PKF Francis Clark

Deals review 2025/2026

Looking back on the 2025 deal market and the outlook for 2026

Contents

Introduction and overview

2025 was a challenging year for many in the transactions market. Overall activity fell by around 15%.

After the rush to complete deals before Labour's first Budget in October 2024, many entrepreneurs then had to deal with the tax and employment issues that followed.

These pressures, along with wider trading and global challenges, meant that many business owners focused on internal issues rather than their own long-term plans. Where transactions were in progress, in many instances adverse trading performance caused transactions to be delayed, restructured or even aborted.

As a result, many advisers and funders found the year difficult. At PKF Francis Clark, however, our broad sector coverage helped us achieve another record year. Deal volumes were lower, but the total value of the deals we advised on increased.

From a team perspective, we promoted three directors to partner: Nick Tippett and Matt Willmott in M&A and Rob Gear in transaction services. We also strengthened our team with internal transfers from other departments and by hiring new colleagues from the Big Four and other mid-tier firms.

Across the market, sector performance continued to diverge. High quality assets in areas such as renewable energy and technology, media and telecommunications (TMT) attracted strong interest. In contrast, sectors with high employee costs, such as retail and hospitality, saw far less demand.

More broadly, advisers may not have helped themselves by limiting their investment in their mandates with Information Memoranda often becoming less detailed, overstating 'adjusted' EBITDA and expecting investors to take an optimistic view in a challenging market.

Similarly, in many instances, preparation for due diligence appears to have reduced, thereby resulting in more delays or issues arising late in a process.

We recognise that management teams are often a key part of the future of the business being reviewed and a constructive and supportive approach not only smooths what can be a painful process, but it also provides a positive step for post transaction progress and integration with the acquirer or investor.

Separately, we are seeing growing interest in using AI and automation tools in transaction analysis. However, accuracy and quality issues mean these tools are still better suited to more standardised work and that expert human review of outputs is crucial.

For many SME transactions, where human judgement and relationships have more impact, understanding the nuances of each situation remains essential. In my view, relationships still matter most and it is better to have advisers who genuinely care about your transaction than those that merely see it as another one to be processed.

Looking ahead to 2026, we are already seeing a strong start to the year and there is an unusual and contrasting combination of factors that may well drive higher transaction volumes. From an entrepreneurs' and market perspective, the combination of relative stability (or the desire for it), a continuing concern about the future (or better trading performance) and a pent-up aspiration for growth or a measure of their own success, will encourage more to seek a transaction.

Both private equity and debt funds have significant dry powder and continue to face pressure to invest. Combined with the need for professionals to complete deals, these forces suggest that – barring major geopolitical shocks – 2026 is likely to be more active for advisers. We may even see increased activity before tax rates rise again in April.

Andy Killick

Partner, head of corporate finance

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Our transactions team

Getting deals done with expert insight and genuine care

#1 Top-ranked dealmaker by Experian in the South West for 2025

3 **New partners in 2025** and continuing to grow the team through internal promotions and recruitment

50 Corporate finance and tax advisers as we continue to invest in our people

"

"We're grateful to the team at PKF Francis Clark for all their help throughout our due diligence and for being such **professional and kind individuals** to work with. During what is a rather intense process, this made such a positive difference to us – **it was a pleasure to work with them all**."

Sasha Jenkins | Head of finance
Blackdot

What we do

- Company sales
- Transaction support and due diligence
- Acquisitions
- Employee ownership trusts
- Feasibility assessments
- Restructuring
- Fundraising: debt and equity
- Management buy-outs
- Data insights
- Option reviews
- Tax planning and restructuring
- Valuations and forensics

Our approach

Listening to our clients

To understand their aspirations so we can maximise the chances of a successful transaction.

Finding creative solutions

By identifying issues early and using our experience to overcome them.

Senior leadership team

That are hands-on in the transaction from start to finish.

Industry knowledge

Working for both buyers and sellers – we understand how the other side is likely to operate.

Transactional tax advisers

An integrated team of tax experts with specialist transaction experience.

Extensive funding knowledge

Strong network across UK private equity houses coupled with a dedicated debt advisory practice with access to over 150 debt providers

Behind the deals: Spotlight on PKF Francis Clark's new corporate finance partners

Meet PKF Francis Clark's three new corporate finance partners, Nick Tippett, Matt Willmott and Rob Gear and discover what drives them beyond the numbers.

What has your professional journey looked like on the way to partnership?

Nick: I joined PKF Francis Clark as a recently qualified accountant in 2010. After a short stint in the firm's audit team, I joined corporate finance. In this role I support clients through milestone events, such as business sales, buyouts and in securing funding from both equity and debt partners to support growth and acquisitions.

I draw on my experience from over 100 transactions to provide transaction insight and solutions which ensure exceptional outcomes for the clients I work with. In 2019, I was part of the small team which opened our now-thriving office in Bristol, contributing to its early development and continued success.

Matt: I joined PKF Francis Clark in 2007 as a graduate trainee and spent my first three years with the firm qualifying as a chartered accountant, focusing on company audits with a wide range of businesses across the region. Upon qualification, I moved into corporate finance, where I have spent the last 15 years advising shareholders and management teams on a variety of transactions, particularly succession transactions including company sales, acquisitions, management buy-outs and employee ownership trusts.

I have been one of the most active dealmakers in the region over the past 10 years focusing on M&A transactions across the South West. I gained the ICAEW's corporate finance qualification in 2020.

Rob: My career began in audit in the South West almost 25 years ago. Over the past two decades I have built up extensive experience in corporate finance, including seven years at a Big Four firm, a stint in industry as a group financial controller and a year at an investment bank in London.

