i) report on pages 45 – 46. The Directors have chosen, in accordance with Section 414C(11) of the Companies Act 2006, to include information in respect of employee communication and consultation, engagement with suppliers, customers and other stakeholders in the Strategic Report.

Going concern

The Group and Company financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group is strongly cash generative at the operating level and as at the end of the financial year had headroom of circa £30m within its current debt facilities.

The Group's forecasts show that the Group has sufficient resources for both current and anticipated cash requirements. The Group remains profitable and operates within its current available banking facilities with no forecast breach of covenants for the foreseeable future.

Auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

RSM UK Audit LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The Directors' Report was approved by the Board of Directors on 12 September 2025 and signed on its behalf by:



Kate Lewis

Chief Financial Officer

12 September 2025

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

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Knights Group Holdings plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial statements



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Opinion

We have audited the financial statements of Knights Group Holdings PLC (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 30 April 2025 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 “Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 30 April 2025 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	Group <ul style="list-style-type: none">• Revenue recognition and contract assets
	Parent Company <ul style="list-style-type: none">• None identified
Materiality	Group <ul style="list-style-type: none">• Overall materiality: £1,300,000 (2024: £1,540,000)• Performance materiality: £975,000 (2024: £1,150,000)
	Parent Company <ul style="list-style-type: none">• Overall materiality: £1,299,999 (2024: £1,539,000)• Performance materiality: £974,999 (2024: £1,149,000)
Scope	Our audit procedures covered 99% of revenue, 100% of total assets and 99% of underlying profit before tax.

Key audit matters

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

Revenue recognition and contract assets

Key audit matter description	<p>The Group's accounting policy in respect of revenue recognition is set out in note 2.5. Note 4 sets out the critical judgements and estimates applied by the directors in relation to the amounts recoverable on contract assets, which may have a material effect on the amount of revenue recognised in the period, and note 5 to the financial statements gives detail on revenue.</p> <p>There is a risk that revenue could be materially misstated due to recognising revenue in the wrong accounting period, or in the wrong amount. Revenue is materially impacted by changes in the contract assets balance, which is subject to management judgement about recovery rates and provisions. Due to the large volume of transactions in the year there is a risk that not all of the matters in the year have been appropriately billed.</p> <p>Contract assets are carried at a value of £50,998,000 (2024: £40,191,000) (note 23). They are valued on a line by line (case by case) basis using an estimated recovery rate at the period end. The process of valuing contract assets and, in particular, estimating recovery rates, is judgemental and therefore considered to be a key audit matter. It is also an area to which we applied significant audit time and resource.</p>
How the matter was addressed in the audit	<p>Our response to the key audit matter included:</p> <ul style="list-style-type: none"> ♦ assessing management's revenue recognition policy for fixed fee arrangements, unconditional fee-for-service arrangements, and variable or contingent fee arrangements for open cases at the year end for compliance with IFRS 15 – Revenue from contracts with customers ♦ assessing the design and testing the operation of controls implemented by management over month and period end valuation of contract assets ♦ performing analytical review of the relationships between fee earner numbers and salary costs compared to reported revenue and to prior financial years ♦ using data analytics software to test the revenue recognised by confirming that the revenue transaction cycle was completed through to cash receipt or inclusion in trade receivables ♦ comparing the year end work in progress valuation and recovery rates to the prior year for each office and across departments (excluding those acquired in the year) ♦ comparing the expected recovery rate in the prior year valuation of work in progress to the actual amounts recovered for a sample of fee earners during the year ♦ reviewing a sample of contract assets balances at period end and discussing the nature of the case and the anticipated recovery rates with management and individual fee earners ♦ for the same sample, checking any billing or provisions following the period end to support the reported recovery rate ♦ period-end cut off testing to determine whether contract assets and revenue had been recognised in the correct accounting period ♦ reviewing the monthly chargeable hours recorded during the period and in the month immediately after the period end to determine whether there were any unexplained fluctuations in recorded hours ♦ comparing the recoverability of the balance of unbilled revenue to post year end billing and cash receipts and, where billing has not yet occurred, challenging fee-earners about the expected recovery, confirming unbilled revenue is recorded in the correct period and at the correct amount and is supported by time costs incurred

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,300,000 (2024: £1,540,000)	£1,299,000 (2024: £1,539,000)
Basis for determining overall materiality	4.7% of underlying profit before tax (2024: 4% of underlying EBITDA)	1.5% of Net assets (2024: 1.7% of Net Assets)
Rationale for benchmark applied	A key metric used by management and shareholders in assessing performance of the Group is underlying PBT, as disclosed in note 39.	Parent company is a holding company so net assets used as the benchmark.
Performance materiality	£975,000 (2024: £1,150,000)	£974,000 (2024: £1,149,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £65,000 (2024: £77,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £65,000 (2024: £77,000) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 6 components, all of which are based in the UK.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	1	98%	100%	98%
Specified scope procedures	1	1%	0%	0%
Total	2	99%	100%	98%

All audit work was completed by the group audit team and no component auditors were used in our audit.

Independent auditor's report to the members of Knights Group Holdings plc continued

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included evaluating management's method of assessment, reviewing the forecasts prepared by the directors, performing sensitivity analysis, comparing the prior year forecast to actual outturn, confirming the terms of the banking facilities available to the group, checking the forecast covenant compliance and headroom available to the group, and considering the adequacy of the disclosures made by the directors in the financial statements.

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 or the parent 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.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 87, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent auditor's report to the members of Knights Group Holdings plc continued

The most significant laws and regulations were determined as follows:

Legislation /Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
UK-adopted IAS, FRS101 and Companies Act 2006	<ul style="list-style-type: none">• Review of the financial statement disclosures and testing to supporting documentation; and• Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	<ul style="list-style-type: none">• Inspection of advice received from external tax advisors; and• Consultation with a tax specialist regarding the approach taken to the audit of tax.
Solicitors' Regulatory Authority regulations	<ul style="list-style-type: none">• Discussion with the Group's in-house compliance team.• Review of returns submitted to and correspondence with the Solicitors' Regulatory Authority, including in relation to any breaches, potential litigation or claims.• The Group undergoes a separate SRA audit. We have discussed the outcome of this work with the RSM team responsible for it.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition – occurrence, valuation & cut-off	<ul style="list-style-type: none">• Our audit procedures in this area are detailed above under key audit matters.
Management override of controls	<ul style="list-style-type: none">• Using data analytics and detailed testing to test the appropriateness of journal entries and other adjustments;• Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and• Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

G Bond

Graham Bond FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG

12 September 2025

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2025

	Note	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Revenue	5	161,966	149,957
Other operating income	7	9,649	10,439
Staff costs*	8	(97,607)	(93,007)
Depreciation and amortisation charges*	11	(8,840)	(8,510)
Impairment of trade receivables and contract assets		(1,241)	(489)
Other operating charges*	12	(29,839)	(28,218)
Operating profit before non-underlying charges and amortisation on acquired intangibles		34,088	30,172
Amortisation on acquired intangibles	11	(4,033)	(3,580)
Non-underlying operating costs	13	(11,455)	(6,630)
Operating profit		18,600	19,962
Investment income	22	58	–
Finance costs*	14	(6,445)	(4,939)
Finance income	15	302	89
Non-underlying finance costs	13	(246)	(281)
Net finance costs		(6,389)	(5,131)
Profit before tax		12,269	14,831
Taxation – underlying*	17	(7,448)	(6,598)
Tax impact of non-underlying costs	17	2,755	1,614
Taxation		(4,693)	(4,984)
Profit and total comprehensive income for the year attributable to equity owners of the parent		7,576	9,847
Earnings per share		Pence	Pence
Basic earnings per share		8.83	11.47
Diluted earnings per share		8.43	11.11

The above results were derived from the Group's continuing operations.

* Excluding non-underlying items and amortisation on acquired intangibles

Consolidated Statement of Financial Position

As at 30 April 2025

	Note	30 April 2025 £'000	30 April 2024 £'000
Assets			
Non-current assets			
Goodwill	20	72,893	61,788
Intangible assets	20	32,980	25,112
Investments	22	111	50
Property, plant and equipment	23	23,685	14,896
Right-of-use assets	23	46,635	34,034
Finance lease receivables	26	1,335	1,633
Trade and other receivables	25	2,000	2,523
		179,639	140,036
Current assets			
Contract assets	24	50,998	40,191
Trade and other receivables	25	39,552	32,753
Finance lease receivables	26	405	364
Corporation tax asset		882	304
Cash and cash equivalents		5,853	5,453
Assets held for sale	27	1,283	–
		98,973	79,065
Total assets		278,612	219,101
Equity and liabilities			
Equity			
Share capital	28	171	171
Share premium		75,277	75,262
Treasury shares		(576)	–
Merger reserve		(3,506)	(3,506)
Retained earnings		33,167	28,333
Equity attributable to owners of the parent		104,533	100,260
Non-current liabilities			
Lease liabilities	30	48,603	35,389
Borrowings	31	69,807	40,149
Deferred consideration	32	563	350
Deferred tax	33	11,217	8,288
Provisions	35	5,404	3,968
		135,594	88,144
Current liabilities			
Lease liabilities	30	5,666	5,181
Borrowings	31	875	468
Trade and other payables	34	26,662	19,935
Deferred consideration	32	612	2,591
Contract liabilities	24	130	188
Provisions	35	3,651	2,334
Liabilities held for sale	27	889	–
		38,485	30,697
Total liabilities		174,079	118,841
Total equity and liabilities		278,612	219,101

The financial statements were approved by the board and authorised for issue on 12 September 2025 and are signed on its behalf by:



Kate Lewis

Chief Financial Officer

Registered No. 11290101

Consolidated Statement of Changes in Equity

For the year ended 30 April 2025

	Note	Share capital	Share premium	Merger reserve	Treasury shares	Retained earnings	Total
As at 1 May 2023		171	75,262	(3,506)	–	20,880	92,807
Profit for the period and total comprehensive income		–	–	–	–	9,847	9,847
<i>Transactions with owners in their capacity as owners:</i>							
Credit to equity for equity-settled share-based payments	9	–	–	–	–	1,131	1,131
Dividends	19	–	–	–	–	(3,525)	(3,525)
Balance at 30 April 2024		171	75,262	(3,506)	–	28,333	100,260
Profit for the period and total comprehensive income		–	–	–	–	7,576	7,576
<i>Transactions with owners in their capacity as owners:</i>							
Credit to equity for equity-settled share-based payments	9	–	–	–	–	1,161	1,161
Purchase of own shares		–	–	–	(598)	–	(598)
<i>Issue of shares</i>		–	15	–	22	–	37
Dividends	19	–	–	–	–	(3,903)	(3,903)
Balance at 30 April 2025		171	75,277	(3,506)	(576)	33,167	104,533

Consolidated Statement of Cash Flows

For the year ended 30 April 2025

	Note	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Operating activities			
Cash generated from operations	37	39,011	36,254
Non-underlying operating costs paid	13	(5,366)	(4,246)
Tax paid		(5,820)	(5,432)
Contingent acquisition payments		(2,571)	(3,745)
Net cash from operating activities		25,254	22,831
Investing activities			
Acquisition of subsidiaries (net of cash acquired)	21	(24,972)	(1,888)
Other investments and loans made		–	(2,500)
Other loan repayments		500	–
Loan interest received		234	–
Investment in joint ventures	22	–	(50)
Purchase of intangible fixed assets	20	(83)	(40)
Purchase of property, plant and equipment	23	(11,753)	(8,165)
Proceeds from lease receivables	26	458	405
Disposal of assets held for sale	22	141	–
Payment of deferred consideration		(2,616)	(2,417)
Net cash used in investing activities		(38,091)	(14,655)
Financing activities			
Proceeds of borrowings		52,150	23,200
Repayment of borrowings		(22,550)	(16,325)
Repayment of debt acquired with current year subsidiaries	21	(172)	(661)
Repayment of debt acquired with prior year subsidiaries		(473)	(166)
Repayment of lease liabilities		(4,661)	(5,113)
Landlord capital contribution		42	396
Associated lease costs		(306)	(72)
Interest and other finance costs paid		(6,213)	(4,502)
Purchase of own shares		(598)	–
Dividends paid		(3,903)	(3,525)
Net cash used in financing activities		13,316	(6,768)
Net increase in cash and cash equivalents		479	1,408
Cash and cash equivalents at the beginning of the period		5,453	4,045
Cash – continuing operations		5,853	5,453
Cash – assets held for sale (note 27)		79	–
Total cash and cash equivalents at end of period		5,932	5,453

Notes to the Consolidated Financial Statements

For the year ended 30 April 2025

1. General information

Knights Group Holdings plc ("the Company") is a public company limited by shares and is registered, domiciled and incorporated in England.

The Group consists of Knights Group Holdings plc, all of its subsidiaries and its share of joint ventures.

The principal activity and nature of operations of the Group is the provision of legal and professional services. The address of its registered office is:

The Brampton
Newcastle-under-Lyme
Staffordshire
ST5 0QW

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

Applying these standards requires the directors to exercise judgement and use certain critical accounting estimates. The judgments and estimates that the directors deem significant in the preparation of these financial statements are explained in note 4.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Monetary amounts are presented in sterling, being the functional currency of the Group's subsidiaries, rounded to the nearest thousand except where otherwise indicated.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all periods presented in the financial statements, unless otherwise stated.

2.2 Going concern

The accounts are prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group has a strong trading performance, generates strong operating cashflows and has recently renewed and increased its banking facilities from £70,000,000 to £100,000,000, available until 7 November 2027. The Group's forecasts show sufficient cash generation and headroom in banking facilities and covenants, by comparison to anticipated future requirements, to support the Directors' conclusions that the assumption of the going concern basis of accounting in preparing the financial statements is appropriate.

The Group continues to trade profitably and cash generation at an operating cashflow level has remained strong and in line with expectation. In order to satisfy the validity of the going concern assumption, a number of different trading scenarios including a reduction in revenues and costs have been modelled and reviewed. Some of these scenarios forecast a significantly more negative trading performance than is expected. In all of these scenarios the Group remained profitable and with significant headroom in its cash resources for the 12 months from the date of approval of the accounts.

2.3 Basis of consolidation

The consolidated financial statements incorporate the results of Knights Group Holdings plc, all of its subsidiaries and share of joint venture.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer which is the date of exchange of the sale and purchase agreement. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

2. Accounting policies continued

Audit exemption of subsidiaries

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

Name	Registered number
Knights 1759 Limited	10279177
K & S Trust Corporation Limited	02885753
CLM Trust Corporation Limited	11247326
Thursfields Legal Limited	08829685
Thursfields (Legal Services) Limited	02689313
Thursfields LLP	OC355657
IBB Law LLP	OC430367
IBB Law (UK) Limited	02669392

The outstanding liabilities at 30 April 2025 of the above named subsidiaries have been guaranteed by the Company pursuant to s479A to s479C of the Act. In the opinion of the directors, the possibility of the guarantee being called upon is remote since the trade, assets and majority of liabilities of these subsidiaries were transferred to Knights Professional Services Limited before 30 April 2025.

