

Company registration number 12221221 (England and Wales)

Dowgate Wealth Limited
Annual Report And Financial Statements
For The Year Ended 31 December 2024

DOWGATE WEALTH LIMITED

COMPANY INFORMATION

Directors	Mr D J Poulney Mr S D Carter Mr B T McKeown Mr S M Parkinson Mr Josh Sanford	(Appointed 18 December 2024) (Appointed 19 December 2024)
Secretary	Mr S D Carter	
Company number	12221221	
Registered office	15 Fetter Lane London EC4A 1BW	
Auditor	Watson Associates (Audit Services) Limited 30-34 North Street Halisham East Sussex BN27 1DW	

DOWGATE WEALTH LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 24

DOWGATE WEALTH LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Fair review of the business and its key performance indicators

The company's strategies centre around extensive research and engagement with innovative companies, with a focus on those exhibiting strong corporate culture and exceptional management teams as such companies often yield superior long-term returns. This emphasis on long-term perspectives aligns with our commitment to cultivating an exceptional internal culture.

The Group has enjoyed a successful year, leveraging our strong performance to further strengthen our combined wealth management business. We've welcomed new talent with deep client relationships and reinvested earnings into our funds business, laying the foundation for significant growth in the years ahead.

Our funds business deserves a particular mention and delivered an impressive year, achieving profitability for the first time. The merger of Cape Wrath and the New Economies Fund gained approval, growing Adam Rackley's fund to £35 million - a solid foundation we plan to build on when the timing aligns. Meanwhile, Laurence Hulse's Onward Opportunities posted a standout 23.4% NAV return, outpacing all funds in the IA UK Smaller Companies table. This exceptional performance earned Laurence a nomination for Fund Manager of the Year at the PLC Awards, a testament to our team's expertise. We see this as a springboard to drive substantial growth in our funds business in the years ahead.

We closely monitor key performance indicators, including turnover, profit before tax, net assets, cash reserves, and assets under management. For the year ending December 2024, our turnover amounted to £6.64m (2023: £5.37m), an increase of 24% despite a poor year for stock markets. We invested this increase in enhancing each of support and development costs. Profit before tax fell 5% to £844,000 (2023: £892,000). Net assets grew to £1.90m (2023: £1.31m), underpinned by cash reserves of £1.62m (2023: £1.28m). These figures provide a solid foundation for continued growth in the medium term.

As of 31 December 2024, the company administered £1.01 billion in assets (2023: £778m) of which £383m were discretionary and advisory managed (2023: £321m) and £71m in managed trusts/funds (2023: £99m).

Principal risks and uncertainties

In common with other smaller businesses operating in a regulated financial services environment the company has identified the following as the key risks and their mitigants:

- **Loss of staff** – Staff are the most significant asset in the business. Retaining the services of key staff is essential to ongoing revenue generation and development of the business. The Board has established incentive arrangements to retain key staff, including remuneration packages, training and opportunities for staff to develop and expand their roles when possible.
- **Regulatory and financial** – The risk of breaches of qualitative or financial rules by staff or the business. The company has a culture of open and honest dealings with clients and its regulators. The company has a compliance function that provides training and education as well as monitoring of compliance performance. Regulatory capital requirements are closely monitored, and the company retains capital balances substantially in excess of recently increased current regulatory requirements.
- **Business continuity** – Given the size of the company and its limited IT and premises requirements the directors believe that if there was a major infrastructure failure or incident occurring in close proximity to its premises the company would be able to relocate quickly with minimal disruption to its clients and business activities.

Going concern

The directors, having reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

DOWGATE WEALTH LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Outlook

The Wealth Management division delivered a robust performance this year, with significant increases in Assets Under Management, revenues, and gross profits. As we move forward into 2025, our priority is to seamlessly integrate the operations of our two wealth businesses. By fully combining these entities, we position ourselves to sustain our growth trajectory, attracting top-tier, like-minded talent and capitalising on our momentum to drive continued success in the years to come.

On behalf of the board

Mr D J Poutney
Director

11 April 2025

DOWGATE WEALTH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company is a brokers and wealth management company.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends amounting to £400,000 were paid during the year.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D J Poutney	
Mr J R C Serjeant	(Resigned 21 October 2024)
Mr S D Carter	
Mr B T McKeown	
Ms L M Tilbian	(Resigned 21 October 2024)
Mr J S Ross-Field	(Resigned 8 November 2024)
Mr S M Parkinson	(Appointed 18 December 2024)
Mr Josh Sanford	(Appointed 19 December 2024)

Following the year end David Poutney will step down as Chairman of the Company to be replaced by Colin Hughes. Ed Jones has been proposed to be appointed as Finance Director and Paul Jackson as NED.