This has provided the perfect platform for my new role as partner, where I now lead PKF Francis Clark's transaction services offering advising vendors, buyers and funders.

What part of your job feels the most rewarding?

Nick: Clients often want to realise the value of their business but don't know how. Guiding them through that journey, helping them turn what they've built into tangible value, is incredibly meaningful to me.

You can see the transformation in their role and life as the transaction unfolds.

Matt: Seeing the impact our work has on people's lives. Helping a family business achieve succession or supporting entrepreneurs to realise the value of their hard work and adding value to that transaction is incredibly rewarding.

Rob: I love getting under the skin of a business, understanding how it works and helping clients make confident decisions. Helping them meet their ambitions is very rewarding.

In your opinion, what qualities make a great dealmaker?

Nick: You need the basics of having a good understanding of finances and how a business works, but being a great dealmaker is all about how you interact with people.

The ability to build relationships, influence people and knowing how to move people in the right direction on a deal is what makes a dealmaker great.

Matt: There are various qualities that make a good dealmaker. Being agile, staying calm when under pressure and being able to resolve issues are fundamental.

But even better is trying to anticipate issues – what are the problems we are likely to face before they become deal-breakers?

Rob: Empathy. Always remembering that deals are emotional as well as financial.

What's the best piece of career advice anyone's ever given you?

Nick: Being patient when working through a deal process and looking ahead to assess the issues that may arise. There is a tendency for people to rush both decision-making andthe deal process without considering the implications, but it is all about understanding when the right time for your client is to get the best outcome for them.

Matt: First one is pick up the phone. Doing transactions is as much about the people as the numbers.

Second is being calm when things go wrong, because things will go wrong, you need to be able to hold your nerve to find effective solutions.

Rob: Be yourself and don't be afraid to ask the awkward questions. In due diligence, that's the whole job. You're constantly digging, probing and trying to understand what's really going on behind the numbers.

If you weren't in corporate finance, what career could you imagine yourself in?

Nick: When I started as a trainee accountant, the other opportunity I had was to join a fully crewed sailing yacht in Tahiti, a decision I have never looked back on...

Matt: When I was younger, I had my eyes firmly set on the stars – literally. I studied astrophysics at university and was either going to be a scientist or astronaut!

Rob: Ideally as a cricketer travelling the world but unfortunately, I just wasn't that good! Maybe a farmer or a teacher...they were both options that I thought about at one time or another.

What are you looking forward to in 2026?

Nick: What excites me about the year ahead is continuing to work closely with business owners to unearth and unlock the potential of those very special businesses in the region.

Matt: We are currently working with some really great businesses across the South West and I am looking forward to seeing an improving M&A landscape in 2026 to help create and deliver life-changing transactions for these business owners and management teams.

Rob: Becoming a partner is both a privilege and a responsibility. In 2026, I am looking forward to the opportunity to mentor our future leaders and build on our already established transactional services team.

How do you like to switch off and relax?

Nick: With two young daughters, the opportunities to relax are limited, which isn't necessarily a bad thing! I am a very active person, so in those moments of peace, you will find me running, cycling, wing-foiling or just generally making the most of the outdoors.

Matt: I am a big sports fan. I enjoy playing football and following my favourite football team, Liverpool. I also enjoy running, which is my peaceful time away from work (and a break from my young children!)

Rob: I enjoy spending time with my young family and fitting in a game of cricket or golf when I can.

Looking ahead

With Nick, Matt and Rob joining the partnership, PKF Francis Clark's corporate finance team is entering an exciting new chapter. Each brings a different set of strengths, but together they share a commitment to supporting clients through some of their most important decisions.

Their combined experience, energy and enthusiasm promise a bright future for the team and the businesses they work with.

Left to right: Rob Gear, Matt Willmott and Nick Tippett

Case study:
FireText Communications

FireText Communications' sale to LINK Mobility: why preparation pays - lessons from a successful business exit

The sale of FireText Communications to Norwegian-listed LINK Mobility stands as a clear example of how thorough preparation can materially influence the success, value and smooth progression of a business exit. For FireText's founders, James Huff and Dan Parker, the transaction marked the culmination of nearly two decades of building one of the UK's most trusted SMS marketing platforms.

James Huff and Dan Parker
Exited Co-Founders
FireText Communications

Building a market-leading business

FireText, headquartered in Falmouth, had grown into a market leader since its founding in 2007, delivering more than seven billion messages for around 2,700 customers including major public sector organisations such as the NHS and the UK government. Its strong technology, loyal customer base and scalable self sign-up platform made it an attractive target for LINK Mobility, a global mobile messaging provider listed on the Oslo Stock Exchange. But even with a compelling business, achieving the best outcome required meticulous preparation.

Preparing for sale: a vendor assist approach

A key component of this preparation was a comprehensive vendor assist exercise led by PKF Francis Clark. Before going to market, the advisory team undertook a detailed review of FireText's financials, including working capital requirements, underlying profitability and any areas that might attract scrutiny during due diligence.

Addressing value-sensitive issues early

This early analysis meant that when the business entered the formal diligence phase, the shareholders were already equipped for potential areas of scrutiny. By identifying and addressing value-sensitive issues upfront, the team was able to maximise the value of offers and protect that value during due diligence.

Looking beyond the numbers

Preparation extended beyond the numbers. PKF Francis Clark invested significant time in understanding the business, its culture and the motivations of its founders. This allowed the team to articulate the key drivers of growth clearly and credibly to prospective buyers.

It also ensured that the information presented in the information memorandum and supporting materials reflected the true strengths of the business, reducing the risk of surprises later in the process.