2.4 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. This discount rate used is the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Deferred consideration is classified as a financial liability, which is held at amortised cost. The unwinding of the discount is recognised in non-underlying costs. Contingent acquisition payments are contingent on an employee remaining in employment with the Group, and are accounted for separately from the business combination as remuneration as described in notes 13 and 21.

2.5 Revenue

The Group earns revenue from the provision of legal and professional services. Revenue for these services is recognised over time in the accounting period in which the services are rendered, as the Group has an enforceable right to payment for work performed to date under its client terms of engagement.

Fee arrangements for legal and professional services include fixed fee arrangements, unconditional fee-for-service arrangements ("time and materials"), and variable or contingent fee arrangements.

For fixed fee arrangements, revenue is recognised based on the stage of completion with reference to the actual services provided as a proportion of the total services expected to be provided under the contract. The stage of completion is measured using the input method, and completion is tracked on a contract-by-contract basis using the hours spent by professionals providing the services.

In fee-for-service contracts, revenue is recognised up to the amount of fees that the Group is entitled to bill for services performed to date based on contracted rates.

Under variable or contingent fee arrangements, fees may be earned only in the event of a successful outcome of a client's claim. Fees under these arrangements may be fixed or may be variable based on a specified percentage of damages awarded under a claim.

For variable or contingent fee arrangements management makes a detailed assessment of the amount of revenue expected to be received and the probability of success of each case. Variable consideration is recognised over the duration of the matter, only to the extent that it is highly probable that the amount recognised will not be subject to significant reversal when the matter is concluded, based on the expected amount recoverable at that point in time. In such circumstances, a level of judgement is required to determine the likelihood of success of a given matter, as well as the estimated amount of fees that will be recovered in respect of the matter. Where the likelihood of success of a contingent fee arrangement is less than highly probable, the value recognised in contract assets is further reduced to reflect this uncertainty.

Certain contingent fee arrangements are undertaken on a partially funded basis. In such arrangements, the funded portion of fees is not contingent on the successful outcome of the litigation and in these instances the revenue is recognised up to the amount of fees that the Group is entitled to bill for services performed to date based on contracted rates. The remaining consideration is variable and conditional on the successful resolution of the litigation. The variable consideration is recognised over the duration of the matter and included in revenue based on the expected amount recoverable only to the extent that it is highly probable that the amount recognised will not be subject to significant reversal when the uncertainty is resolved at that point in time.

The Group's contracts with clients each comprise of a single distinct performance obligation, being the provision of legal and professional services in relation to a particular matter, and the transaction price is therefore allocated to this single performance obligation.

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

The Group has determined that no significant financing component exists in respect of the provision of legal and professional services because the period between when the Group transfers its services to a client and when the client pays for that service will generally be one year or less.

Consideration for services provided under contingent or variable fee arrangements may be paid after a longer period. In these cases, no significant financing component exists because the consideration promised by the client is variable subject to the occurrence or non-occurrence of a future event that is not substantially within the control of the client or the Group.

A trade receivable is recognised when a bill has been issued to the client, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Unbilled revenue is recognised as contract assets. Costs incurred in fulfilling the future performance obligations of a contract are recognised as contract assets if the costs are expected to be recovered.

Contract liabilities are recognised in respect of consideration billed in advance of satisfying the performance obligation under the contract.

Revenue does not include disbursements. Recoverable expenses incurred on client matters that are expected to be recovered and are billed during the period are recognised in other income.

2.6 Interest received on client deposits

Interest recognised on client deposits held is recognised in the Consolidated Statement of Comprehensive Income as it accrues, based on the effective interest rate during the period. This forms part of other operating income as this is driven by the ongoing operations of the business.

2.7 Taxation

The tax expense represents the sum of the current tax expense and the deferred tax expense. Current tax assets are recognised when the tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for temporary differences, calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date except for;

- When the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

2. Accounting policies continued

2.8 Intangible assets – Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill is tested annually by the directors for evidence of impairment.

2.9 Intangible assets – Other than goodwill

Intangible assets purchased, other than in a business combination, are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination, such as customer relationships, are initially recognised at estimated fair value, except where the asset does not arise from legal or contractual rights, and there is no history or evidence of exchange transactions for the same or similar assets and estimating the assets fair value would depend on immeasurable variables. The fair value represents the directors' best estimate of future economic benefit to be derived from these assets discounted at an appropriate rate.

Other intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Customer relationships that are acquired by the Group as part of a business combination are stated at cost less accumulated amortisation and impairment losses (see accounting policy 'Impairment of non-financial assets'). Cost reflects management's judgement of the fair value of the individual intangible asset calculated by reference to the net present value of future benefits accruing to the Group from the utilisation of the asset, discounted at an appropriate discount rate.

Intangible assets are amortised to the Consolidated Statement of Comprehensive Income on a straight-line basis over their estimated useful lives, as follows:

Purchased computer software	- 4 years
Customer relationships	- 3-25 years
Brand	- 100 years

Purchased computer software is amortised over a period of 4 years, being the minimum period expected to benefit from the asset.

Customer relationships are amortised over a period of 3-25 years being the average length of relationship with key clients for acquired entities.

Brand value is amortised over a period of 100 years based on the directors' assessment of the future life of the brand. This is supported by a trading history dating back to 1759. Brand value relates to the 'Knights' brand only. Other acquired brands are not recognised as an asset as the impact of such recognition would not be material.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on property, plant and equipment at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Freehold property	- 2% on cost
Expenditure on short leasehold property	- 10% on cost
Leasehold property	- 1% on cost
Office equipment	- 25% on cost
Furniture and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Right-of-use assets	- useful life of the lease (between 2 and 25 years)

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

2.11 Investment in joint ventures

Entities in which the Group has a long-term interest and share control under a contractual arrangement are classified as joint ventures. Joint ventures are accounted for using the equity method. Where necessary, adjustments are made to bring the accounting policies of joint ventures into line with those used by the Group.

2.12 Impairment of non-financial assets

An assessment is made at each reporting date of whether there are indications that non-financial assets may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit.

Shortfalls between the carrying value of non-financial assets and their recoverable amounts, being the higher of the fair value less costs to sell and value in use, are recognised as impairment losses. All impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Recognised impairment losses are reversed (other than for goodwill) if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Consolidated Statement of Comprehensive Income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

2.13 Leases

Group as lessee

The Group leases offices, equipment and vehicles. Rental contracts are for periods of between 2 and 25 years. Lease terms are negotiated on a lease-by-lease basis and contain a variety of terms and conditions.

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) or leases of low value assets (being those assets with a value less than £4,000). For short term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term assumed reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Underlying lease payments of both principal and interest are included in financing activities in the cash flow. Onerous lease payments of both principal and interest are included in non-underlying operating activities in the Statement of Cash Flows.

The lease liability is presented as a separate line in the Consolidated Statement of Financial Position.

Right-of-use assets are recognised at commencement of the lease and initially measured at the amount of the present value of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

After initial recognition, the lease liability is reduced for payments made and increased to reflect interest on the lease liability (using the effective interest method). The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Interest on the lease liability is recognised in the Consolidated Statement of Comprehensive Income.

An estimate of the costs to be incurred in restoring the leased asset to the condition required under the terms and conditions of the lease is recognised as part of the cost of the right-of-use asset when the Group incurs the obligation for these costs. The costs are incurred at the start of the lease or over the lease term. The provision is measured at the present value of the best estimate of the expenditure required to settle the obligation.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

2. Accounting policies continued

Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its properties.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

Finance lease receivables are initially measured on a present value basis. This includes the net present value of the following lease payments receivable:

- ♦ fixed payments receivable (including in-substance fixed payments), less any lease incentives payable;
- ♦ variable lease payments receivable that are based on an index or a rate;
- ♦ amounts expected to be receivable by the Group under residual value guarantees; and
- ♦ payments received on penalties for terminating the lease, if the lease term assumed reflects the group exercising that option.

The lease payments receivable are discounted using the interest rate implicit in the head lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Underlying lease payments received of both principal and interest are included in investing activities in the cash flow.

The finance lease receivable is presented as a separate line in the Consolidated Statement of Financial Position.

After initial recognition, the lease receivable is reduced for payments received and increased to reflect interest on the lease receivable (using the effective interest method). The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Interest on the lease receivable is recognised in the Consolidated Statement of Comprehensive Income.

The Group remeasures the lease receivable (and makes a corresponding adjustment to the Consolidated Statement of Comprehensive Income) whenever:

- ♦ the lease term has changed or there is a significant change in the assessment of exercise of a purchase option, in which case the lease receivable is remeasured by discounting the revised lease payments receivable using a revised discount rate;
- ♦ the lease payments receivable change due to changes in an index or rate or a change in expected receivable under a guaranteed residual value, in which cases the lease receivable is remeasured by discounting the revised lease payments receivable using the initial discount rate (unless the lease payments receivable change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- ♦ a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease receivable is remeasured by discounting the revised lease payments receivable using a revised discount rate.

2.14 Retirement benefits

2.14a Defined contribution scheme

The Group operates a defined contribution scheme. The amount charged to the Consolidated Statement of Comprehensive Income in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accrued expenses or prepayments and other receivables.

2.14b Defined benefit pension scheme

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount in other finance costs or finance income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date.

Defined benefit assets are not recognised in the Consolidated Statement of Financial Position, on the basis that they are not deemed to be material.

For the 'With Profit Section' contributions are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability will be recognised based on the agreed share of the Group in the scheme. No liability has been recognised in the current or prior period on the basis that they are not deemed to be material.

2.15 Share-based payments

The cost of providing share-based payments to employees is charged to the Consolidated Statement of Comprehensive Income over the vesting period of the awards. The cost is based on the fair value of awards at the date of grant of the award using an appropriate valuation model. The amount recognised as an expense will be adjusted to reflect differences between the expected and actual vesting levels. Further details of the schemes are included in note 9.

2.16 Financial instruments

Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value.

Financial assets

Contract assets and trade and other receivables

Contract assets and trade and other receivables are initially measured at fair value. These assets are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on contract assets and trade and other receivables. The expected credit losses on trade receivables includes specific provisions against known receivables and an estimate using a provision matrix by reference to past experience, adjusted for forward looking considerations, and an analysis of the debtor's current financial position on the remaining balance. The expected credit losses on contract assets and other receivables is assessed based on expected credit loss experienced on these types of assets adjusted for known foreseeable estimated losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade and other payables

Trade and other payables due within one year are initially measured at fair value and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Deferred consideration

Deferred consideration is initially recognised at the fair value of the amounts payable and subsequently at amortised cost of the agreed payments in accordance with the agreement. Any interest payable on the balance is reflected in the value of the liability and charged monthly to the Statement of Comprehensive Income as it arises.

Borrowings

Borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. Borrowings are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.17 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 an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the effect of the time value of money is material, provisions are discounted using rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous service charge provisions are recognised when the unavoidable costs of meeting service charge obligations exceed the expected economic benefits to be derived from the leased properties. The provision represents the present value of the expected future service charge payments for the remaining lease term. Any onerous lease payments for rent are recognised within lease liabilities.

In common with comparable practices, the Group is involved in a number of disputes in the ordinary course of business which may give rise to claims. Professional indemnity insurance cover is maintained in respect of professional negligence claims. Premiums are expensed as they fall due with prepayments being recognised accordingly. A provision is made in the financial statements for all claims where costs are likely to be incurred. The provision represents management's best estimate of the cost of defending and concluding claims and any excesses that may become payable. No separate disclosure is made for the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

2. Accounting policies continued

2.17 Provisions continued

Dilapidation provisions are recognised where the Group has an obligation under lease agreements to return leased properties to their original condition at the end of the lease term. An estimate of the costs to be incurred in restoring the leased asset to the condition required under the terms and conditions of the lease is recognised as part of the cost of the right-of-use asset when the Group incurs the obligation for these costs. The costs are incurred at the start of the lease or over the lease term. The provision is measured at the present value of the best estimate of the expenditure required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.18 Treasury Shares

The Group operates an Employee Benefit Trust ("EBT") under which ordinary shares are repurchased from the market and are subsequently issued to satisfy employee share options which are exercised. These are treated as treasury shares under IAS 32 and are added to the Treasury Shares Reserve.

Treasury shares are deducted from equity in accordance with IAS 32 Financial Instruments: Presentation. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any dividends on treasury shares are waived.

3. Accounting developments

New and amended IFRSs that are effective in this period for the first time:

The Group has applied the following amendments for the first time in these financial statements:

New and amended IFRSs

Amendments to IAS 7: Statement of Cashflows

Amendments to IAS 1: Presentation of Financial Statements

Amendments to IFRS 16: Leases

The application of these new amendments did not have a material impact on the financial statements.

New and amended IFRSs that are effective for the future

At the date of these financial statements, there are new standards and amendments to IFRSs in issue but not yet effective and have therefore not been applied as set out below:

New and amended IFRSs	Effective date
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability – Disclosures	1 January 2027
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026

The full impact of IFRS 18 on the financial statements is in the process of being reviewed, however the directors do not expect that the adoption of the standard will have a material impact on the financial statements of the Group in future periods.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Amounts recoverable on contracts – contingent fee arrangements

A level of judgement is required to determine the likelihood of success of a given matter for contingent fee arrangements. This is determined on a contract-by-contract basis after considering the relevant facts and circumstances surrounding each matter. The valuation exercise is conducted by experienced professionals with a detailed understanding of the individual matters. The carrying value of contingent fee arrangements at 30 April 2025 was £12,836,000 (2024: £13,070,000).

Business combinations

Management make judgements regarding the date of control of an acquisition in accordance with IFRS 10. The judgement considers the individual legal agreements on each transaction and the date at which the Group starts to exercise control over the activities of the subsidiary, usually the date of exchange of contracts. Financial performance of the acquisitions is included in the consolidated Group from the deemed date of control.

Alternative performance measures (APMs)

The Group presents various APMs to assist the user in understanding the underlying performance of the Group. The selection of these APMs requires the exercise of judgement as to the key performance indicators used.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty in the reporting period that may 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.

IFRS 16

The Group makes estimates of the cost of restoring leased assets to their original condition when required to do so under the terms and conditions of the lease. Those estimates are based on the current condition of the leased assets and past experience of restoration costs. As at 30 April 2025 the Group had total provisions of £6,726,000 (2024: £4,761,000) (see note 35).

Amounts recoverable on contract assets – recoverable amounts

The valuation of amounts recoverable on contract assets ('AROC') involves the use of estimates of the likely recovery rate which will be made on the gross value of chargeable time recorded to each matter.

This percentage represents management's best estimate of future value following a line by line review of the matters by professionals. The estimation process takes into account the progress of the case at the reporting date, the estimated eventual fee payable by the client and the amount of time which will be incurred in bringing the matter to a successful conclusion. The amount recognised in AROC at the year end was £50,998,000 (2024: £40,191,000), a 3% change in the estimated recovery of all matters would impact the profit for the period by approximately £1,895,000 (2024: £1,469,000).

Accounting for business combinations and valuation of acquired intangibles

Business combinations are accounted for at fair value. The valuation of goodwill and acquired intangibles is calculated separately on each individual acquisition. In attributing value to intangible assets arising on acquisition, management has made certain assumptions in relation to the expected growth rates, length of key customer relationships and the appropriate weighted average cost of capital ('WACC') and internal rate of return ('IRR'). Profitability at an EBITDA margin level is also assumed, but is considered reasonably predictable.