Auditor

In accordance with the company's articles, a resolution proposing that Watsons Associates (Audit Services) Limited be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr D J Poutney
Director

11 April 2025

DOWGATE WEALTH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DOWGATE WEALTH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOWGATE WEALTH LIMITED

Opinion

We have audited the financial statements of Dowgate Wealth Limited (the 'company') for the year ended 31 December 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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 our 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.

DOWGATE WEALTH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DOWGATE WEALTH LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

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

DOWGATE WEALTH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DOWGATE WEALTH LIMITED

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to continuing registration with the FCA, employment law and indirect taxes and we considered the extent to which non-compliance might have a material effect on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to achieve desired financial results and management bias in accounting estimates.

The Company is subject to several laws and regulations where the consequence of non-compliance could have a direct material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a direct material effect if non-compliance were to occur:

- FRS102
- Companies Act 2006
- Tax legislation
- Financial Conduct Authority (FCA) Handbook
- Markets in Financial Instruments Directive II (MiFID II)

The Company is subject to many other laws and regulations that do not have a direct effect to the financial statements but are fundamental to the Group's ability to operate or avoid material penalty. We have identified the following areas as those likely to have such an effect:

- Anti-Bribery
- The General Data Protection Regulation

We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We understood how the Group is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance. We reviewed all legal correspondence and nominal ledger entries for evidence to corroborate or contradict their responses, and to challenge their assumptions where appropriate.

We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by making enquiries of management and those charged with governance. We used internal and external information to corroborate these enquiries and to perform a fraud risk assessment for the group as a whole. We considered the risk of fraud to be higher through the potential for management override of controls and manipulation of accounting estimates.

Audit procedures performed by the engagement team to detect irregularities, including fraud from instances of non-compliance with laws and regulations included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading key correspondence from regulatory bodies;
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain, and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or those posted by unexpected users;

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

DOWGATE WEALTH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DOWGATE WEALTH LIMITED

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

Use of our report

This report is made solely to the 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.

Stephen J Moore FCCA (Senior Statutory Auditor)
For and on behalf of Watson Associates (Audit services) Limited

14 April 2025

Statutory Auditor

30-34 North Street
Halisham
East Sussex
BN27 1DW

DOWGATE WEALTH LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	6,638,001	5,372,127
Cost of sales		(3,315,941)	(2,631,592)
		<hr/>	<hr/>
Gross profit		3,322,060	2,740,535
Administrative expenses		(2,538,671)	(1,854,635)
		<hr/>	<hr/>
Operating profit	4	783,389	885,900
Interest receivable and similar income	8	6,421	2,601
Amounts written off investments	9	54,395	3,755
		<hr/>	<hr/>
Profit before taxation		844,205	892,256
Tax on profit	10	(225,177)	(220,364)
		<hr/>	<hr/>
Profit for the financial year		619,028	671,892
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DOWGATE WEALTH LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	£	2024 £	2023 £	£
Fixed assets					
Tangible assets	12		17,077		27,200
Investments	13		214,837		153,755
			<u>231,914</u>		<u>180,955</u>
Current assets					
Debtors	14	1,684,829		937,186	
Cash at bank and in hand		1,622,485		1,280,195	
		<u>3,307,314</u>		<u>2,217,381</u>	
Creditors: amounts falling due within one year	15	(1,617,839)		(1,081,453)	
Net current assets			<u>1,689,475</u>		<u>1,135,928</u>
Total assets less current liabilities			<u>1,921,389</u>		<u>1,316,883</u>
Provisions for liabilities					
Deferred tax liability	16	20,478	(20,478)	10,000	(10,000)
Net assets			<u><u>1,900,911</u></u>		<u><u>1,306,883</u></u>
Capital and reserves					
Called up share capital	18		375,012		12
Profit and loss reserves			1,525,899		1,306,871
Total equity			<u><u>1,900,911</u></u>		<u><u>1,306,883</u></u>

The financial statements were approved by the board of directors and authorised for issue on 11 April 2025 and are signed on its behalf by:

Mr D J Poutney
Director

Company Registration No. 12221221

DOWGATE WEALTH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2023		12	734,979	734,991
Year ended 31 December 2023:				
Profit and total comprehensive income for the year		-	671,892	671,892
Dividends	11	-	(100,000)	(100,000)
Balance at 31 December 2023		12	1,306,871	1,306,883
Year ended 31 December 2024:				
Profit and total comprehensive income for the year		-	619,028	619,028
Dividends	11	-	(400,000)	(400,000)
Other movements		375,000	-	375,000
Balance at 31 December 2024		375,012	1,525,899	1,900,911

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Dowgate Wealth Limited is a private company limited by shares incorporated in England and Wales. The registered office is 15 Fetter Lane, London, EC4A 1BW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Dowgate Group Limited. These consolidated financial statements are available from its registered office, 15 Fetter Lane, London, EC4A 1BW.