Managing due diligence with confidence

This groundwork proved invaluable once the transaction moved into intensive due diligence. LINK Mobility's review was thorough, reflecting both the scale of the buyer and the strategic importance of the acquisition. Because the FireText team had already worked through the likely pressure points, they were able to respond quickly and confidently to requests.

Managing the process effectively supported by complete, well organised information kept the transaction on track and reinforced buyer confidence.

FireText's sale demonstrates that preparation is not just an administrative exercise, it is a value driver. By investing early in understanding, analysing and presenting the business, the shareholders entered the market with clarity, navigated diligence with confidence and completed a transaction that reflected the true worth of what they had built.

The founders themselves recognised the impact of this preparation.

Dan Parker commented:

"Throughout the sale process, we had the privilege of working with the PKF Francis Clark team.

They worked tirelessly to ensure every financial detail was accounted for and their responsiveness at every critical juncture made a complex transaction feel seamless.

Their dedication was instrumental to our success."

Sector expertise

We work across a wide range of sectors to develop an understanding of key issues that can affect transactions, while at the same time understanding particular sector characteristics, themes and funding requirements.

Some of the key sectors we have worked on during the last year include:

- **Business services**
- **Consumer**
- **Energy and infrastructure**
- **Healthcare**
- **Manufacturing**
- **Technology, media and telecoms**
- **Waste management and environmental services**

Business services

The UK business services sector continues to demonstrate resilience and adaptability, playing a vital role in the wider economy. Recent deal activity has been driven by firms pursuing efficiencies and consolidation, as rising compliance and regulatory demands place pressure on operating costs.

Investor appetite remains strong, with acquisitions focused on scalable platforms and technology-enabled providers that are well positioned to deliver enhanced value and meet the evolving needs of clients.

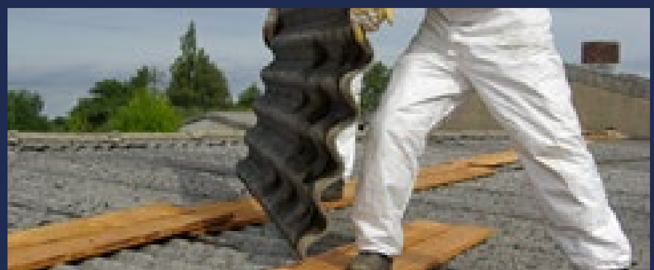
Recent deals in this sector that we have advised on include:

Quanterra Solutions Limited

The sale of Quanterra Solutions to Vaisala

Railpen

The sale of Railpen's third-party pension administration Business to Broadstone



Horizon Environmental Services Limited

The acquisition of Premier Pest Control Services by Horizon Environmental Services

New Path Fire and Security Limited

The acquisition of Elite Entrance Systems by New Path Fire and Security

Consumer

The consumer sector continues to offer a wide range of transaction opportunities, from ongoing consolidation and strategic acquisitions by companies pursuing buy-and-build models to strong appetite from investors backing high-growth consumer brands.

Whether it's expanding into new channels or unlocking synergies across product portfolios, the sector remains active and attractive for both corporate and private equity players.

Recent deals in this sector that we have advised on include:

Agrova International

The acquisition of Sunrise Eggs, one of the UK's largest egg producers, by European agri-food group Agrova International

Vospers of Plymouth Limited

Providing a due diligence services to Vospers of Plymouth on the acquisition of County Garage (Barnstaple)

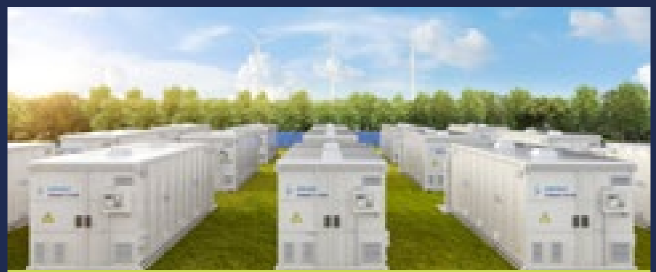
Energy and infrastructure

Our specialist energy and infrastructure team provides a complete financial advisory service to the renewable energy sector, combining the expertise of senior corporate finance professionals with leading specialists in tax advisory, wealth management and due diligence.

This year has been exceptionally busy, with the team actively engaged in a record number of complex and high-impact transactions across the sector.

Their dedication and deep industry insight have been instrumental in delivering outstanding results for clients.

Recent deals in this sector that we have advised on include:



Source Galileo

The sale of a 40MW battery energy storage system (BESS) project by Source Galileo

Low Carbon

Two landmark solar transactions for Low Carbon, which included sales to Total Energies and EDF Power Solutions

EVC Kilt

The sale of two pre-construction solar projects owned by EVC Kilt to Atlantica Sustainable Infrastructure

Climate ER Helio

The sale of a solar and BESS project

Ampyr Idea UK

The acquisition of Shawton Energy and subsidiaries by Ampyr Distributed Energy

Muirhall Energy and WWS Renewables

The sale of an operational wind farm owned by Muirhall Energy and WWS Renewables to Blackfinch Energy

Vattenfall Solar Projects

The sale of Kemberton Solar Farm to Downing

Spring Che

The sale of Hawklands Solar Farm (part of the Spring Che portfolio) to Downing

“The energy team at PKF Francis Clark acted as lead adviser to Low Carbon from the outset of these two landmark transactions through to successful completion. **Their deep understanding of the UK renewables sector** and investor landscape was instrumental in ensuring both deals progressed efficiently and closed on schedule.

It was a pleasure working with the team, whose expertise and commitment helped deliver two fantastic outcomes.”

Paul Allam
Investment Director | Low Carbon

Manufacturing

The manufacturing industry continues to be one of the most important sectors in the UK, despite turbulent market conditions and some challenges over the last couple of years.