The value attributable to the intangible assets acquired on acquisitions also impacts the deferred tax provision relating to these items.

The total carrying value of acquired intangibles (excluding brands) is £27,960,000 (2024: £20,027,000). In order to assess the impact of the key assumptions on the values disclosed in the Financial Statements the Directors have applied the following sensitivities to the acquisitions in the current year:

Key assumption	Rate applied in the financial statements	Sensitivity tested	Annual profit impact £'000	Value of intangible assets £'000
Long term growth rate	2%	0%	47	(60)
WACC and IRR	10.5 – 11.6% ⁽¹⁾	Increase by 5%	203	(369)
Length of customer relationships	5.1 – 8.0 years	Increase of 5 years	114	1,640

(1) Each acquisition has been reviewed and, dependent upon the structure of the acquisition, an appropriate WACC or IRR rate has been applied. These sensitivities have been calculated by adjusting the adopted rates as noted above.

Growth rates are estimated based on the current conditions at the date of each acquisition with reference to independent surveys of future growth rates in the legal profession in real, inflation adjusted terms.

The length of customer relationships is estimated by considering the length of time the acquiree has had its significant client relationships up to the date of acquisition and historic customer attrition rates as appropriate.

The Directors consider the resulting valuations used give a reasonable approximation as to the value of the intangibles acquired and that any reasonably possible change in any one of the estimations in isolation would not have a material impact on the financial statements.

Intangible Assets – carrying amount of goodwill – impairment review

The Directors undertake an annual impairment review of goodwill to assess whether the carrying value of £72,893,000 is still supported by using a discounted cash flow model to derive the value in use of the cash generating unit ('CGU'). Cash flow forecasts are derived from the most recent financial budgets approved by management for the next three years and extrapolated using a terminal value calculation.

The key assumptions for the value in use calculations are those regarding the discount rates and growth rates for the Group's revenues from legal and professional services and the EBITDA margin. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

4. Critical accounting judgements and key sources of estimation uncertainty continued

Revenue growth over the three years of the forecast period reflects, for FY26, the current run rate of revenue from the Group's existing business and a full year of revenue from acquisitions made during the year ended 30 April 2025, with an element of organic growth in FY27 and FY28. The long-term growth rate of 2% (2024: 2%) is based on UK economic growth forecasts for the legal services market.

The Group has conducted a sensitivity analysis on the impairment test of the CGU value in use. Management considers there is no reasonably plausible scenario under which goodwill would be impaired.

5. Revenue

All revenue is derived from contracts with clients and is recognised over time. As explained further in note 6, the Group's legal and professional services business operates as a single business unit so there are no relevant categories into which revenue can be disaggregated.

The transaction price allocated to unsatisfied performance obligations of contracts at 30 April 2025 is not required to be disclosed because it is comprised of contracts that are expected to have a duration of one year or less.

Management information does not distinguish between contingent and non-contingent revenue as contingent fees are not separately identifiable from other fees.

6. Segmental reporting

The Board of Directors, as the chief operating decision-making body, reviews financial information for and makes decisions about the Group's overall legal and professional services business and has identified a single operating segment, that of legal and professional services operating entirely in the UK.

The legal and professional services business operates through a number of different service lines and in different locations; however, management effort is consistently directed to the firm operating as a single segment. No segmental reporting disclosure is therefore provided as all revenue is derived from this single segment.

7. Other operating income

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Other income	811	758
Bank interest on client monies	8,838	9,681
	9,649	10,439

8. Staff costs

The average monthly number of employees (including executive directors) of the Group was:

	Year ended 30 April 2025 Number	Year ended 30 April 2024 Number
Fee earners	1,079	1,131
Other employees	275	298
	1,354	1,429

Their aggregate remuneration comprised:

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Wages and salaries	84,380	80,456
Social security costs	9,452	9,053
Other pension costs	3,829	2,615
Share-based payment charge	1,200	1,131
Other employment costs	1,018	1,097
Aggregate remuneration of employees	99,879	94,352
Redundancy costs and share-based payment charges analysed as non-underlying costs	(2,272)	(1,345)
Underlying staff costs in Consolidated Statement of Comprehensive Income	97,607	93,007

Directors' remuneration

Companies Act disclosures

The total amounts for directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows:

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Salaries, fees, bonuses and benefits in kind	1,000	749
Money purchase pension contributions	14	7
	1,014	756

The number of directors to whom benefits are accruing under money purchase pension schemes is 1 (2024: 1).

The remuneration of the highest paid director was:

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Salaries, fees, bonuses, benefits in kind and gains on exercise of options	380	315
Money purchase pension contributions	14	–
	394	315

9. Share-based payments

The Group issues equity-settled share-based payments to its employees. The Group recognised total expenses of £1,200,000 (2024: £1,131,000) relating to equity-settled share-based payment transactions in the year. £1,195,000 (2024: £1,121,000) is recognised within staff costs, and £5,000 (2024: £10,000) is classified as non-underlying costs.

Any charges relating to schemes introduced as one-off schemes as part of the listing on AIM in 2018 are included in non-underlying costs because in the directors view these schemes were as a reward to employees for their past performance prior to the IPO and on acquisitions. All charges relating to other recurring LTIP or SAYE schemes are included as a normal operating expense.

The following schemes were in place during the period:

Omnibus Plan

The Omnibus Plan is a discretionary share plan, which is administered, and the grant of awards is supervised by, the Remuneration Committee.

Two forms of award are available under the Omnibus Plan, as considered appropriate by the Remuneration Committee, as follows:

- "Restricted Stock Awards": Awards granted in the form of nil or nominal cost share options, subject to time-based vesting requirements and continued employment within the Group. No performance targets will apply to Restricted Stock Awards.
- "Performance Share Awards": Awards granted in the form of nil or nominal cost share options, whereby vesting is subject to satisfaction of performance conditions and continued employment within the Group. The performance condition is in relation to meeting target underlying EPS values.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

9. Share-based payments continued

	Restricted stock awards		Performance share awards	
	Number	Weighted average exercise price Pence	Number	Weighted average exercise price Pence
Outstanding at 1 May 2023	3,170,654	0.2	367,064	0.2
Granted during the period	433,332	0.2	–	0.2
Dividend equivalents awarded	144,200	0.2	9,471	0.2
Forfeited during the period	(105,912)	0.2	(138,397)	0.2
Exercised during the period	(100,184)	0.2	–	–
Outstanding at 30 April 2024	3,542,090	0.2	238,138	0.2
Exercisable at 30 April 2024	992,586	0.2	–	–
Granted during the period	1,050,000	0.2	3,120,000	0.2
Dividend equivalents awarded	132,516	0.2	6,316	0.2
Forfeited during the period	(258,154)	0.2	(55,015)	0.2
Exercised during the period	(72,927)	0.2	–	0.2
Outstanding at 30 April 2025	4,393,525	0.2	3,309,439	0.2
Exercisable at 30 April 2025	1,971,598	0.2	–	–

The options outstanding at 30 April 2025 had a weighted average exercise price of 0.2p and a weighted average remaining contractual life of 2.5 years. The average share price for options exercised during the year was 131.1p.

During the year 1,050,000 options were granted as restricted stock awards and 3,120,000 options were granted as performance stock awards. The maximum term of any award is four years.

The aggregate of the estimated fair values of the options granted during the year was £4,707,960. The model used is based on intrinsic values and the inputs are as follows:

Date Granted	Number of Shares	Fair Value £	Share Price (p)	Exercise Price (p)	Expected Life	Type of award
26 July 2024	270,000	347,760	129.0	0.2	3.0 years	Restricted stock
29 October 2024	780,000	872,040	112.0	0.2	3.8 years	Restricted stock
29 October 2024	3,120,000	3,488,160	112.0	0.2	3.8 years	Performance share

Company Share Option Plan ('CSOP')

The CSOP is separate from the Knights Omnibus Plan. Subject to Rule 2 of the CSOP, CSOP Options granted under the CSOP have the same terms as Share Options as defined in and granted under the Knights Omnibus Plan, but as modified by the CSOP.

As approved by HMRC these are awards granted in the form of share options at an exercise price of £1.238 representing the average of the closing prices quoted for Shares in the Financial Times in respect of the five dealing days immediately preceding the Grant Date. The awards are subject to time-based vesting requirements and continued employment within the Group. No performance targets will apply to the CSOP's.

	Number	Weighted average exercise price Pence
Outstanding at 1 May 2024	–	–
Granted during the period	1,017,765	123.8
Forfeited during the period	(48,465)	123.8
Outstanding at 30 April 2025	969,300	123.8

The options outstanding at 30 April 2025 had a weighted average exercise price of 123.8p and a weighted average remaining contractual life of 2.5 years.

The aggregate of the estimated fair values of the options granted during the year was £324,428. The inputs into the Black-Scholes model are as follows:

Exercise price	123.8p
Expected volatility	55.2%
Expected life	3.0 years
Risk-free rate	4.1%
Expected dividend yield	3.9%

Share Incentive Plan ('SIP')

The SIP is an "all employee" scheme under which every eligible employee within the Group was invited to participate. The original SIP scheme was launched in September 2019, eligible employees could apply to invest up to £1,800 from pre-tax income in partnership shares; matching shares were awarded on the basis of two free matching shares for each partnership share purchased.

In January 2024, the Group launched a new 'evergreen' SIP scheme which allows eligible employees to purchase shares each month with the maximum investment per employee per year being £1,800. Matching shares are awarded on the basis of one free matching share for every two partnership shares purchased.

Under both schemes, matching shares are forfeited if the employee leaves within three years of the grant date.

	Partnership Shares Number	Matching Shares Number	Dividend Shares Number
Outstanding at 1 May 2023	118,196	236,393	–
Granted during the period	48,856	24,418	16,188
Withdrawn during the period	(37,219)	–	–
Reallocated during the period	(6,766)	(12,733)	19,499
Forfeited during the period	–	(70,351)	(4,784)
Outstanding at 30 April 2024	123,067	177,727	30,903
Unrestricted at 30 April 2024	74,285	153,346	30,903
Granted during the period	76,141	38,053	12,216
Withdrawn during the period	(22,292)	–	–
Reallocated during the period	–	–	–
Forfeited during the period	–	(30,735)	(3,150)
Outstanding at 30 April 2025	176,916	185,045	39,969
Unrestricted at 30 April 2025	61,658	127,440	39,969

Sharesave Scheme ('SAYE')

This is an HMRC approved scheme and is open to any person that was an employee or officer of the Group at the launch date of each scheme. Under the scheme, members save a fixed amount each month for three years. Subject to remaining in employment by the Group, at the end of the three-year period they are entitled to use these savings to buy shares in the Company at 80% of the market value at launch date.

The first scheme was launched in November 2018 and further new SAYE schemes were launched in February 2020 and March 2022.

	SAYE options	
	Number	Weighted average exercise price Pence
Outstanding at 1 May 2023	870,168	306
Forfeited during the period	(569,621)	310
Outstanding at 30 April 2024	300,547	298
Exercisable at 30 April 2024	7,977	361
Forfeited during the period	(135,308)	300
Outstanding at 30 April 2025	165,239	296
Exercisable at 30 April 2025	165,239	296

The options outstanding at 30 April 2025 had a weighted average exercise price of 296p.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

9. Share-based payments continued

March 2022 Scheme

The aggregate of the estimated fair values of the options granted in March 2022 is £110,000. The inputs into the Black-Scholes model are as follows:

Exercise price	296p
Weighted average share price	148p
Expected volatility	53.7%
Expected life	3.1 years
Risk-free rate	5.9%
Expected dividend yield	3.0%

The March 2022 scheme matured on 30 April 2025, the number of share options exercised in respect of this scheme as at 30 April 2025 is nil. There are 165,239 share options which remain exercisable.

10. Retirement benefit schemes

The Group operates a defined contribution pension scheme for employees. The total cost charged to income of £3,829,000 (2024: £2,615,000) represents contributions payable to the scheme by the Group. As at 30 April 2025, total contributions of £759,000 (2024: £551,000) due in respect of the reporting period had not been paid over to the schemes.

The defined benefit impact is discussed in note 41. There were no charges against income in the year ended 30 April 2025.

11. Depreciation and amortisation charges

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Depreciation	3,333	2,656
Depreciation on right-of-use assets	5,223	5,607
Amortisation on computer software	92	103
Loss on disposal of property, plant and equipment	192	144
Underlying depreciation and amortisation charges in Consolidated Statement of Comprehensive Income	8,840	8,510
Amortisation on acquired intangibles	4,033	3,580
	12,873	12,090

Amortisation on acquired intangibles has been separately identified within overall depreciation and amortisation charges as it is deemed to be a non-underlying cost, on the basis that it relates to acquisitions.

12. Other operating charges

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Establishment costs	8,301	7,775
Short term and low value lease costs	62	247
Other overhead expenses	21,476	20,196
	29,839	28,218

13. Non-underlying costs

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Redundancy and reorganisation staff costs	2,266	1,335
Share-based payment charges	5	10
Contingent acquisition payments treated as remuneration	3,752	2,824
Impairment of right-of-use assets	2,078	153
Impairment of acquired software	352	–
Recognition of onerous service charge	750	–
(Profit) on disposal of right-of-use assets	(340)	(125)
Loss on disposal of property, plant and equipment	315	930
Transaction costs	2,277	1,503
Non-underlying operating costs	11,455	6,630
Non-underlying finance costs	246	281
	11,701	6,911

Non-underlying costs cash movement

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Non-underlying costs	11,701	6,911
<i>Adjustments for:</i>		
Contingent acquisition payments shown separately	(3,752)	(2,824)
<i>Non-cash movements:</i>		
Share-based payment charge	(5)	(10)
Impairment of right-of-use assets	(2,078)	(153)
Impairment of acquired software	(352)	–
Recognition of onerous service charge	(750)	–
Profit on disposal of right-of-use assets	468	449
(Loss) on disposal of property, plant and equipment	(315)	(930)
Transaction costs	(107)	(443)
Non-underlying finance costs	(246)	(281)
<i>Additional cash movements:</i>		
Rental payments on onerous leases	435	605
Service charge payments on onerous leases	128	104
Dilapidation payments	239	818
	5,366	4,246

Non-underlying costs relate to redundancy costs to streamline the support function of the Group following acquisitions or strategic reorganisations, transaction costs in respect of acquisitions, onerous lease costs in respect of acquisitions, this is where properties have become vacant as employees have been moved into right-sized offices in the same region. Also disposals of acquired assets and share-based payment charges relating to one off share schemes offered to employees as part of the IPO and on acquisitions.