The balance sheet format has been modified to present total assets less current liabilities and total equity and long term liabilities on the grounds that this does not, based on year end financial results, represent a debt subject to contractual repayments. Further information is provided in note .

1.2 Going concern

As part of their regular assessment of prospects for the company, the directors reviewed a detailed one year plan and further projections to 30 April 2026. The company has sufficient cash resources and no cash borrowings.

As a result of such considerations, the directors have a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover represents gross commissions and fees earned before deduction of clearing charges and shared commissions. Fees are recognised only once contractual commitments have been entered into and the related service has been provided. Turnover from management and corporate retainer fees are recognised on an accruals basis.

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
Computers	3 years or 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of six months or less, readily traded government gilts and bonds, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Retainers, fees and commissions	6,638,001	5,372,127
	<u>6,638,001</u>	<u>5,372,127</u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Turnover and other revenue (Continued)

	2024	2023
	£	£
Turnover analysed by geographical market		
United Kingdom	4,881,072	4,717,404
Channel Islands	1,122,592	631,963
Other	634,337	22,760
	<u>6,638,001</u>	<u>5,372,127</u>

	2024	2023
	£	£
Other significant revenue		
Interest income	6,421	2,601
	<u>6,421</u>	<u>2,601</u>

4 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	14,835	10,350
Depreciation of owned tangible fixed assets	11,636	12,419
	<u>26,471</u>	<u>22,769</u>

5 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,835	10,350
	<u>14,835</u>	<u>10,350</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
Directors	6	6
Advisory	8	9
	<u>14</u>	<u>15</u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Employees (Continued)

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	2,361,784	2,120,582
Social security costs	364,588	321,398
Pension costs	16,882	12,962
	<u>2,743,254</u>	<u>2,454,942</u>

The number of employees, including directors, at the year end was 14 (2023 - 15).

7 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	<u>1,108,823</u>	<u>1,219,305</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	<u>411,217</u>	<u>322,277</u>

8 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	830	1,324
Other interest income	5,591	1,277
Total income	<u>6,421</u>	<u>2,601</u>

9 Amounts written off investments

	2024	2023
	£	£
Fair value gains/(losses) on financial instruments		
Gain on financial assets held at fair value through profit or loss	<u>54,395</u>	<u>3,755</u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	216,626	215,086
Adjustments in respect of prior periods	-	(22)
	<u>216,626</u>	<u>215,064</u>
Total current tax	216,626	215,064
	<u>216,626</u>	<u>215,064</u>
Deferred tax		
Origination and reversal of timing differences	8,551	5,300
	<u>8,551</u>	<u>5,300</u>
Total tax charge	225,177	220,364
	<u>225,177</u>	<u>220,364</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit before taxation	844,205	892,256
	<u>844,205</u>	<u>892,256</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%)	211,051	209,859
Tax effect of expenses that are not deductible in determining taxable profit	-	9,153
Gains not taxable	15,266	-
Effect of revaluations of investments	(1,177)	(883)
Under/(over) provided in prior years	-	(22)
Deferred tax adjustments in respect of prior years	37	5,232
Other	-	22
Provision tax adjustment	-	(2,997)
	<u>225,177</u>	<u>220,364</u>
Taxation charge for the year	225,177	220,364
	<u>225,177</u>	<u>220,364</u>