Becoming more agile across business operations and establishing strong channel partnerships has become more important than ever.

Technology has been a driving force for modernisation and efficiency in the industry and we can expect this to continue.

Recent deals in this sector that we have advised on include:

KSFG

The management buyout (MBO) of KSFG

J&B Hopkins

Multi-million-pound fundraise for J&B Hopkins from an alternative specialist funder

Pula Aviation Services

Providing a due diligence service to Pula Aviation Services on the acquisition of Jet Maintenance International

Left to right: Darren Phillips and Paul Stout

"It was a pleasure to work with PKF Francis Clark. The team were always on hand to provide support throughout the process, helping to guide us to completion. **I would recommend PKF Francis Clark** to anyone who is considering entering a sales process."

Neil Stephen
CEO | DenGro

Healthcare

As in previous years, the healthcare sector continues to provide a range of transaction opportunities, whether it is the ongoing consolidation or acquisition opportunities for those companies with buy-and-build strategies or the availability of equity funding for those healthcare companies looking to scale and expand.

Recent deals in this sector that we have advised on include:

DenGro

The sale of DenGro to Agilio Software

The Weir Nursing Home

The sale of The Weir Nursing Home to Ashberry Healthcare

Technology, media and telecoms

Despite wider market challenges, deal activity has remained steady in the technology sector, with consolidation and strategic acquisitions shaping the landscape.

Investors are particularly focused on scalable platforms and technology-enabled businesses, including those in AI, data infrastructure and digital solutions. It's a sector that's evolving fast and showing no signs of slowing down.

Recent deals in this sector that we have advised on include:

Firetext Communications

The sale of Firetext Communications to Link Mobility UK

RH Advertising

The sale of RH Advertising to an employee ownership trust (EOT)

Clearwater Dynamics

The sale of Clearwater Dynamics to Pole Star Space Applications

Maven Venture Capital Trusts

A £4.5m equity fundraising by Blackdot Solutions, led by Maven Venture Capital Trusts

Stage Electrics Group

The sale of Willow Communications to Stage Electrics Group

Connected ID

The sale of Connected ID to Digital ID, a subsidiary of US firm Levata

SWIF Maven Equity Finance

Tixserve Limited's equity fundraising from SWIF Maven Equity Finance through the British Business Bank's South West Investment Fund

Waste management and environmental services

The waste management and environmental services sector is undergoing significant transformation, driven by regulatory changes as well as the transition to Asset Management Period (AMP8) during 2025. The change to AMP8 will have a profound impact, particularly on water and wastewater companies in England and Wales, marking a pivotal phase for the industry and emphasising sustainability and innovation to achieve net zero emissions by 2030. Increased activity and investment are reshaping operations, with a strong focus on modernisation and environmental responsibility.

More widely, consolidation of the waste management sector is being driven by increasing costs driving synergistic acquisitions, changing compliance, new innovation and the circular economy.

Recent deals in this sector that we have advised on include:

Wellington Waste Skips

The sale of Wellington Waste Skips Limited to EMS Waste Services

EGO Technology

The acquisition of Ucan Secure IT by EGO Technology

Biffa Waste Services

The acquisition of Northern Recycling Solutions by Biffa Waste Services

Glanville Holdings GC

The sale of Glanville Holdings GC to Adler and Allan

Analysis of transactions

Deal volumes

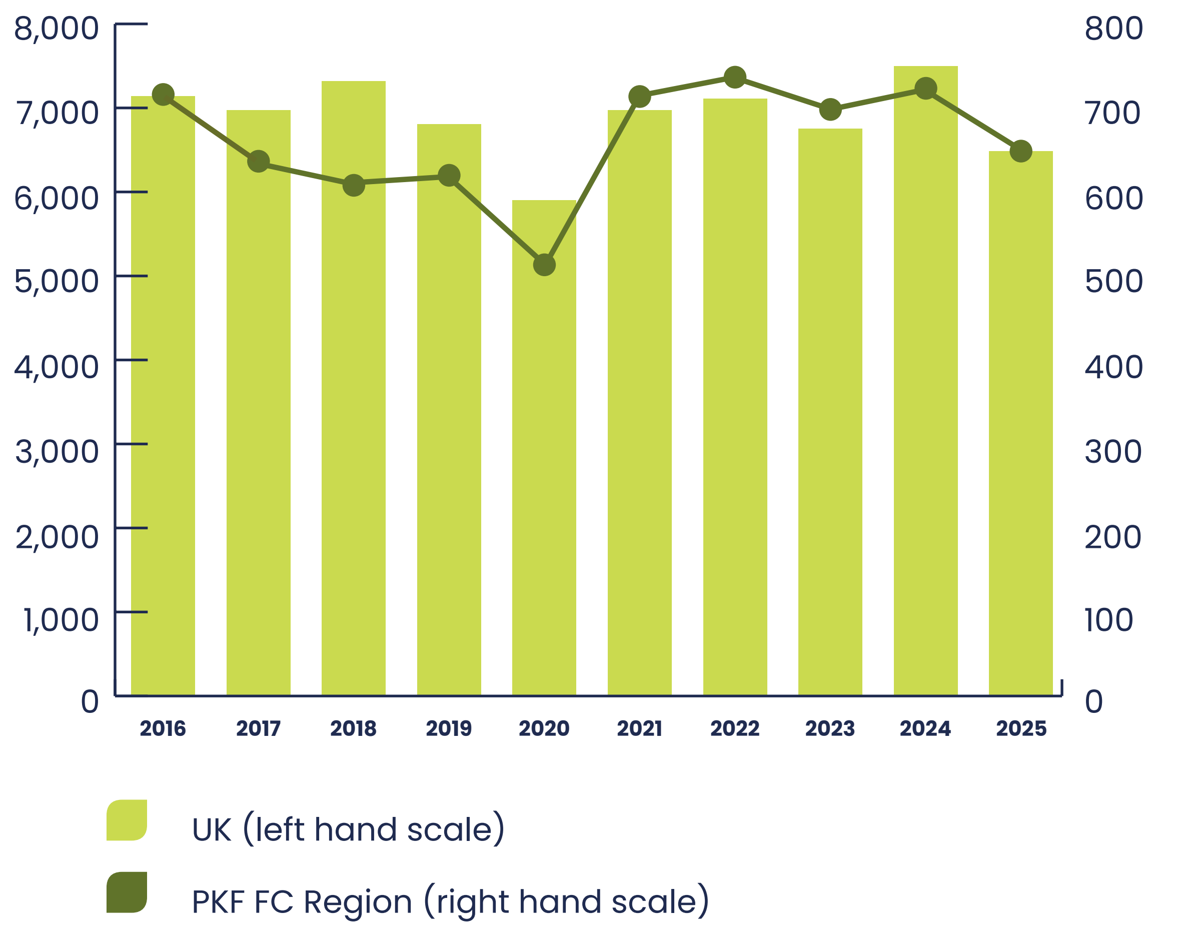
Deal volumes in both the UK and the PKF Francis Clark (PKF FC) region fell significantly during 2025 compared to the prior year – nationally from 7,582 to 6,353 (-16%) and in our region from 725 to 627 (-14%). This review is being produced earlier than usual and these figures may increase by circa 5% or more as additional deals are reported during the early part of 2026, but the overall picture of a lower deals in 2025 is unlikely to be reversed.