Contingent acquisition payments are included in non-underlying costs as it represents payments which are contingent on the continued employment of those individuals with the Group, agreed under the terms of the sale and purchase agreements with vendors of certain businesses acquired. The payments extend over periods of one to three years and are designed to preserve the value of goodwill and customer relationships acquired in the business combinations. IFRS requires such arrangements to be treated as remuneration and charged to the Consolidated Statement of Comprehensive Income. The individuals also receive market rate salaries for their work, in line with other similar members of staff in the Group. The contingent earnout payments are significantly in excess of these market salaries and would distort the Group's results if not separately identified.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

14. Finance costs

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Interest on borrowings	4,133	3,402
Interest on leases	2,312	1,537
	6,445	4,939

15. Finance income

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Loan interest receivable	239	23
Lease interest receivable	63	66
	302	89

16. Auditor's remuneration

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Fees payable to the parent company's auditor and their associates for the audit of the parent company's annual accounts	56	50
Fees payable to the auditor and their associates for other services to the Group:		
– The audit of the Company's subsidiaries	177	170
Total audit fees	233	220
– Audit-related assurance services	25	25
Total non-audit fees	25	25

17. Taxation

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Corporation tax:		
Current year	4,626	4,991
Adjustments in respect of prior years	224	218
	4,850	5,209
Deferred tax:		
Origination and reversal of temporary differences	(157)	(225)
Tax expense for the year	4,693	4,984

The charge for the period can be reconciled to the Consolidated Statement of Comprehensive Income as follows:

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit before tax	12,269	14,831
Tax at the UK corporation tax rate of 25% (2024: 25%)	3,067	3,708
Expenses that are not deductible in determining taxable profit	1,382	1,058
Partnership tax paid on acquired subsidiaries	20	–
Adjustment in respect of prior years	224	218
Tax expense for the year	4,693	4,984
Consisting of:		
Taxation – underlying	7,448	6,598
Tax impact of non-underlying costs	(2,755)	(1,614)

The impact of non-underlying costs on the effective rate of tax is set out below:

	Year ended 30 April 2025			Year ended 30 April 2024		
	Total £'000	Underlying £'000	Non-Underlying £'000	Total £'000	Underlying £'000	Non-Underlying £'000
Profit before tax	12,269	28,003	(15,734)	14,831	25,322	(10,491)
Tax expense	4,693	7,448	(2,755)	4,984	6,598	(1,614)
Effective rate of tax	38%	27%	18%	34%	26%	15%

18. Earnings per share

Basic and diluted earnings per share have been calculated using profit after tax and the weighted average number of ordinary shares in issue during the period.

	Year ended 30 April 2025 Number	Year ended 30 April 2024 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	85,950,758	85,840,067
Weighted average shares held in EBT	(137,332)	–
	85,813,426	85,840,067
Effect of dilutive potential ordinary shares:		
Share options	4,027,011	2,778,654
Weighted average number of ordinary shares for the purposes of diluted earnings per share	89,840,437	88,618,721
	£'000	£'000
Profit after tax	7,576	9,847
Earnings per share	Pence	Pence
Basic earnings per share	8.83	11.47
Diluted earnings per share	8.43	11.11

Underlying earnings per share is calculated as an alternative performance measure in note 39.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

19. Dividends

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 30 April 2024 of 2.79p per share (2023: 2.50p)	2,396	2,145
Interim dividend for the year ended 30 April 2025 of 1.76p per share (2024: 1.61p per share)	1,507	1,380
	3,903	3,525

For the year ended 30 April 2025 the Board have proposed a final dividend of 3.05p per share (2024: 2.79p per share). The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the register of members on 10 October 2025. The payment of this dividend will not have any tax consequences for the Group.

20. Intangible assets and goodwill

	Goodwill £'000	Brand £'000	Customer relationships £'000	Purchased computer software £'000	Total £'000
Cost					
As at 1 May 2023	59,661	5,401	35,134	495	100,691
Acquisitions of subsidiaries	2,049	–	395	–	2,444
Adjustments	78	–	–	–	78
Additions	–	–	–	40	40
Disposals	–	–	(1,097)	–	(1,097)
As at 30 April 2024	61,788	5,401	34,432	535	102,156
Acquisitions of subsidiaries	11,261	–	11,912	352	23,525
Adjustments	(156)	–	–	(2)	(158)
Additions	–	–	–	83	83
Impairment	–	–	–	(352)	(352)
As at 30 April 2025	72,893	5,401	46,344	616	125,254
Amortisation and impairment					
As at 1 May 2023	–	432	11,976	262	12,670
Amortisation charge	–	54	3,526	103	3,683
Eliminated on disposal	–	–	(1,097)	–	(1,097)
As at 30 April 2024	–	486	14,405	365	15,256
Amortisation charge	–	54	3,979	92	4,125
As at 30 April 2025	–	540	18,384	457	19,381
Carrying amount					
At 30 April 2025	72,893	4,861	27,960	159	105,873
At 30 April 2024	61,788	4,915	20,027	170	86,900
At 30 April 2023	59,661	4,969	23,158	233	88,021

The carrying amount of goodwill of £72,893,000 (2024: £61,788,000) has been allocated to the single cash generating unit (CGU) present in the business, which is the provision of legal and professional services.

The recoverable amount of the Group's goodwill has been determined by a value in use calculation using a discounted cash flow model. The Group has prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next three years after which cash flows are extrapolated using a terminal value calculation based on an estimated growth rate of 2% (2024: 2%). This rate does not exceed the expected average long-term growth rate for the UK legal services market.

The key assumptions for the value in use calculations are those regarding the growth rates for the Group's revenues from legal and professional services, the EBITDA margin and the discount rate. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU.

The rate used to discount the forecast cash flows is based on a pre tax estimated weighted average cost of capital of 12.9% (2024: 13.4%).

Revenue growth over the three years of the forecast period reflects, for FY26, the current run rate of revenue from the Group's existing business and a full year of revenue from acquisitions made during the year ended 30 April 2025, and an element of organic growth in FY27 and FY28 through continued recruitment and increases in chargeable hours and recovered rates. The long-term growth rate is based on UK economic growth forecasts for the legal services market.

The Group has conducted a sensitivity analysis on the impairment test of the CGU value in use. Management considers there is no reasonably plausible scenario under which goodwill would be impaired.

21. Acquisitions

Acquisitions summary

During the year the Group has completed two acquisitions Thursfield Legal Limited and IBB Law LLP. The table below summarises the consideration paid and the net cash flow arising on all acquisitions in the period:

	Total £'000
Total identifiable assets less liabilities acquired	18,894
Goodwill	11,261
Total consideration	30,155
Satisfied by:	
Cash	29,357
Deferred consideration arrangement	798
Total consideration transferred	30,155
Net cash outflows arising on acquisition:	
Cash consideration net of cash acquired	24,972
Net investing cash outflow arising on acquisition	24,972
Repayment of debt acquired	172
Net financing cash outflow arising on acquisition	172
Repayment of debt in future years	932

Details for the individual acquisitions are included on the following pages.

The acquisition date in each case is the date of exchange of the sale and purchase agreement, being the date on which control passes and the Group is exposed to variable returns.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

21. Acquisitions continued

Thursfields Legal Limited ('Thursfields')

On 25 July 2024 the Group exchanged contracts to acquire Thursfields by purchasing the shares of the entity. This acquisition completed on 14 September 2024. Thursfields is a law firm which will significantly strengthen Knights' presence in the West Midlands.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. These figures are provisional as the purchase accounting is not yet finalised:

	Carrying amount £'000	Fair value adjustment £'000	Total £'000
Identifiable assets			
Identifiable intangible assets	–	1,631	1,631
Property, plant and equipment	552	(3)	549
Assets held for sale	208	–	208
Right-of-use assets	–	602	602
Contract assets	1,947	–	1,947
Trade and other receivables	842	(66)	776
Cash and cash equivalents	3,899	–	3,899
Liabilities			
Trade and other payables	(1,712)	–	(1,712)
Lease liabilities	–	(602)	(602)
Provisions	(222)	5	(217)
Deferred tax	(4)	(408)	(412)
Total identifiable assets and liabilities	5,510	1,159	6,669
Goodwill			4,453
Total consideration			11,122
Satisfied by:			
Cash			10,324
Deferred consideration			798
Total consideration transferred			11,122
Net cash outflow arising on acquisition:			
Cash consideration (net of cash acquired)			6,424
Net cash outflow arising on acquisition			6,424

Intangibles relating to customer relationships of £1,631,000 has been arrived at using the excess earnings method. The goodwill of £4,453,000 represents the assembled workforce, with the acquisition bringing a number of new fee earners and expected synergies. None of the goodwill is expected to be deductible for income tax purposes.

A contingent consideration arrangement was entered into as part of the acquisition. This is contingent on the sellers remaining in employment with the Group therefore it has been excluded from the consideration and will be recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis as a remuneration expense over the 3 years post-acquisition period. This is recognised within non-underlying operating costs.

The maximum undiscounted amount of all potential future payments under the contingent consideration arrangement is £4,117,000 and is payable in equal instalments on the first, second and third anniversary of completion.

There are also undiscounted deferred consideration payments totalling £883,000 outstanding. This is payable in instalments on the first, second and third anniversaries of completion.

Thursfields contributed £8,164,000 of revenue to the Group's Statement of Comprehensive Income for the period from 27 July 2024 to 30 April 2025. The profit contributed is not separately identifiable due to the hive-up of its trade and assets being incorporated into Knights Professional Services Limited from 14 September 2024.

IBB Law LLP ('IBB')

On 28 February 2025 the Group exchanged contracts to acquire IBB by purchasing the controlling membership interests of the entity. This acquisition completed on 4 April 2025. IBB is a law firm which will significantly strengthen Knights' presence in the South East.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. These figures are provisional as the purchase accounting is not yet finalised:

	Carrying amount £'000	Fair value adjustment £'000	Total £'000
Identifiable assets			
Identifiable intangible assets	352	10,281	10,633
Property, plant and equipment	325	11	336
Investments	132	–	132
Right-of-use assets	–	3,921	3,921
Contract assets	4,369	–	4,369
Trade and other receivables	4,748	–	4,748
Cash and cash equivalents	485	–	485
Liabilities			
Trade and other payables	(3,560)	281	(3,279)
Lease liabilities	–	(3,921)	(3,921)
Borrowings	(1,043)	(61)	(1,104)
Provisions	(1,421)	–	(1,421)
Deferred tax	–	(2,674)	(2,674)
Total identifiable assets and liabilities	4,387	7,838	12,225
Goodwill			6,808
Total consideration			19,033
Satisfied by:			
Cash			19,033
Deferred consideration			–
Total consideration transferred			19,033
Net cash outflow arising on acquisition:			
Cash consideration (net of cash acquired)			18,548
Net cash outflow arising on acquisition			18,548

Intangibles relating to customer relationships of £10,281,000 has been arrived at using the excess earnings method. The goodwill of £6,808,000 represents the assembled workforce, with the acquisition bringing a number of new fee earners and expected synergies. None of the goodwill is expected to be deductible for income tax purposes.

A contingent consideration arrangement was entered into as part of the acquisition. This is contingent on the sellers remaining in employment with the Group therefore it has been excluded from the consideration and will be recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis as a remuneration expense over the post-acquisition period. This is recognised within non-underlying operating costs.

The maximum undiscounted amount of all potential future payments under the contingent consideration arrangement is £9,000,000 and is payable in equal instalments on the first, second and third anniversary of completion.

IBB contributed £4,334,000 of revenue to the Group's Statement of Comprehensive Income for the period from 28 February 2025 to 30 April 2025. The profit contributed is not separately identifiable due to the hive-up of its trade and assets being incorporated into Knights Professional Services Limited from 4 April 2025.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

22. Investments

	Joint ventures £'000	Other investments £'000	Total £'000
At 1 May 2024	50	–	50
Acquired	16	350	366
Investment income	30	28	58
Dividends received	(13)	–	(13)
Disposed	–	(167)	(167)
Reclassified as held for sale	–	(183)	(183)
At 30 April 2025	83	28	111

On 28 March 2024, the Group acquired 50% of the share capital of Convex Corporate Finance Limited ('Convex') as part of a joint venture with key management personnel of Convex. The initial investment was £50,000 and each joint venturer has equal voting rights. The profit within Convex for the period ending 30 April 2025 was £1,026,000. A share of net assets of £13,000 has been recognised in the Group during the year as the first £1,000,000 of profits in each financial year are allocated to the key management personnel of Convex.

On 28 February 2025, the Group acquired IBB Law LLP, as part of this acquisition, the Group acquired IBB Wealth Limited, a 50% joint venture between IBB Law LLP and Kubera Wealth Limited. During the year the Group has recognised a share of net assets of £16,000 representing 50% of the profit in IBB Wealth Limited in the period post-acquisition.

As part of the Thursfields acquisition, the Group acquired an investment in the capital and current accounts in Thursfields Child Care LLP, this was subsequently disposed of during the year. A 9% investment in respect of Meridies Insurance Company Limited was also acquired, the Group has taken steps to exit this investment during the year and this value has subsequently been classified as held for sale at the year end.

As part of the IBB acquisition, the Group acquired an investment in an insurance captive called Lawnet the Group has taken steps to exit this investment during the year and this value has subsequently been classified as held for sale at the year end.

23. Property, plant and equipment

	Expenditure on short leasehold property £'000	Freehold property £'000	Long leasehold property £'000	Office equipment £'000	Furniture and fittings £'000	Motor Vehicles £'000	Right-of- use assets £'000	Total £'000
Cost								
As at 1 May 2023	8,690	–	–	6,452	1,317	90	55,487	72,036
Acquisitions of subsidiaries	7	–	380	35	37	–	–	459
Additions	5,297	–	–	1,424	1,444	–	7,076	15,241
Disposals	(1,178)	–	–	(1,410)	(262)	–	(11,346)	(14,196)
Impairment	–	–	–	–	–	–	(882)	(882)
As at 30 April 2024	12,816	–	380	6,501	2,536	90	50,335	72,658
Acquisitions of subsidiaries	137	409	–	164	178	–	4,522	5,410
Additions	7,956	–	–	2,182	1,616	–	18,875	30,629
Disposals	(247)	–	–	(1,154)	(511)	–	(6,216)	(8,128)
Reclassification to held for sale	–	–	–	(8)	–	–	–	(8)
Adjustment	–	–	–	–	–	–	(260)	(260)
Impairment	–	–	–	–	–	–	–	–
Alignment	(2)	–	–	(1)	(3)	1	1	(4)
As at 30 April 2025	20,660	409	380	7,684	3,816	91	67,257	100,297
Depreciation and impairment								
As at 1 May 2023	2,465	–	–	3,501	568	11	17,287	23,832
Depreciation charge	979	–	4	1,474	176	23	5,607	8,263
Eliminated on disposal	(422)	–	–	(1,257)	(95)	–	(5,864)	(7,638)
Impairment	–	–	–	–	–	–	(729)	(729)
As at 30 April 2024	3,022	–	4	3,718	649	34	16,301	23,728
Depreciation charge	1,605	5	4	1,410	286	23	5,268	8,601
Eliminated on disposal	(65)	–	–	(1,009)	(330)	–	(3,025)	(4,429)
Impairment	–	–	–	–	–	–	2,078	2,078
Alignment	–	–	–	(1)	–	–	–	(1)
As at 30 April 2025	4,562	5	8	4,118	605	57	20,622	29,977
Carrying amount								
At 30 April 2025	16,098	404	372	3,566	3,211	34	46,635	70,320
At 30 April 2024	9,794	–	376	2,783	1,887	56	34,034	48,930
At 30 April 2023	6,225	–	–	2,951	749	79	38,200	48,204

Net impairment charges of £2,078,000 (2024: £153,000) due to leases being classified as onerous are included in non-underlying operating costs (see note 13).