11 Dividends

	2024	2023
	£	£
Final paid	400,000	100,000
	<u>400,000</u>	<u>100,000</u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2024	4,670	46,846	51,516
Additions	-	1,513	1,513
	<u>4,670</u>	<u>48,359</u>	<u>53,029</u>
At 31 December 2024	4,670	48,359	53,029
	<u>4,670</u>	<u>48,359</u>	<u>53,029</u>
Depreciation and impairment			
At 1 January 2024	1,754	22,562	24,316
Depreciation charged in the year	1,541	10,095	11,636
	<u>3,295</u>	<u>32,657</u>	<u>35,952</u>
At 31 December 2024	3,295	32,657	35,952
	<u>3,295</u>	<u>32,657</u>	<u>35,952</u>
Carrying amount			
At 31 December 2024	1,375	15,702	17,077
	<u>1,375</u>	<u>15,702</u>	<u>17,077</u>
At 31 December 2023	2,916	24,284	27,200
	<u>2,916</u>	<u>24,284</u>	<u>27,200</u>

13 Fixed asset investments

	2024	2023
	£	£
Listed investments	214,837	153,755
	<u>214,837</u>	<u>153,755</u>

Movements in fixed asset investments

	Investments
	£
Cost or valuation	
At 1 January 2024	153,755
Valuation changes	61,082
	<u>214,837</u>
At 31 December 2024	214,837
	<u>214,837</u>
Carrying amount	
At 31 December 2024	214,837
	<u>214,837</u>
At 31 December 2023	153,755
	<u>153,755</u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Debtors	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	51,109	74,576
Other debtors	964,326	732,694
Prepayments and accrued income	538,426	31,333
	<u>1,553,861</u>	<u>838,603</u>
	2024	2023
Amounts falling due after more than one year:	£	£
Other debtors	129,041	98,583
Deferred tax asset (note 16)	1,927	-
	<u>130,968</u>	<u>98,583</u>
Total debtors	<u>1,684,829</u>	<u>937,186</u>
	2024	2023
15 Creditors: amounts falling due within one year	£	£
Trade creditors	97,819	11,233
Amounts owed to group undertakings	205,787	101,093
Corporation tax	216,626	251,824
Other taxation and social security	83,435	91,961
Other creditors	743,885	383,308
Accruals and deferred income	270,287	242,034
	<u>1,617,839</u>	<u>1,081,453</u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2024 £	Liabilities 2023 £	Assets 2024 £	Assets 2023 £
Balances:				
Accelerated capital allowances	4,269	6,800	-	-
Provisions	16,209	2,300	-	-
Investments	-	900	-	-
Short term timing differences	-	-	1,927	-
	<u>20,478</u>	<u>10,000</u>	<u>1,927</u>	<u>-</u>
				2024
Movements in the year:				£
Liability at 1 January 2024				10,000
Charge to profit or loss				8,551
				<u>18,551</u>
Liability at 31 December 2024				<u>18,551</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the provision of unpaid pension contributions at the year end. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	16,882	12,962

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

As at the year end contributions of £3,567 (2023 - £2,726) have not been paid to the pension scheme.

18 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital				
Issued and fully paid				
A Shares of 1p each	37,500,600	600	375,006	6
B Shares of 1p each	400	400	4	4
	<u>37,501,000</u>	<u>1,000</u>	<u>375,010</u>	<u>10</u>

On 15 November 2024 the Company issued 37.5 million new shares of 1p each.

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Share capital (Continued)

	2024 Number	2023 Number	2024 £	2023 £
Preference share capital Issued and fully paid				
Deferred share of 1p each	180	180	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			2	2
			<u> </u>	<u> </u>
Total equity share capital			375,012	12
			<u> </u>	<u> </u>

19 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Management charges	
	2024 £	2023 £
Fellow subsidiary	1,001,740	607,389
	<u> </u>	<u> </u>
Amounts due to related parties	2024 £	2023 £
Fellow subsidiary	205,787	101,093
	<u> </u>	<u> </u>

Other information

During the year, the company was charged £nil (2023: £404) by members of the Beavis Morgan LLP group for accounting and taxation services. Beavis Morgan LLP owns 10.5% (2023: 15.0%) of the issue equity shares of Dowgate Group Limited and has representatives on the Board of the company's parent undertaking. There were no balances owed to Beavis Morgan LLP the year end (2023 - nil).

20 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Mr J S Ross-Field - Loan	2.25	18,333	-	345	(6,012)	12,666
Mr Josh Sanford - Loan	2.25	-	70,846	1,982	-	72,828
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		18,333	70,846	2,327	(6,012)	85,494
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DOWGATE WEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Directors' transactions (Continued)

21 Ultimate controlling party

The immediate and ultimate parent company is Dowgate Group Limited, which is the smallest and largest company that consolidates Dowgate Wealth Limited into its financial statements. Copies of its consolidated financial statements can be obtained from its registered office, 15 Fetter Lane, London, EC4A 1BW.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.