While it is speculation as to the underlying reasons for the fall, clearly the uncertainty in both the economic and fiscal environments, combined with an increase in business taxes, has hampered growth and this has fed into dealmaking. Business is complex without unnecessary uncertainty and pre-Budget speculation and announcements have engaged business leaders in a way that cannot have been conducive to deal making.

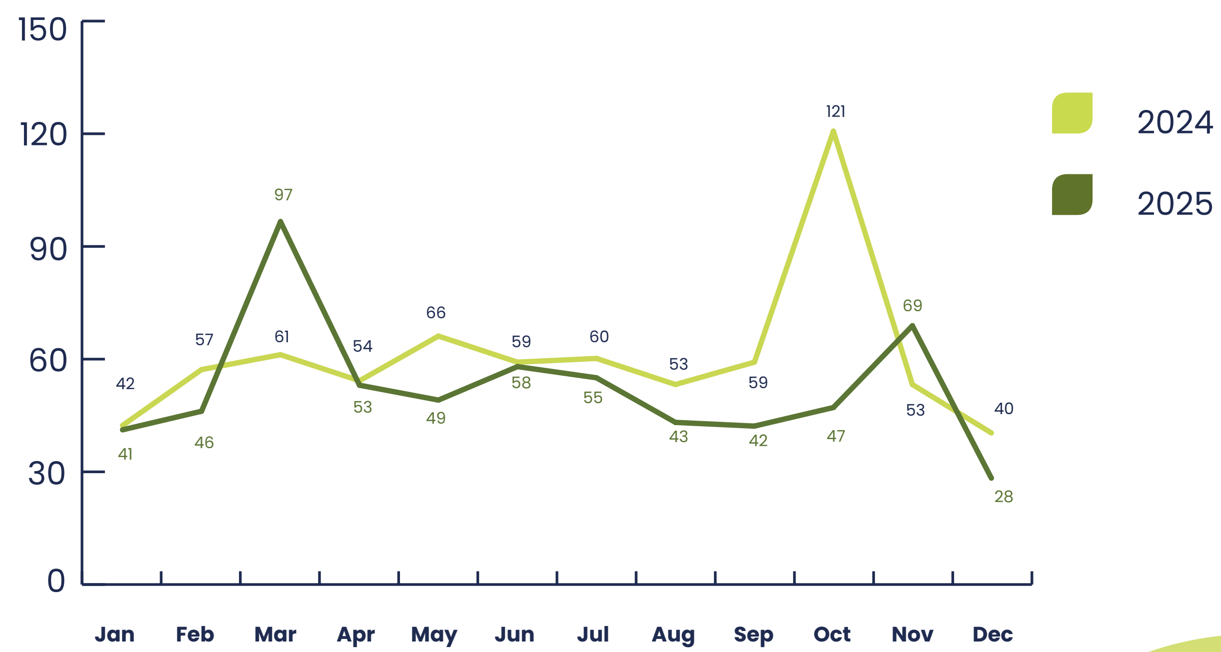
Although interest rates and inflation slowed and reduced over 2025, they are still above the long-term trend and in certain sectors even higher depending on the nature of their cost base, placing further strain on profits. Furthermore, the uncertainty has heightened buyer and investor caution, leading to intensified due diligence processes and consequently longer deal timelines.

In the UK, part of the reason for the relatively lower deal volume in 2025 was the significant reduction in deals in October compared to 2024. The 2024 peak was driven by a rush to complete deals before a potential hike in capital gains tax rates that, in reality, was less than the pre-Budget hype. However, other than in March and April 2025, all other months were at least 10% lower than their equivalent month in 2024. This is broadly mirrored in the PKF FC region albeit it appears deal volumes increased marginally in November, before dropping below 2024 levels again in December.

Deal volumes: UK v PKF FC region



PKF FC region deal volumes by month



Deal type analysis

Overall, deal volumes continued to be dominated by acquisitions and disposals; in the PKF FC region these represented nearly three quarters of all deals. This is a significantly higher proportion than the 61% for the UK and continues the trend seen in past years.