See note 30 for further details of right of use assets.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

24. Contract assets and liabilities

	Contract assets £'000	Trade receivables £'000	Contract liabilities £'000
At 30 April 2025	50,998	30,639	(130)
At 30 April 2024	40,191	25,931	(188)
At 30 April 2023	38,215	23,610	(218)

The movement during the year is not separately identifiable.

Contract assets

Contract assets consist of unbilled revenue in respect of legal and professional services performed to date.

Contract assets in respect of fee-for-service and fixed fee arrangements are billed at appropriate intervals, normally on a monthly basis in arrears, in line with the performance of the services. Where such matters remain unbilled at the period end the asset is valued on a contract-by-contract basis at its expected recoverable amount.

The Group undertakes some matters based on contingent fee arrangements. These matters are billed when the claim is successfully settled. For matters ongoing at the period end, each matter is valued based on its specific circumstances. If the matter has agreed funding arrangements in place, then it is valued based on the estimated amount recoverable from the funding depending on the stage of completion of the matter.

If the liability of a matter has been admitted and performance obligations satisfied, such that it is no longer contingent, these matters are valued based on the expected recoverable amount. Due to the complex nature of these matters, they can take a considerable time to be finalised therefore performance obligations may be settled in one period but the matter not billed until a later financial period. The amount of contingent fee work in progress at 30 April 2025 was £12,836,000 (2024: £13,070,000).

If the performance obligations for contingent matters have not been satisfied at the reporting date, these assets are valued on a contract-by-contract basis taking into account the expected recoverable amount and the likelihood of success. Where the likelihood of success of a contingent fee arrangement is less than highly probable, the amount recognised in contract assets is further reduced to reflect this uncertainty.

During the year, contract assets of £6,316,000 (2024: £344,000) were acquired in business combinations.

An impairment loss of £48,000 has been recognised in relation to contract assets in the year (2024: £36,000). This is based on the expected credit loss under IFRS 9 of these types of assets. The contract asset loss is estimated at 0.2% (2024: 0.2%) of the balance.

Trade receivables

Trade receivables are recognised when a bill has been issued to the client, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Trade receivables also includes disbursements.

Bills are payable within thirty days of date of issue unless otherwise agreed with the client.

Contract liabilities

When matters are billed in advance or on the basis of a monthly retainer, this is recognised in contract liabilities and released over time as the services are performed.

25. Trade and other receivables

	30 April 2025 £'000	30 April 2024 £'000
Trade receivables	32,023	26,694
Impairment provision – trade receivables	(1,384)	(763)
Prepayments and other receivables	8,913	6,822
Amount owed from joint venture	2,000	2,523
	41,552	35,276

Trade and other receivables	30 April 2025 £'000	30 April 2024 £'000
> 1 year	2,000	2,523
< 1 year	39,552	32,753
	41,552	35,276

Trade receivables

The average credit period taken on sales is 31 days as at 30 April 2025 (2024: 28 days). No interest is charged on trade receivables. The Group uses appropriate methods to recover all balances once overdue. Once the expectation of recovery is deemed remote a debt may be written off.

The Group measures the loss allowance for trade receivables at an amount equal to 12 months expected credit losses ('ECL'). The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of a provision matrix when measuring the expected loss provision for all trade receivables. As the Group's expected credit loss experience does not show significantly different loss patterns for different client segments, the provision for loss allowance is based on past due status.

The following table details the risk profile of trade receivables (excluding disbursements) based on the Group's provision matrix:

	30 April 2025			30 April 2024		
	Gross carrying amount £'000	Expected credit losses £'000	Expected credit loss rate %	Gross carrying amount £'000	Expected credit losses £'000	Expected credit loss rate %
Not past due	18,287	52	0.28	14,893	42	0.28
1-30 days past due	2,765	19	0.67	3,667	14	0.38
31-60 days past due	1,933	6	0.33	1,378	5	0.36
61-90 days past due	398	1	0.33	209	1	0.48
>91 days past due	3,740	510	13.65	2,176	605	27.80
12 month ECL £'000	27,123	588	2.17	22,323	667	2.99

In addition to the above on trade receivables a further £284,000 (2024: £96,000) impairment loss has been recognised against disbursement balances (excluding CL Medilaw). This is based on 100% impairment against all disbursements with no activity on the matter for over 12 months and 0.3% against the remainder of the balance based upon the expected credit loss of this type of asset.

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2025 £'000	2024 £'000
Balance at 1 May	763	914
Increase in loss allowance recognised in profit and loss during the year	1,241	489
Acquired provisions	814	129
Receivables written off during the year as uncollectable	(1,434)	(769)
Balance at 30 April	1,384	763

26. Finance lease receivable

The Group sub-leases floors in three office buildings on head leases that were acquired in previous periods. The Group has classified the sub-leases as finance leases because the sub-leases are for the whole of the remaining term of the head leases.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	30 April 2025 £'000	30 April 2024 £'000
Less than one year	457	424
One to two years	457	424
Two to three years	457	424
Three to four years	436	424
Four to five years	151	406
More than five years	73	225
	2,031	2,327
Less: unearned finance income	(291)	(330)
	1,740	1,997

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For the year ended 30 April 2025

26. Finance lease receivable continued

Finance lease receivable	30 April 2025 £'000	30 April 2024 £'000
> 1 year	1,335	1,633
< 1 year	405	364
	1,740	1,997

Total lease payments received for the year ended 30 April 2025 was £458,000 (2024: £405,000).

The Group's finance lease arrangements do not include variable payments.

The directors of the Group estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period are past due, and considering the historical default experience and the future prospects of the sectors in which the lessees operate, the directors of the Group consider that no finance lease receivable is impaired.

27. Disposal of assets and liabilities held for sale

IBB Crime

On 4 April 2025 the Group completed the acquisition of IBB Law LLP which included a legal aid funded crime business. At the time of acquisition, it was noted that this work-type, which is considered non-core to Knights, would be reviewed following completion.

In April 2025, management committed to a plan to sell the legal aid funded crime business. Accordingly, all assets and liabilities are presented as assets and liabilities held for sale. Efforts to sell the crime business commenced and on 18 July 2025 the Group completed the sale of the crime business.

No fair value gains or losses have been recognised on reclassification as fair values of assets and liabilities are deemed to be equal to the carrying value at the period end.

As at 30 April 2025, the crime business was stated at fair value less cost to sell and comprised of the following assets and liabilities:

	30 April 2025 £'000
Tangible assets	8
Contract assets	358
Trade and other receivables	655
Cash and cash equivalents	79
Assets held for sale	1,100

	30 April 2025 £'000
Trade and other payables	(889)
Liabilities held for sale	(889)

Assets held for sale do not include £246,000 due to other group entities which have been eliminated on consolidation.

Other assets and liabilities held for sale

During the year, Knights acquired unlisted investments as part of the acquisitions of Thursfields Legal Limited and IBB Law LLP. At 30 April 2025, the Group has committed to disposing its share in these investments in line with the terms of share agreement for the individual investments.

	IBB Crime £'000	Other investments £'000	Total £'000
Assets held for sale			
At 1 May 2024	–	–	–
Additions	1,100	183	1,283
At 30 April 2025	1,100	183	1,283

	IBB Crime £'000	Other investments £'000	Total £'000
Liabilities held for sale			
At 1 May 2024	–	–	–
Additions	(889)	–	(889)
At 30 April 2025	(889)	–	(889)

28. Share capital

	Ordinary shares	
	Number	£'000
As at 1 May 2023	85,813,976	171
<i>Changes during the period</i>		
Ordinary shares of 0.2p each issued in respect of exercised share options	100,184	–
At 30 April 2024 (allotted, called up and fully paid)	85,914,160	171
<i>Changes during the period</i>		
Ordinary shares of 0.2p each issued in respect of exercised share options	53,148	–
At 30 April 2025 (allotted, called up and fully paid)	85,967,308	171

29. Treasury Shares

At 30 April 2025, the Group held treasury shares with a total value of £576,000 (2024: £nil). These shares are held to satisfy obligations under the Group's share-based payment schemes.

During the year, the Group purchased 499,283 of its own ordinary shares to be held in treasury. These purchases were made throughout the year; the total cost of these purchases was £598,000. Additionally, 19,799 shares were transferred out of treasury during the year to satisfy employee share option exercises. The shares transferred were valued at £22,000, based on a FIFO costs basis.

	Treasury shares	
	Number	£'000
As at 1 May 2024	–	–
<i>Changes during the period</i>		
Treasury shares purchased	(499,283)	(598)
Treasury shares issued in respect of exercised share options	19,799	22
At 30 April 2025	(479,484)	(576)

Treasury shares are deducted from equity in accordance with IAS 32 Financial Instruments: Presentation. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any dividends on treasury shares are waived.

30. Lease liabilities

Incremental borrowing rates applied to individual leases ranged between 1.7% and 8.3%.

The table below sets out the Consolidated Statement of Financial Position as at 30 April 2025 and 30 April 2024:

	30 April 2025 £'000	30 April 2024 £'000
Right-of-use assets		
Property	46,115	33,496
Equipment	520	538
	46,635	34,034
Lease liability		
> 1 year	48,603	35,389
< 1 year	5,666	5,181
	54,269	40,570

Right of use assets include additions and acquired assets of £23,250,000 (2024: £6,565,000) for property and £147,000 (2024: £511,000) for equipment. The related depreciation charge for the year is £5,102,000 (2024: £5,127,000) for property and £165,000 (2024: £480,000) for equipment.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

30. Lease liabilities continued

The table below shows lease liabilities maturity analysis – contractual undiscounted cash flows at 30 April 2025:

	30 April 2025			30 April 2024		
	Property £'000	Equipment £'000	Total £'000	Property £'000	Equipment £'000	Total £'000
Less than one year	8,058	202	8,260	6,810	188	6,998
One to five years	28,731	457	29,188	23,485	509	23,994
More than five years	34,434	3	34,437	20,342	–	20,342
	71,223	662	71,885	50,637	697	51,334
Less unaccrued future interest	(17,517)	(99)	(17,616)	(10,658)	(106)	(10,764)
	53,706	563	54,269	39,979	591	40,570

The table below shows amounts recognised in the Consolidated Statement of Comprehensive Income for short term and low value leases as at 30 April 2025:

	30 April 2025			30 April 2024		
	Property £'000	Equipment £'000	Total £'000	Property £'000	Equipment £'000	Total £'000
Expenses relating to short – term and low value leases	61	1	62	215	32	247

For right-of-use asset depreciation and lease interest charges on leases see note 11 and 14.

Total lease payments, including payments for short term and low value leases, for the year ended 30 April 2025 were £7,307,000 (2024: £7,502,000).

31. Borrowings

	30 April 2025 £'000	30 April 2024 £'000
Secured borrowings at amortised cost:		
Bank loans	69,400	39,800
Other loans	1,282	817
Total borrowings	70,682	40,617
Amount due for settlement within 12 months	875	468
Amount due for settlement after 12 months	69,807	40,149

The above excludes lease liabilities.

All of the Group's borrowings are denominated in sterling.

The Group has a credit facility of £100,000,000 in total (2024: £70,000,000). The facility remains available until 7 November 2027.

The facility is a revolving credit facility and has the ability to roll on a monthly, quarterly, half yearly basis or any other period at the Groups option and is due for final repayment in November 2027. The facility is secured by a fixed and floating charge over the Group's assets. The facility carries an interest margin above SONIA of between 1.65% and 2.55% depending on the leverage level. A commitment fee of one third of the applicable margin is payable on the undrawn amounts.

32. Deferred consideration

	30 April 2025 £'000	30 April 2024 £'000
Non-current liabilities		
Deferred consideration	563	350
Current liabilities		
Deferred consideration	612	2,591

Deferred consideration as at 30 April 2025 relates to the acquisition of Coffin Mew LLP, St James' Law Limited and Thursfields Legal Limited and is not contingent.

In addition, the Group has accrued contingent acquisition payments relating to acquisitions included within trade and other payables. This is contingent based upon the continued employment of certain individuals and is being accrued on a monthly basis in the Consolidated Statement of Comprehensive Income in accordance with the terms of the agreements. It is expected that employment will continue for the terms of the agreements and, therefore, the contingent acquisition payments will be payable in full.

33. Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the Group and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £'000	Intangible assets £'000	Share- based payments £'000	Unpaid employer contributions £'000	IFRS 16 £'000	Total £'000
As at 1 May 2023	1,376	7,032	(459)	–	439	8,388
Acquisitions of subsidiaries	26	99	–	–	–	125
Charge/(credit) for the year	947	(895)	(221)	(1)	(55)	(225)
As at 30 April 2024	2,349	6,236	(680)	(1)	384	8,288
Acquisitions of subsidiaries	4	2,978	–	–	104	3,086
Charge/(credit) for the year	1,273	(1,008)	(268)	(87)	(67)	(157)
As at 30 April 2025	3,626	8,206	(948)	(88)	421	11,217

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances after offset for financial reporting purposes:

	30 April 2025 £'000	30 April 2024 £'000
Deferred tax assets	(1,036)	(681)
Deferred tax liabilities	12,253	8,969
	11,217	8,288

34. Trade and other payables

	30 April 2025 £'000	30 April 2024 £'000
Trade payables	6,915	5,574
Other taxation and social security	9,291	7,435
Other payables	2,675	1,281
Accruals	7,781	5,645
	26,662	19,935

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 22 days (2024: 22 days). No interest is payable on the trade payables.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Included within other payables is a contingent acquisition payments liability, this arises on acquisition and the liability is contingent on employees completing a specified length of service. As at 30 April 2025 £2,458,000 of contingent acquisition payments are included within other payables (2024: £1,277,000). The total potential value of the contingent liability is £12,252,000 (2024: £2,960,000).

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

35. Provisions

	Dilapidation provision £'000	Onerous contract provision £'000	Professional indemnity provision £'000	Total £'000
As at 1 May 2023	4,827	282	1,326	6,435
Acquisitions of subsidiaries	38	–	10	48
Additional provision in the year	853	66	1,125	2,044
Utilisation of provision	(957)	(104)	(1,164)	(2,225)
As at 30 April 2024	4,761	244	1,297	6,302
Acquisitions of subsidiaries	1,492	–	145	1,637
Additional provision in the year	902	762	772	2,436
Utilisation of provision	(429)	(128)	(763)	(1,320)
As at 30 April 2025	6,726	878	1,451	9,055
Consisting of:				
Non-current liabilities	4,693	711	–	5,404
Current liabilities	2,033	167	1,451	3,651

The dilapidations provision relates to the potential rectification of leasehold sites upon expiration of the leases. This has been based on internal estimates of the schedule of works included in the lease.

The onerous contract provision relates to service charges on vacant offices where the Group is the lessee. The Group is actively marketing these leases for reassignment. The provision represents the Directors' estimate of the future service charge costs to be paid by the Group prior to reassignment of the leases. The onerous contracts provision also includes contracts acquired via acquisition that are no longer utilised but are non-cancellable. The provision represents the present value of the remaining payments under the terms of the lease. Future service charge payments are offset against the provision.