The difference between the regions is largely down to the additional development capital deals seen in the UK (22% of all deals) compared to the PKF FC region (14% of deals), indicating a greater awareness/appetite to consider equity investment. This theme is further reinforced with a growing difference in MBO/MBIs with 11% of UK deals in this category compared to only 7% in the PKF FC region. Rights issues by PLCs in the PKF FC region increased to their highest level in the last five years.

UK deal volumes by month

Deal volumes by type - PKF FC region and UK

	Region	2021	2022	2023	2024	2025	Change '24 v '25
Acquisitions and disposals	PKF FC	529	556	515	535	464	-13%
	UK	4,183	4,338	4,118	4,635	3,871	-16%
Buy out/in	PKF FC	50	60	63	65	48	-26%
	UK	772	621	648	818	686	-16%
Development capital	PKF FC	94	108	96	106	90	-15%
	UK	1,462	1,687	1,566	1,667	1,419	-15%
Rights issues/other issues	PKF FC	12	7	14	8	15	88%
	UK	229	251	282	243	182	-25%
Other	PKF FC	24	10	16	11	10	-9%
	UK	313	207	180	219	188	-14%
Totals	**PKF FC**	**709**	**741**	**704**	**725**	**627**	**-14%**
	UK	**6,979**	**7,114**	**6,794**	**7,582**	**6,346**	**-16%**

Deal values

Only around 22% of deals disclose their deal value to Experian Market IQ. However, in the PKF FC region this still represented 135 deals, so whilst the data is less reliable it is still possible to identify general trends.

The average deal size disclosed in the PKF FC region was c.£35m, a large fall compared to last year's average of £100m but in line with reported values in 2022 and 2023. This year there were no deals over £1bn compared to three last year, which significantly impacted the average.

The value of 78% of the deals in the PKF FC region remain confidential. Of the 135 deals where the value was disclosed, 83 were less than £10m, 43 between £10m and £100m and nine over £100m.

The average deal size of the circa 1,720 UK deals where a deal consideration is recorded in Experian MarketIQ was £168m, the highest figure in the last 10 years.

Sources of data for our review

This review encompasses all deals processed by Experian Market IQ as at 11 January 2026. This figure will typically increase by up to 5% as late deals are submitted.

The PKF FC region for the purposes of the review is defined as the area covered by PKF Francis Clark office locations in the South of the UK. A deal is a transaction that included either the buyer or seller as having their principal or registered office in the UK or the region in which we operate.

As with previous years, the review excludes deals undertaken by Independent Vetcare (IVC) as the very large fluctuations in its volumes from year to year distort the overall figures. Deal volumes in 2025 were 15 (whereas previously they have exceeded 100 in a year).

Also, on review where we consider it likely that a deal does not meet the criteria for inclusion, (e.g. its value is less than £500k), we have also excluded these deals.

Deal volumes – debt funders

Bank	2025	2024	10 Y
Allica	2	1	3
Aspen	1	–	1
Atom	1	5	7
Barclays	5	5	36
FW Capital	2	–	3
HSBC	8	4	90
Lloyds	4	3	63
Metro	1	–	6
NatWest	4	2	36
OakNorth	5	3	36
Rabobank	1	–	1
Shawbrook	4	6	32
ThinCats	5	9	27
Tresmares Capital	8	–	8
Triple Point	1	8	23

Views on the debt funding market

Debt-funded deals disclosed in our region reduced marginally from 59 deals undertaken by 24 different debt providers in 2024 to 55 deals undertaken by 26 different debt providers in 2025.

HSBC and Tresmares Capital lead with the eight deals each in the region reported to MarketIQ. Tresmares Capital, alongside CBPE as equity providers, backed an asset management company that completed seven deals in February 25. HSBC undertook eight deals taking their total number over 10 years to 89, funding acquisitions, development capital and an investor buy-out.

The remainder of the activity was funded by a mix of traditional banks, which funded 21 deals this year and alternative finance providers.

Again, we highlight that the figures must be treated with caution as debt-funded transactions are not always recorded as such or the lenders disclosed. In addition, the distinction between debt and equity funding is increasingly blurred with funders often undertaking both. As the recording of the deal type is not always accurate, an organisation will either be classified as a debt or equity provider, but not both.

Deal volumes – equity providers

Firm	2025	2024	10 years
Angel Investors Bristol	3	1	4
Apiary Capital	–	2	4
Bain Capital	1	3	8
Bridgepoint	1	1	8
British Business Bank	3	3	6
Business Growth Fund	1	5	43
Butterworth Investments	2	–	2
CBPE Capital	8	–	10
Chiltern Capital	–	4	25
Foundation Partners Asset Management	1	2	3
Fuel Ventures	3	–	9
Gresham House Ventures	–	2	3
Haatch Ventures	2	2	6
Innovate UK	–	3	12
LDC	3	1	35
Maven Capital Partners	6	1	13
Mobeus Equity Partners	1	2	13
National Wealth Fund	2	–	2
Octopus Ventures	–	2	4
Palatine Private Equity	1	2	4
Parkwalk Advisors Ltd	2	–	5
QantX	1	5	10
Shell Ventures	2	–	2
The FSE Froup	5	8	21

Equity funding

Equity deals in the PKF FC region declined significantly from 137 deals undertaken in 2024 to 107 deals in 2025.

CBPE Capital was the most active equity funder in the region with eight deals on the back of funding an asset management company looking to make consolidating acquisitions, closely followed by Maven Capital which did six deals and the FSE Group which includes the South West Investment Fund and Cornwall and Isle of Scilly Investment Fund on five deals.