The professional indemnity provision relates to a number of disputes in the ordinary course of business for all claims where costs are likely to be incurred and represents the cost of defending and concluding claims and any excess amounts that may become payable. The Group carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group.

36. Financial instruments

Categories of financial instruments

	30 April 2025 £'000	30 April 2024 £'000
Financial assets		
<i>Amortised cost</i>		
Contract assets	50,998	40,191
Trade and other receivables (excluding prepayments)	33,699	29,134
Lease receivable	1,741	1,997
Cash and cash equivalents	5,853	5,453
Financial liabilities		
<i>Amortised cost</i>		
Borrowings	70,682	40,617
Deferred consideration	1,175	2,941
Trade and other payables	14,913	11,223
Leases	54,269	40,570

Financial risk management objectives

The Group's Executive board and finance function monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates (see next page). Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at floating interest rates. The risk is managed by the Group by keeping the level of borrowings at a manageable level. The Group is also exposed as it holds client monies where interest is received at floating interest rates. This risk is managed by ensuring that the Group holds client monies with banks where interest rates are maximised. Overall the Group do not see interest rate risk as a significant risk as fluctuations in rates would impact both interest receivable and payable amounts. The operations of the Group are not dependent on the finance income received.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the sensitivity is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit for the year ended 30 April 2025 would decrease/increase by £353,000 (2024: decrease/increase by £203,000). This is attributable to the Group's exposure to interest rates on its variable rate borrowings.

For floating rate assets, the sensitivity is prepared taking an average client balance held throughout the year.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's profit for the year ended 30 April 2025 would decrease/increase by £1,275,000 (2024: decrease/increase by £956,000). This is attributable to the Group's exposure to interest rates on its variable rate client monies held.

Credit risk management

Note 25 details the Group's maximum exposure to credit risk and the measurement bases used to determine expected credit losses.

The risk of bad debts is mitigated by the Group having a policy of performing credit checks or receiving payments on account for new clients when practical and ensuring that the Group's exposure to any individual client is tightly controlled, through credit control policies and procedures.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the financial charges on its debt instruments and repayments of principal. There is a risk that the Group will encounter difficulty in meeting its financial obligations as they fall due or not meet its required covenants. The Group manages this risk and its cash flow requirements through detailed annual, monthly and daily cash flow forecasts. These forecasts are reviewed regularly to ensure that the Group has sufficient working capital to enable it to meet all of its short-term and long-term cash flow needs.

Measurement of fair values

Financial assets and liabilities are measured in accordance with the fair value hierarchy and assessed as Level 1, 2 or 3 based on the following criteria:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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).

Based on the Groups financial instruments disclosed at fair value, cash is level 1, borrowings is level 2 and deferred consideration is level 3. The remaining financial instruments are measured at amortised cost.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities

30 April 2025	< 1 year £'000	1-2 years £'000	2-5 years £'000	Total £'000
Borrowings	875	585	69,222	70,682
Deferred consideration	612	563	–	1,175
Trade and other payables	17,371	–	–	17,371

30 April 2024	< 1 year £'000	1-2 years £'000	2-5 years £'000	Total £'000
Borrowings	468	55	40,094	40,617
Deferred consideration	2,591	350	–	2,941
Trade and other payables	12,501	–	–	12,501

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

36. Financial instruments continued

Trade and other payables above exclude other taxation and social security costs.

The Group has met its covenant tests during the year.

For lease maturity see note 30.

Capital management

The capital structure of the Group consists of borrowings (as disclosed in note 31) and equity of the Group (comprising issued capital, reserves, and retained earnings as disclosed in the Consolidated Statement of Changes in Equity).

In managing its capital, the Group's primary objective is to provide a return for its equity shareholders through capital growth and future dividend income. The Group seeks to maintain a gearing ratio that balances risk and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs and objectives.

Gearing ratio

The gearing ratio at the year end is as follows:

	30 April 2025 £'000	30 April 2024 £'000
Borrowings (note 31)	70,682	40,617
Cash and cash equivalents	(5,853)	(5,453)
Net debt	64,829	35,164
Equity	104,532	100,260
	%	%
Net debt to equity ratio	62	35

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

37. Reconciliation of profit before taxation to net cash generated from operations

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit before taxation	12,269	14,831
<i>Adjustments for:</i>		
Amortisation on computer software	92	103
Amortisation on acquired intangibles	4,033	3,580
Depreciation – property, plant and equipment	3,333	2,656
Depreciation – right-of-use assets	5,223	5,607
Loss on disposal (net of £315,000 (2024: £930,000 loss) included in non-underlying costs)	192	144
Contingent acquisition payments	3,752	2,824
Other non-underlying operating costs	7,703	3,806
Non-underlying finance costs	246	281
Share-based payments	1,194	1,121
Non-operating income	(48)	–
Finance income	(302)	(89)
Finance costs	6,445	4,939
Operating cash flows before movements in working capital	44,132	39,803
(Increase) in contract assets	(4,850)	(1,632)
(Increase) in trade and other receivables	(1,903)	(767)
Increase in provisions	71	29
(Decrease) in contract liabilities	(58)	(29)
Increase/(Decrease) in trade and other payables	1,619	(1,150)
Cash generated from operations	39,011	36,254

38. Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	Borrowings £'000	Leases £'000
As at 1 May 2023	33,265	44,916
New borrowings and leases	23,200	6,690
Acquired borrowings and leases	638	–
Finance costs	3,402	1,537
Interest and other finance costs paid	(2,965)	(1,537)
Unpaid interest not applied to principal	(437)	–
Non-cash movement	5	(5,378)
Repayment of debt acquired with prior year subsidiaries	(166)	–
Repayments	(16,325)	(5,113)
Amounts included in operating activities	–	(545)
As at 30 April 2024	40,617	40,570
New borrowings and leases	52,150	17,750
Adjustments to existing leases	–	70
Acquired borrowings and leases	1,033	4,595
Interest charged	4,133	2,312
Interest paid	(4,067)	(2,312)
Unpaid interest not applied to principal	(66)	–
Non-cash movement	6	(3,659)
Repayment of debt acquired with current year subsidiaries	(172)	–
Repayment of debt acquired with prior year subsidiaries	(473)	–
Repayments	(22,550)	(4,661)
Amounts included in operating activities	71	(393)
As at 30 April 2025	70,682	54,272

39. Alternative performance measures

This Annual Report contains both statutory measures and alternative performance measures. In management's view the underlying performance of the business provides a more meaningful measure and year on year comparison of how the Group's business is managed and measured on a day-to-day basis.

The Group's alternative performance measures and key performance indicators are aligned to the Group's strategy and together are used to measure the performance of the business.

Alternative performance measures are non-GAAP (Generally Accepted Accounting Practice) measures and provide supplementary information to assist with the understanding of the Group's financial results and with the evaluation of operating performance for all the periods presented. Alternative performance measures, however, are not a measure of financial performance under UK-adopted International Accounting Standards ('IAS') and should not be considered as a substitute for measures determined in accordance with IFRS. As the Group's alternative performance measures are not defined terms under IFRS they may therefore not be comparable with similarly titled measures reported by other companies.

Reconciliations of alternative performance measures to the most directly comparable measures reported in accordance with IFRS are provided below.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

39. Alternative performance measures continued

a) Underlying EBITDA

Underlying EBITDA is presented as an alternative performance measure to show the underlying operating performance of the Group excluding the effects of depreciation, amortisation and non-underlying items.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Operating profit	18,600	19,962
Depreciation and amortisation charges (note 11)	12,873	12,090
Non-underlying operating costs (note 13)	11,455	6,630
Underlying EBITDA	42,928	38,682
Depreciation of right of use assets (note 11)	(5,223)	(5,607)
Interest on leases (note 14)	(2,312)	(1,537)
Lease interest receivable (note 15)	63	66
Underlying EBITDA post IFRS16 charges	35,456	31,604

Underlying EBITDA post IFRS 16 is used as a metric as this reflects the profits after deduction of rental costs which is most comparable to the EBITDA reported at IPO, before the introduction of IFRS 16.

b) Underlying profit before tax (PBT)

Underlying PBT is presented as an alternative performance measure to show the underlying performance of the Group excluding the effects of amortisation of acquired intangible assets and non-underlying items.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit before tax	12,269	14,831
Amortisation on acquired intangibles (note 11)	4,033	3,580
Non-underlying operating costs (note 13)	11,455	6,630
Non-underlying finance costs (note 13)	246	281
Underlying profit before tax	28,003	25,322

c) Underlying operating profit to underlying profit after tax (PAT)

Underlying PAT is presented as an alternative performance measure to show the underlying performance of the Group excluding the effects of investment income, finance costs and income.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Operating profit before non-underlying charges	34,088	30,172
Investment income (note 22)	58	–
Finance costs (note 14)	(6,445)	(4,939)
Finance income (note 15)	302	89
Underlying profit before tax	28,003	25,322
Taxation	(7,448)	(6,598)
Underlying profit after tax	20,555	18,724

d) Underlying profit after tax (PAT) and adjusted earnings per share (EPS)

Underlying PAT and EPS are presented as alternative performance measures to show the underlying performance of the Group excluding the effects of amortisation of intangible assets, share-based payments and non-underlying items.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit after tax	7,576	9,847
Amortisation on acquired intangibles (note 11)	4,033	3,580
Non-underlying costs (note 13)	11,701	6,911
Tax impact of non-underlying costs (note 17)	(2,755)	(1,614)
Underlying profit after tax	20,555	18,724
Underlying earnings per share	Pence	Pence
Basic underlying earnings per share	23.95	21.81
Diluted underlying earnings per share	22.88	21.13

Tax has been calculated at the corporation tax rate of 25% (2024: 25%) and deferred tax rate of 25% (2024: 25%)

e) Free cash flow and cash conversion %

Free cash flow measures the Group's underlying cash generation. Cash conversion % measures the Group's conversion of its underlying PAT into free cash flows. Free cash flow is calculated as the total of net cash from operating activities after adjusting for tax paid and the impact of IFRS 16 cash flows. Cash conversion % is calculated by dividing free cash flow by underlying PAT, which is reconciled to profit after tax above.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Cash generated from operations (note 37)	39,011	36,254
Tax paid	(5,820)	(5,432)
Net underlying cash outflow for IFRS16 leases	(6,515)	(6,245)
Free cashflow	26,676	24,577
Underlying profit after tax	20,555	18,724
Cash conversion (%)	130%	131%

f) Net debt

Net debt is presented as an alternative performance measure to show the net position of the Group after taking account of bank borrowings and cash at bank and in hand.

	30 April 2025 £'000	30 April 2024 £'000
Borrowings (note 31)	70,682	40,617
Cash and cash equivalents	(5,853)	(5,453)
Net debt	64,829	35,164

40. Capital commitments

As at 30 April 2025 there is a capital commitment of £361,000 (2024: £6,342,000).

41. Defined benefit pension schemes

The Stonehams Pension Scheme

The Group operates a legacy defined benefit pension arrangement, the Stonehams Pension Scheme (the "Scheme"). The Scheme provides benefits based on salary and length of service on retirement, leaving service, or death. The following disclosures exclude any allowance for any other pension schemes operated by the Group.

The Scheme was acquired as part of the acquisition of ASB Law where contracts were exchanged on 5 March 2020. Therefore, the disclosures below represent the period of ownership from 5 March 2020 to 30 April 2025. The scheme is closed and provides benefits for 38 legacy employees (now pensioners and deferred members).

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Group must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

41. Defined benefit pension schemes continued

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 December 2021. The results of that valuation were updated to 30 April 2025 allowing for cashflows in and out of the Scheme and changes to assumptions over the period.

From March 2023 it was agreed that Employer contributions towards administration expenses would be deferred until January 2026. Administration expenses are to be met directly from the assets of the Scheme. The Group will separately meet the cost of the PPF levy.

The Scheme typically exposes the Group to actuarial risks such as: investment risk, interest rate risk and longevity risk.

Investment risk	<p>The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit.</p> <p>Currently assets are invested in a variety of funds, which will reduce volatility. The investment approach is reviewed every three years as part of the valuation process.</p>
Interest risk	<p>There is some hedging in the asset portfolio, but at a low level.</p> <p>A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.</p>
Longevity risk	<p>The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.</p> <p>The average duration of the Scheme's obligations is 12 years.</p>

Actuarial assumptions

Principal actuarial assumptions

	30 April 2025 %	30 April 2024 %
Discount rate	5.50	5.06
Retail Prices Index ("RPI") Inflation	3.15	3.57
Consumer Price Index ("CPI") Inflation	2.25	2.67
Pension increase (LPI 5%)	3.05	3.40
Pension increase (LPI 2.5%)	2.13	2.25
Post retirement mortality	<p>Males: 90% S3PMA</p> <p>Females: 100% S3PFA (CMI 2023 model) using a long term improvement rate of 1%</p>	<p>106%/99% (m/f) S2PA CMI_2022 projections using a long-term improvement rate of 1.5% pa and initial addition of 0.3%</p>
Commutation	<p>80% of members are assumed to take the maximum tax free cash possible using current commutation factors</p>	<p>80% of members are assumed to take the maximum tax free cash possible using current commutation factors</p>
Life expectancy at age 65 of male aged 65	22.1	22.0
Life expectancy at age 65 of female aged 65	23.8	23.8
Life expectancy at age 65 of male aged 45	23.0	23.0
Life expectancy at age 65 of female aged 45	24.9	24.9

The weighted average duration of the Scheme's obligations is 12 years.

The current asset split is as follows

	Asset allocation at 30 April 2025	Asset allocation at 30 April 2024
Equities and growth assets	50%	51%
Bonds, LDI and cash	50%	49%

	Value as at 30 April 2025 £'000	Value as at 30 April 2024 £'000
Fair value of assets	1,982	2,132
Present value of funded obligations	(1,467)	(1,605)
Surplus in scheme	515	527
Deferred tax	–	–
Net defined benefit surplus after deferred tax	515	527

The fair value of the assets can be analysed as follows:

	Value as at 30 April 2025 £'000	Value as at 30 April 2024 £'000
Low risk investment funds	984	1,050
Credit Investment funds	604	647
Cash	394	435
Fair value of assets	1,982	2,132

	30 April 2025 £'000	30 April 2024 £'000
Administration costs	39	36
Net interest on liabilities	(26)	(27)
Total charge to the Statement of Comprehensive Income	13	9

Remeasurements over the period since acquisition

	30 April 2025 £'000	30 April 2024 £'000
Loss on assets in excess of interest	(105)	(115)
Gain on scheme obligation from assumptions and experience	127	31
Loss on scheme obligations due to scheme experience	(21)	8
Gain on scheme obligations from demographic assumptions	–	34
Total remeasurements	1	(42)

The change in value of assets

	30 April 2025 £'000	30 April 2024 £'000
Fair value of assets brought forward	2,132	2,314
Interest on assets	104	105
Benefits paid	(110)	(136)
Administration costs	(39)	(36)
Loss on assets in excess of interest	(105)	(115)
Fair value of assets carried forward	1,982	2,132
Actual return on assets	(1)	(10)

Change in value of liabilities

	30 April 2025 £'000	30 April 2024 £'000
Value of liabilities brought forward	1,605	1,736
Interest cost	78	78
Benefits paid	(110)	(136)
Actuarial gain	(106)	(73)
Value of liabilities carried forward	1,467	1,605

Notes to the Consolidated Financial Statements continued

For the year ended 30 April 2025

41. Defined benefit pension schemes continued

Sensitivity of the value placed on the liabilities

Approximate effect on liability

	30 April 2025 £'000	30 April 2024 £'000
Discount rate		
Minus 0.50%	78	93
Inflation		
Plus 0.50%	64	70
Life Expectancy		
Plus 1.0 years	41	49

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, inflation rate and mortality. The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The With Profits Section of the Cheviot pension

Allocation of liabilities between employers

The With Profits Section was acquired initially as part of the acquisition of ASB Law where the transaction completed on 17 April 2020. However a couple of recent acquisitions have also been legacy members of the scheme resulting in an increased overall percentage for Knights.

The Trustee has discretion under the contribution rule on how the cost of providing the benefits of the With Profits Section is allocated between employers. The contribution rule applies until the earlier of the discharge of the employer by the Trustee and the termination of the With Profits Section. The Trustee's current policy is not to discharge employers. Employers therefore remain liable under the contribution rule even if their last member dies or transfers out.

The Trustee has been considering how best to ensure all employers bear an appropriate share of the With Profits Section's obligations whilst ensuring fairness between employers and a practical and transparent methodology for the future.

As discussed at the Employers' Meeting on 5 July 2017, the Trustee has decided to fix the allocation between employers on the basis of the promised benefits just before the Section was re-classified in 2014 (the valuation as at 31 December 2013). The allocation to each employer will be expressed as a percentage of the total Scheme liabilities. The intention is to apply this percentage to any funding, buyout or IFRS deficit in the future to calculate any contribution that may be due or any accounting liability.

The estimated percentage in relation to Knights Professional Services Limited as at 30 April 2025 is 0.9554%.

This approach enables each employer to calculate the extent of their obligation to the Section on the basis of the funding level at any time. Cheviot will publish funding updates on the website: quarterly, on the scheme funding basis, which includes an allowance for future investment returns; and annually, on an estimated buyout basis, which looks at the position should all benefits be secured with an external provider.

Estimated funding position as at 30 April:

	Scheme funding basis	
	30 April 2025 £'000	30 April 2024 £'000
Total assets	52,500	58,300
Total liabilities excluding expenses	(57,200)	(63,000)
Deficit	(4,700)	(4,700)
Funding level	92%	93%

Information provided as at 30 April 2025 is at 31 March 2025, the latest information available. This is not expected to be materially different from the 30 April 2025 position.

Allocation to the Group

The estimated share of the Scheme liabilities is 0.9554%.

Over the year to 30 April 2025, the Section's funding position is a small deficit.

	30 April 2025 £'000	30 April 2024 £'000
Estimated cost of providing benefits	(546)	(498)
Value of assets	502	461
Resulting deficit	(44)	(37)
Funding level	92%	93%

The deficit has not been recognised as management consider this to be temporary and not material.

The Trustee continues to monitor the funding position.

The Trustee reserves the right to withdraw, replace or amend the policy for the allocation between employers in the future.

42. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its other related parties are disclosed below.

KPV Propco Ltd is a company controlled by Mr D.A. Beech, a person with significant influence over the Group and a member of key management personnel.

The Group leases a property from KPV Propco Ltd. During the year rents of £606,000 (2024: £376,000) were charged by KPV Propco Ltd to the Group. A new lease of The Brampton, Newcastle-under-Lyme was granted for a term of 25 years from and including 9 December 2024 to 8 December 2049 at a current rent of £801,000 per annum (excluding VAT).

During the year Knights Professional Services Limited charged KPV Propco Ltd for professional services totalling £8,000 (2024: £145,000) and a management fee of £20,000 (2024: £40,000). At 30 April 2025, there was an amount of £nil owed by the Group to KPV Propco Ltd (2024: £24,000).

During the year Knights Professional Services Limited provided legal services to the Directors in an individual capacity of £2,000 (2024: £10,000). At 30 April 2025, there was an amount of £nil (2024: £nil) owed to the Group from the Directors.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Short-term employee benefits and social security costs	1,739	1,338
Pension costs	37	20
Share-based payments	182	(23)
	1,958	1,335

Key management personnel includes Board members and directors of the Group and the main trading company Knights Professional Services Limited.

Transactions with directors

Dividends totalling £868,000 (2024: £789,000) were paid in the year in respect of ordinary shares held by the Company's directors.

43. Post balance sheet events

On 2 May 2025 the Group exchanged contracts to acquire Birkett Long LLP and Birket Long IFA (collectively trading as Birkett Long). The Group will acquire Birkett Long for total consideration of £16.6m. The transaction completed on 13 June 2025 and all assets and liabilities of Birkett Long LLP were hived into the Group on that date.

On 30 June 2025 the Group exchanged contracts to acquire Rix & Kay LLP. The Group will acquire Rix & Kay LLP for a total consideration of £0.87m. The transaction completed on 1 August 2025 and all assets and liabilities of Rix & Kay LLP were hived into the Group on that date.

On 18 July 2025 the group disposed of the crime business, acquired as part of the IBB Law LLP acquisition in April 2025.

On 15 August 2025 the Group completed the acquisition of Le Gros Solicitors Limited for a total consideration of £0.5m. All assets and liabilities of Le Gros were hived up to the Group on that date.

Initial accounting for the business combination is not yet complete and the fair value of net assets acquired has not yet been determined; accordingly details of the assets acquired and liabilities assumed, and goodwill arising on the acquisitions, cannot be given.

Company Statement of Financial Position

As at 30 April 2025

	Note	As at 30 April 2025 £'000	As at 30 April 2024 £'000
Assets			
Non-current assets			
Investments in subsidiaries	47	5,437	4,343
Amounts receivable from subsidiaries	48	82,759	84,662
		88,196	89,005
Current assets			
Trade and other receivables		24	24
Total assets		88,220	89,029
Equity and liabilities			
Equity			
Share capital		171	171
Share premium		75,277	75,262
Treasury shares		(576)	–
Share-based payment reserve		6,756	5,595
Other reserve		(100)	(100)
Retained earnings		6,522	7,472
Equity attributable to owners of the Company		88,050	88,400
Current liabilities			
Trade and other payables		162	413
Corporation tax liability		8	216
Total liabilities		170	629
Total equity and liabilities		88,220	89,029

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own Statement of Comprehensive Income. The Company reported a profit for the year ended 30 April 2025 of £2,953,000 (2024: £6,239,000).

The financial statements were approved by the board and authorised for issue on 12 September 2025 and are signed on its behalf by:



Kate Lewis

Director

Registered No. 11290101

Company Statement of Changes in Equity

For the year ended 30 April 2025

	Share capital £'000	Share premium £'000	Share- based payments £'000	Other reserve £'000	Treasury shares £'000	Retained earnings £'000	Total £'000
At 1 May 2023	171	75,262	4,464	(100)	–	4,758	84,555
Profit for the period and total comprehensive income	–	–	–	–	–	6,239	6,239
Transactions with owners in their capacity as owners:							
Credit to equity for equity-settled share-based payments	–	–	1,131	–	–	–	1,131
Dividends	–	–	–	–	–	(3,525)	(3,525)
At 30 April 2024	171	75,262	5,595	(100)	–	7,472	88,400
Profit for the period and total comprehensive income	–	–	–	–	–	2,953	2,953
Transactions with owners in their capacity as owners:							
Credit to equity for equity-settled share-based payments	–	–	1,161	–	–	–	1,161
Purchase of own shares	–	–	–	–	(598)	–	(598)
Issue of shares	–	15	–	–	22	–	37
Dividends	–	–	–	–	–	(3,903)	(3,903)
Balance at 30 April 2025	171	75,277	6,756	(100)	(576)	6,522	88,050

44. Accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

Investments in subsidiaries

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

On 18 June 2018, the whole of the share capital of Knights 1759 Limited was acquired by the Company via a share for share exchange agreement. This was a Group reorganisation satisfying the criteria of IAS 27:13. The investment cost is measured at £nil because the carrying amount of the equity items shown in the separate financial statements of Knights 1759 Limited was negative at the date of the reorganisation.

Investments in subsidiaries includes capital contributions to subsidiaries as a result of the issue of equity-settled share-based payments to employees of subsidiaries. The accounting policy for share-based payments is set out in note 2.15 to the consolidated financial statements.

45. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 44, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Recoverability of amounts due from subsidiaries

Due to the requirements of IFRS 9, Management uses judgements to assess the recoverability of amounts receivable from subsidiaries through the potential proceeds from the sale of subsidiaries.

There are no other major accounting judgements or key sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year.

46. Profit for the year

As permitted by s408 of the Companies Act 2006, no separate Statement of Comprehensive Income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's Statement of Financial Position.

The auditor's remuneration for audit and other services is disclosed in note 16 to the consolidated financial statements.

The average monthly number of employees comprised of the executive directors and non-executive directors and was 5 (2024: 5). Their aggregate remuneration borne by the Company was £nil (2024: £nil). All remuneration is borne by a subsidiary entity and no recharge is made to the Company in respect of their services as it is not practicable to allocate the costs appropriately.

The directors' emoluments are disclosed in note 8 to the consolidated financial statements.

47. Investments in subsidiaries

	£'000
<i>Cost and net book value</i>	
At 1 May 2023	3,457
Capital contribution in respect of equity-settled share-based payments	1,131
Recharge of exercised share options	(245)
At 30 April 2024	4,343
Capital contribution in respect of equity-settled share-based payments	1,200
Recharge of exercised share options	(106)
At 30 April 2025	5,437

Further information about share-based payment transactions is provided in note 9 to the consolidated financial statements.

Details of the Company's subsidiaries at 30 April 2025 are as follows:

Name	Place of business and registered office address	Principal activity	Class of shares	Proportion of ownership interest %	Proportion of voting power held %
Knights 1759 Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Holding company	Ordinary	100%	100%
Knights Professional Services Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Provision of legal and professional services	Ordinary	100%	100%
Turner Parkinson LLP	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	99.99%	99.99%
Darbys Solicitors LLP	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	99.99%	99.99%
K & S Secretaries Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	Ordinary	100%	100%
K & S Directors Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	Ordinary	100%	100%
K & S (Nominees) Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	Ordinary	100%	100%
ASB Law LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
Shulmans LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
Mundays LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
K & S Trust Corporation Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Non-Trading	Ordinary	100%	100%
Keebles LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
Langleys Solicitors LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
Coffin Mew LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
CLM Trust Corporation Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Non-Trading	Ordinary	100%	100%
Radnor Trustees Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	Ordinary	100%	100%

Notes to the Company Financial Statements continued

Name	Place of business and registered office address	Principal activity	Class of shares	Proportion of ownership interest %	Proportion of voting power held %
CLM Trustees Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	Ordinary	100%	100%
Meade King LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
Thursfields Legal Limited	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Trading	Ordinary	100%	100%
Thursfields (Legal services) Limited*	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	Ordinary	100%	100%
Thursfields LLP*	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant	N/A	100%	100%
IBB Law LLP**	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Trading	N/A	100%	100%
IBB Law (UK) Limited*	The Brampton, Newcastle-under-Lyme, Staffordshire, ST5 0QW	Dormant*	Ordinary	100%	100%

* The acquired entities were active during the financial year but are dormant as at 30 April 2025.

** Indirect ownership through each of the direct parent companies, being Knights Professional Services Limited and K&S Directors Limited.

48. Amounts receivable from subsidiaries

	30 April 2025 £'000	30 April 2024 £'000
Amounts receivable from subsidiaries	82,759	84,662

Amounts receivable from subsidiaries are unsecured and repayable on demand. Interest is charged at a rate of 5.75% per annum (5% per annum until 30 June 2023) and is payable annually on 30 April each year. Unpaid interest at 30 April each year is added to the principal of the loan.

The balances are considered recoverable (see note 45), therefore the Company has recognised a loss allowance of £nil (2024: £nil) against amounts receivable from subsidiaries.

49. Capital and reserves

The movements on share capital are disclosed in note 28 to the consolidated financial statements.

Share premium represents consideration received for shares issued above their nominal value net of transaction costs.

The share-based payment reserve is a non-distributable reserve representing the total credits to equity in respect of equity-settled share-based payment charges recognised as capital contributions within investments.

The other reserve arose as a result of applying the requirements of IAS 27:13 to the share-for-share exchange acquisition of Knights 1759 Limited because the total equity of Knights 1759 Limited was less than the nominal value of the shares issued by the Company as consideration.

Retained Earnings represents cumulative profits and losses of the Company net of distributions to members.

Glossary of Terms

Financial Performance Measure

This document contains certain financial measures that are not defined or separately recognised under IFRS. These measures are used by the Board and other users of the accounts to evaluate the Group's underlying trading performance excluding the impact of any non-recurring items and items that do not reflect the underlying day-to-day trading of the Group. These measures are not audited and are not standard measures of financial performance under IFRS. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. Accordingly, these measures should be viewed as supplemental to, not as a substitute for, the financial measures calculated under IFRS.

Underlying EBITDA

Underlying EBITDA is presented as an alternative performance measure to show the underlying operating performance of the Group excluding the effects of depreciation, amortisation, and non-underlying items.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Operating profit	18,600	19,962
Depreciation and amortisation charges (note 11)	12,873	12,090
Non-underlying operating costs (note 13)	11,455	6,630
Underlying EBITDA	42,928	38,682
Depreciation of right of use assets	(5,223)	(5,607)
Interest on leases	(2,312)	(1,537)
Lease interest receivable	63	66
Underlying EBITDA post IFRS 16	35,456	31,604

Underlying EBITDA post IFRS 16 is used as a metric as this reflects the profits after deduction of rental costs which is most comparable to the EBITDA reported at IPO, before the introduction of IFRS 16.

Underlying Profit Before Tax (PBT)

Underlying PBT is presented as an alternative performance measure to show the underlying performance of the Group excluding the effects of amortisation on acquired intangible assets, and non-underlying items.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit before tax	12,269	14,831
Amortisation on acquired intangibles	4,033	3,580
Non-underlying operating costs (note 13)	11,455	6,630
Non-underlying finance costs (note 13)	246	281
Underlying profit before tax	28,003	25,322

Underlying Operating Profit to Underlying Profit After Tax (PAT)

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Operating profit before non-underlying charges	34,088	30,172
Investment income	58	–
Finance costs	(6,445)	(4,939)
Finance income	302	89
Underlying profit before tax	28,003	25,322
Taxation	(7,448)	(6,598)
Underlying profit after tax	20,555	18,724

Glossary of Terms continued

Underlying Profit After Tax (PAT) and Underlying Earnings per Share (EPS)

Underlying PAT and underlying EPS are presented as alternative performance measures to show the underlying performance of the Group excluding the effects of amortisation on acquired intangible assets and non-underlying items.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Profit after tax	7,576	9,847
Amortisation on acquired intangibles (note 11)	4,033	3,580
Non-underlying costs (note 13)	11,701	6,911
Tax impact of non-underlying costs (note 17)	(2,755)	(1,614)
Underlying profit after tax	20,555	18,724

Underlying earnings per share	Pence	Pence
Basic underlying earnings per share	23.95	21.81
Diluted underlying earnings per share	22.88	21.13

Free Cash Flow and Cash Conversion %

Free cash flow measures the Group's underlying cash generation.