Looking at the 10-year totals, BGF still leads on 43 deals albeit with notably fewer deals this year, with LDC close behind on 35.

For many equity providers, there are noticeable swings in the volume of in-region deals completed from year to year, suggesting some may cycle through periods of increased focus on the PKF FC region.

Deal volumes - lawyers

Firm	2025	2024	10 years
Ashfords	2	16	187
Birketts	3	3	23
Browne Jacobson	3	10	69
Burges Salmon	5	8	125
Clarke Willmott	30	38	131
CMS	3	11	100
DLA Piper	10	13	86
Foot Anstey	22	11	149
Freeths	4	10	91
HCR Law	32	32	254
Michelmores	5	3	80
Murrell Associates	3	3	24
Osborne Clarke	6	9	94
Porter Dodson	2	1	14
Roxburgh Milkins	3	9	80
Shakespeare Martineau	2	4	38
Stephens Scown	1	7	43
Thrings	4	3	39
TLT	11	8	155
Tozers	2	2	20
Trethowans	2	7	29
Trowers & Hamlins	4	13	39
Veale Wasbrough Vizards	1	–	12
Womble Bond Dickinson	1	4	26

View from the lawyers

The table shows deal activity for legal advisers which have an office in our region and where the deal involved a local target/acquirer.

HCR Law topped the list with 32 deals, closely followed by Clarke Willmott. Foot Anstey, TLT and DLA Piper all showed deal numbers in double digits.

Overall, the leading solicitors in our region saw a significant fall in deal activity from 225 in 2024 to 161 this year, a 30% decline.

Similarly to the financial advisers listed on the following page, the lawyers shown here advised on only around a quarter of the deals undertaken in the PKF FC region. Less than half the regional deals recorded by Experian included a legal adviser, suggesting there is significant scope for more work to be engaged.

Key:

Deal volumes by type - lawyers

[1] Acquisitions and sales

[2] Development capital

[3] Flotation

Deal volumes by type over last 10 years - lawyers

Firm	Acq[1]	Dev. cap[2]	Flot[3]	Investor buy outs	MBO MBI	Merger	Rights issues	Share buy back	Other	Total
Ashfords	107	56	–	3	18	1	1	–	1	187
Birketts	16	3	–	2	1	–	1	–	–	23
Brown Jacobson	55	6	–	5	3	–	–	–	–	69
Burges Salmon	89	20	–	7	7	–	2	–	–	125
Clarke Willmott	100	5	–	4	17	–	2	–	3	131
CMS	64	9	–	10	5	2	–	10	–	100
DLA Piper	67	7	1	6	3	1	1	–	–	88
Foot Anstey	94	21	–	5	19	1	3	5	1	149
Freeths	79	3	–	3	5	–	1	–	–	91
HCR Law	218	22	–	6	5	1	–	–	2	254
Michelmores	46	11	–	2	17	–	1	3	–	80
Murrell Ass.	17	5	–	–	2	–	–	–	–	24
Osborne Clarke	62	12	–	7	8	2	–	3	–	94
Porter Dodson	11	1	–	–	2	–	–	–	–	14
Roxburgh Milkins	60	12	–	1	6	1	–	–	–	80
Shakespeare Martineau	29	3	–	–	–	–	–	6	–	38
Stephen Scown	28	2	–	–	12	–	1	–	–	43
Thrings	31	3	–	2	3	–	–	–	–	39
TLT	100	33	–	10	9	1	2	–	–	155
Tozers	13	2	–	–	5	–	–	–	–	20
Trethowans	18	1	–	2	7	1	–	–	–	29
Trowers & Hamlins	20	10	–	2	4	–	1	–	2	39
Veale Wasbrough Vizards	5	7	–	–	–	–	–	–	–	12
Womble Bond Dickinson	18	2	–	3	2	–	1	–	–	26

View from the financial advisers

An analysis of deal types by financial adviser / accountant over the last 10 years highlights the mix of specialisms by firm, as shown below. PKF Francis Clark maintains its position as the region's leading adviser on regional deals.

Key:

Deal volumes by type -financial advisor/accountant

[1] Acquisitions and sales

[2] Development capital

[3] Flotation

Deal volumes – financial adviser/accountant

Firm	2025	2024	10 years
Azets	10	20	70
BDO	20	15	186
Benchmark	7	11	98
Bishop Fleming	14	15	154
Canaccord Genuity	5	6	32
Cavendish	8	11	26
Christie & Co	1	6	17
Dains	4	3	21
Dow Schofield Watts	3	9	44
EY	4	3	55
FRP	6	19	70
Grant Thornton	12	18	215
GS Verde	4	4	25
Hazlewoods	11	20	147
HMT	–	2	17
Isca Ventures	1	1	40
James Cowper Kreston	2	11	27
K3 Capital	21	30	176
KPMG	5	7	105
Peel Hunt	5	1	53
PKF Francis Clark	**31**	**47**	**382**
PwC	5	5	75
RSM	9	11	217
WH Ireland	–	2	26