Cash conversion % measures the Group's conversion of its underlying PAT into free cash flows. Free cash flow is calculated as the total of net cash from operating activities after adjusting for tax paid and the impact of IFRS 16 cash flows. Cash conversion % is calculated by dividing free cash flow by underlying profit after tax, which is reconciled to profit after tax above.

	Year ended 30 April 2025 £'000	Year ended 30 April 2024 £'000
Cash generated from operations (note 37)	39,011	36,254
Tax paid	(5,820)	(5,432)
Total cash outflow for IFRS 16 leases	(6,515)	(6,245)
Free cashflow	26,676	24,577
Underlying profit after tax	20,555	18,724
Cash conversion (%)	130%	131%

Net debt

Net debt is presented as an alternative performance measure to show the net position of the Group after taking account of bank borrowings and cash at bank and in hand.

	30 April 2025 £'000	30 April 2024 £'000
Borrowings (note 31)	70,682	40,617
Cash and cash equivalents	(5,853)	(5,453)
Net debt	64,829	35,164

Working Capital

Working capital is calculated as:

	30 April 2025 £'000	30 April 2024 £'000
Current assets		
Contract assets	50,998	40,191
Trade and other receivables	39,552	32,753
Corporation tax receivable	882	304
Total current assets	91,432	73,248
Current liabilities		
Trade and other payables	(26,662)	(19,935)
Contract liabilities	(130)	(188)
Total current liabilities	(26,792)	(20,123)
Net working capital	64,640	53,125

Other Definitions

Colleague/Talent Retention/Employee Turnover

Churn is calculated based on the number of qualified fee earners who had been employed by the Group for more than one year. Churn is calculated taking the number of leavers in the above group over the financial year as a percentage of the average number of colleagues for the year. Retention is 100% less the churn rate. Churn excludes expected churn from acquisitions in the year of acquisition and the first full year post acquisition.

Fee Earner Concentration

This is calculated taking the largest fees allocated to an individual fee earner as a percentage of the total turnover for the year and demonstrates the Group's reliance on the fee earning potential of an individual fee earner.

Client Concentration

On an individual basis this is calculated as the percentage of total turnover for the financial year that arises from fees of the largest client. For the top 10 client concentration calculation this takes the fee income from the 10 largest clients for the year as a percentage of the total turnover for the year.

Top 50 clients

Based on fee income from the 50 largest clients for the year, excluding CL Medilaw and one off transactions.

Client Satisfaction

Net Promoter Score (NPS) measures the loyalty of a client to a company and can be used to gauge client satisfaction. NPS scores are measured with a single question survey and reported with a number from -100 to +100, the higher the score, the higher the client loyalty/satisfaction.

Colleague Satisfaction

Employee Net Promoter Score (ENPS) measures the loyalty of employees to a company and how likely they are to recommend their employer as a place to work, which can also be used to gauge employee satisfaction. ENPS scores are measured with a single question survey and reported with a number from -100 to +100, the higher the score the higher the employee loyalty.

Glossary of Terms continued

Fee Earners

When referring to the number of fee earners in the Group we include all individuals working in the Group on a mainly fee earning basis. This includes professionals (legal and non-legal) of all levels including paralegals, trainees and legal assistants. When referring to the number of fee earners in the business this will refer to the absolute number of individuals working in the Group. When using the number of fee earners to calculate the average fees or profit per fee earner or the ratio of fee earners to support staff these calculations are based on the number of full-time equivalent (FTE) individuals to reflect that a number of individuals choose to work on a part-time basis. Fee earner numbers exclude any professionals working within businesses held for sale at the year end.

Non-Fee Earners/Support Staff

This includes all employees that are not fee earning.

Recurring Revenue

This is calculated based on the amount of revenue in a year that reoccurs in the following year from the same clients.

Lock Up

This is calculated as the combined debtor and WIP days as at a point in time. Debtor days are calculated on a count back basis using the gross debtors at the period end and compared with the total fees raised over prior months. WIP (work in progress) days are calculated based on the gross work in progress (excluding that relating to clinical negligence claims, insolvency and real estate investment as these matters operate on a mainly conditional fee arrangement and a different profile to the rest of the business) and calculating how many days billing this relates to, based on average fees (again excluding clinical negligence, insolvency and real estate investment fees) per month for the last 3 months.

Lock up days excludes the impact of acquisitions in the last quarter of the financial year.

Organic Growth

Organic growth excludes revenue growth from acquisitions in the year of their acquisition, and for the first full financial year following acquisition, based on the fees generated by the individuals joining the Group from the acquired entity. Recruitment of individuals into the acquired offices post-acquisition is treated as part of the organic growth of the business.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

Knights Group Holdings plc

(Incorporated under the Companies Act 2006 and registered
in England and Wales with registered number 11290101)

Notice of Annual General Meeting

Notice of the Annual General Meeting (AGM) of Knights Group Holdings plc (the **Company**) to be held at The Brampton, Newcastle-Under-Lyme, Staffordshire, ST5 0QW on 24 October 2025 at 10:00am is set out on pages 148 to 152 of this document.

You will receive a hard copy form of the proxy but will also be able to vote electronically using the link www.investorcentre.co.uk/eproxy. You will be asked to enter the control number, shareholder reference number and pin number all of which are stated on the first page of the proxy form.

Additional proxy forms may be obtained directly from our registrars, Computershare Investor Services Plc, by contacting their helpline on 0370 703 0078. Calls will be charged at the standard geographic rate and will vary by provider. Lines are open between 8:30am–5:00pm Monday to Friday excluding public bank holidays in England and Wales.

CREST members who wish to appoint a proxy or proxies via the CREST system may use this service and should follow the relevant instructions set out in the Notice of AGM set out in this document.

Proxy appointments must be received by 10:00am on 22 October 2025.

A copy of this document is available at the Company's website at www.knightspc.com/ar2025/. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

Notice of Annual General Meeting

COMPANY NUMBER: 11290101

Knights Group Holdings plc (Company)

NOTICE IS GIVEN that the annual general meeting of the above named Company will be held at the Company's offices at The Brampton, Newcastle-under-Lyme, Staffordshire ST5 0QW on 24 October 2025 at 10.00am for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive the Company's audited accounts for the financial year ended 30 April 2025 together with the report of the directors, the strategic report and the auditors' report on those accounts.
2. To approve the directors' remuneration report for the financial year ended 30 April 2025, which is set out in the Company's annual report for the financial year ended 30 April 2025.
3. To re-elect Dave Wilson as a director of the Company.
4. To re-elect David Beech as a director of the Company.
5. To re-elect Kate Lewis as a director of the Company.
6. To re-elect Jane Pateman as a director of the Company.
7. To re-elect Gillian Davies as a director of the Company.
8. To re-appoint RSM UK Group LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at which the accounts are laid before the Company.
9. To authorise the Audit Committee to determine the remuneration of the auditors of the Company.
10. To declare a final dividend for the year ended 30 April 2025 of 3.05 pence per ordinary share in the capital of the Company, to be paid on 7 November 2025 to shareholders whose names appear on the register of members at the close of business on 10 October 2025.

SPECIAL BUSINESS

11. To consider and, if thought fit, pass the following resolution as an ordinary resolution, **THAT**, in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (**Act**) to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as **Relevant Securities**):
 - 11.1 up to an aggregate nominal value of £57,311; and
 - 11.2 comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £57,311 in connection with an offer by way of a rights issue:
 - (a) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - (b) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that these authorities, unless previously renewed, varied or revoked by the Company in general meeting, to expire at the conclusion of the next annual general meeting of the Company or 24 December 2026 whichever is the earlier, save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

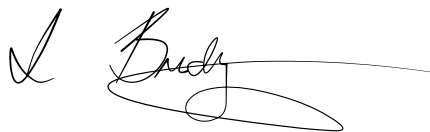
To consider and, if thought fit, pass the following resolutions as special resolutions:

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12. **THAT**, subject to the passing of resolution 11 and pursuant to sections 570 and 573 of the Act, the directors be and are generally empowered to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by that resolution and/or to sell ordinary shares held by the Company as treasury shares as if section 561(1) of the Act did not apply to any such allotment or sale, provided that such authority shall be limited to:
-
- 12.1 the allotment of equity securities or sale of treasury shares in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):
- (a) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their respective holdings; and
 - (b) to holders of other equity securities in the capital of the Company as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,
- but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
-
- 12.2 the allotment of equity securities or sale of treasury shares (otherwise than pursuant to clause 12.1 of this resolution) to any person up to an aggregate nominal amount of £17,193 (representing 10% of the current issued share capital of the Company).
- The authority granted by this resolution will expire at the conclusion of the Company's next annual general meeting after the passing of this resolution or, if earlier, at the close of business on 26 December 2026, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) for cash after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.
- This power is in substitution for all existing powers under sections 570 and 573 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).
-
13. **THAT**, subject to the passing of resolution 11, the directors be and are generally empowered, in addition to any authority granted under resolution 12, to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by resolution 11 and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be:
- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £17,193 (representing 10% of current issued share capital of the Company); and
 - (b) used only for the purpose of financing (or refinancing, if the authority is to be used within 6 months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.
- The power granted by this resolution will expire at the conclusion of the Company's next annual general meeting after this resolution is passed or, if earlier, at the close of business on 24 December 2026, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) for cash after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired (Please see note 14).
-
14. **THAT**, for the purposes of section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.002 each in the capital of the Company (**Ordinary Shares**) provided that:
-
- 14.1 the maximum number of Ordinary Shares which may be purchased is 8,596,730 (representing 10% of the current issued share capital of the Company);
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- 14.2 the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.002;
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Notice of Annual General Meeting continued

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- 14.3 the maximum price (excluding expenses) which may be paid for each Ordinary Share shall not be more than 5% above the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of The London Stock Exchange plc for the 5 business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
-
- 14.4 unless previously renewed, varied or revoked by the Company in general meeting, this authority shall expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 24 December 2026);
-
- 14.5 the Company may enter into a contract or contracts to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and, notwithstanding such expiry, make a purchase of Ordinary Shares in pursuance of such contracts as if the power conferred hereby had not expired.
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15. That the period of notice required for general meetings of the Company (other than annual general meetings) shall be not less than 14 clear days' notice. (please see note 15)
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BY ORDER OF THE BOARD



Lisa Bridgwood

Secretary

Date: 12 September 2025

REGISTERED OFFICE

The Brampton
Newcastle-under-Lyme
Staffordshire
ST5 0QW

NOTES:

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders on the register of members of the Company as at 10.00 a.m. on 22 October 2025 (or, if the meeting is adjourned, not later than close of business on the date which is two business days before the date of the adjourned meeting) will be entitled to attend or vote at the AGM and they may only vote in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 10.00 a.m. on 22 October 2025 (or, if the meeting is adjourned, after close of business on the day which is two business days before the date of the adjourned meeting) will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy need not be a member of the Company, but must attend the AGM to represent the member. Appointment of a proxy will not prevent members from attending this meeting and voting in person.
3. A form of proxy is enclosed with this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms please contact Computershare on +44 (0370) 703 0078. Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the proxy you wish to appoint, the number of Ordinary Shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions that are proposed. You should send all pages together to Computershare in accordance with the instructions below.
4. To be valid, the form of proxy must be lodged with Computershare not later than 48 business hours before the time fixed for the meeting, along with any power of attorney or other authority under which the proxy is appointed (or a notarially certified copy of such power or authority) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
5. You can lodge your vote electronically, by logging onto the Computershare website at www.eproxyappointment.com/Login. An identifying Control Number, together with your unique Shareholder Reference Number (SRN) and PIN (all of which are printed on your attendance card/form of proxy) will be required. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by the Company's registrars not later than 10.00 a.m. on 22 October 2025.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (**CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & International Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent Computershare Investor Services PLC (under CREST ID number 3RA50), no later than 10.00 a.m. on 22 October 2025, or by not later than two business days prior to the time appointed for the holding of any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notice of Annual General Meeting continued

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8. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see notes 4 and 6 above) also applies in relation to amended instructions, any amended proxy appointment received after the relevant cut-off time will be disregarded.
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
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9. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member, provide that no more than one corporate representative exercises powers over the same share. A certified copy of the board resolution appointing the relevant person(s) as the representative of that corporation in connection with the meeting must be deposited at the address set out at note 4 above for Computershare prior to the commencement of the meeting.
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10. As at 8 September 2025 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 85,967,308 ordinary shares of £0.002 each, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 8 September 2025 are 85,967,308.
-
11. Copies of all directors' service contracts with the Company and letters of appointment of non-executive directors are available for inspection during normal business hours at the registered office of the Company (public holidays excluded) and will also be available for inspection at the AGM.
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12. You may not use any electronic address provided either in this Notice of Annual General Meeting or in any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
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13. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out on pages 66 and 67 of the enclosed annual report and accounts.
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14. In accordance with the guidelines issued by the Pre-Emption Group, the Directors do not expect to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolutions 12 and 13 in excess of an amount equal to 10% of the issued share capital of the Company without prior consultation with the Company's shareholders, other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment, in which case the Directors may allot for cash on a non-pre-emptive basis an additional amount up to 10% of the issued share capital of the Company.
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15. Notice of general meetings. The notice period required by the Act for general meetings of traded companies is 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. The Company is not a traded company for the purposes of the Act but is choosing to put Resolution 15 to Shareholders to comply with best practice. Annual General Meetings will continue to be held on at least 21 clear days' notice. The authority granted by Resolution 15, if passed, will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The shorter notice period afforded by Resolution 15 would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. It is the Directors' intention not to call a meeting on less than 14 working days' notice unless there is a need for urgency.
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16. Members who have general queries about the annual general meeting should contact the Company's Registrars, Computershare on 0370 703 0078. From overseas +44 (0370) 703 0078. Calls outside the United Kingdom will be charged at the applicable international rate. Computershare are open between 08.30a.m.-17.30p.m, Monday to Friday excluding public bank holidays in England and Wales). You may not use any electronic address provided either:
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- 16.1 in this notice; or
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- 16.2 any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.
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Shareholder information

Directors

DA Beech (appointed 4 April 2018)
KL Lewis (appointed 9 May 2018)
G Davies (appointed 17 March 2021)
J Pateman (appointed 14 January 2019)
D Wilson (appointed 14 November 2023)

Secretary

L Bridgwood (appointed 1 June 2018)

Registered office

The Brampton
Newcastle-Under-Lyme
Staffordshire
ST5 0QW

Registered number

11290101

Independent auditor

RSM UK Audit LLP
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Nomad and Broker

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 4LT

Financial Public Relations

MHP
6 Agar Street
London
WC2N 4HN

Bank

Allied Irish Banks (GB)

Podium Floor
St. Helens
1 Undershaft
London
EC3A 8AB

HSBC UK Bank plc

Building 2
Etruria Office Village
Forge Lane
Festival Park
Stoke-on-Trent
ST1 5RQ

National Westminster Bank plc

250 Bishopsgate
London
England
EC2M 4AA

Registrar

Computershare Investor Services
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Legal

DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT

Knights Group Holdings plc

The Brampton
Newcastle-Under-Lyme
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