Deal volumes by type over last 10 years – financial adviser/accountant

Firm	Acq[1]	Dev. cap[2]	Flot[3]	Investor buy outs	MBO MBI	Merger	Rights issues	Share buy back	Other	Total
Azets	53	2	–	3	10	–	1	–	1	70
BDO	133	16	4	12	13	3	2	2	1	186
Benchmark	81	3	–	6	8	–	–	–	–	98
Bishop Fleming	122	7	–	4	21	–	–	–	–	154
Canaccord Genuity	23	3	–	–	–	1	–	5	–	32
Cavendish	13	2	–	4	1	1	–	5	–	26
Christie & Co	17	–	–	–	–	–	–	–	–	17
Dains	20	1	–	–	–	–	–	–	–	21
Dow Schofield Watts	42	2	–	–	–	–	–	–	–	44
EY	37	3	–	8	3	1	–	–	3	55
FRP	47	7	–	7	9	–	–	–	–	70
Grant Thornton	171	20	–	14	9	–	1	–	–	215
GS Verde	17	2	–	1	5	–	–	–	–	25
Hazlewoods	126	6	1	7	7	–	–	–	–	147
HMT	11	3	–	1	2	–	–	–	–	17
Isca Ventures	18	3	–	1	18	–	–	–	–	40
James Cowper Kreston	16	2	–	5	4	–	–	–	–	27
K3 Capital	94	2	–	3	11	–	–	–	–	176
KPMG	80	13	–	8	3	1	–	–	–	105
Peel Hunt	37	–	5	2	1	–	–	8	–	53
PKF Francis Clark	**275**	**45**	**–**	**7**	**45**	**3**	**3**	**–**	**4**	**382**
PwC	49	11	–	7	7	–	–	–	–	75
RSM	179	12	2	10	12	–	–	–	1	217
WH Ireland	17	–	2	1	–	–	–	6	–	26

Our restructuring team

Our restructuring team is one of the largest of its kind in the South.

We focus on identifying and resolving issues affecting profitability, protecting enterprise value and recovering value for lenders and other stakeholders.

Example of the work that we undertake :

The team successfully protected more than 90 jobs following the sale of the Ridgespear group to Genuit Group Plc.

Appointed as joint administrators, Lucinda Coleman and Stephen Hobson led an accelerated marketing process in response to mounting financial pressures caused by rising costs and a subdued construction market. Their swift and coordinated approach ensured continuity of operations across the group's Exeter and Poland sites and preserved the long-established Omnie and Timoleon brands.

The transaction secured a going-concern sale to a strategic buyer with the financial strength and sector alignment needed to support the business through market recovery. It also delivered an expected return to secured and preferential creditors, demonstrating the value achieved under challenging circumstances.

Lucinda Coleman commented:

"Ridgespear has a skilled workforce and an excellent reputation, but the group had faced significant operational challenges. We are pleased that our rapid and focused process has safeguarded jobs and enabled the business to move forward under new ownership."

Stephen Hobson added:

"Our priority was to protect the core operations and deliver the best outcome for employees, customers and creditors. The successful sale reflects the team's commitment and technical expertise."

This transaction highlights PKF Francis Clark's ability to combine technical expertise with pragmatic deal execution, delivering positive outcomes for businesses and stakeholders even under intense time pressure.

Lucinda Coleman
Advocate of the year

Lucinda Coleman
Woman of the year

PKF Francis Clark
TRI Company Award for inclusive and sustainable practice

Lucinda Coleman

Partner

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Adviser and funder survey

We asked the advisers and funders active in the region for their thoughts on what the transaction market will look like in 2026.

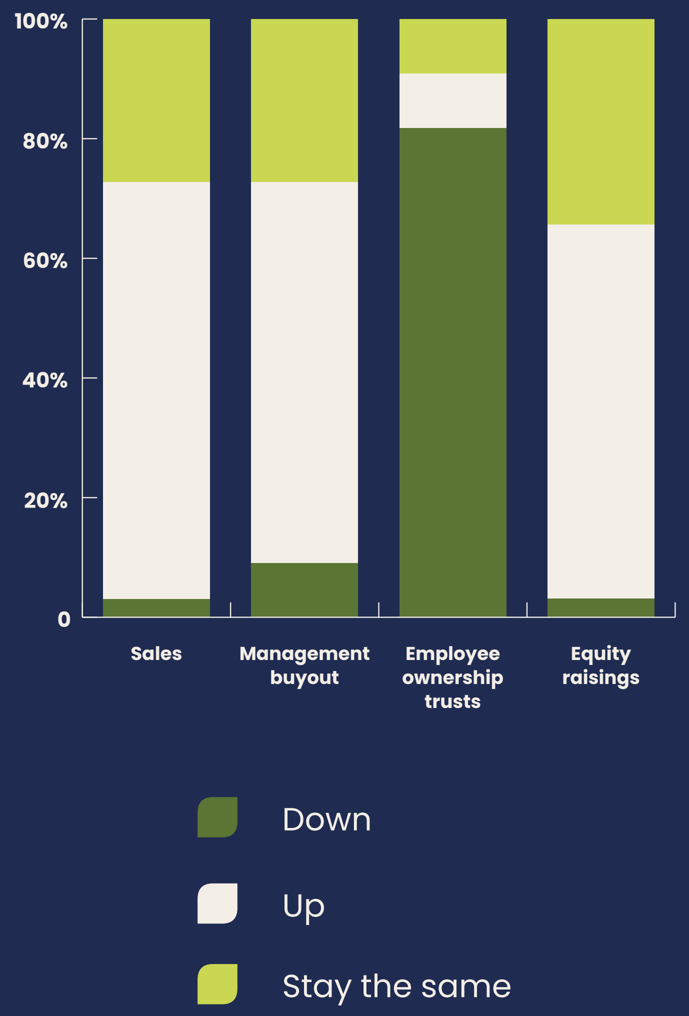
The results showed a marked increase in optimism compared to last year, with almost two-thirds of respondents predicting a rise in activity across all major transaction types except employee ownership trusts (EOT).

This positive sentiment reflects improving macroeconomic conditions, falling borrowing costs and post-Budget stability generating renewed confidence – whatever you may think of Labour's policies, there is now at least clarity.

This outlook is supported by continuing high levels of dry powder in private equity and debt funds and the potential release of pent-up demand from businesses delaying projects pending the outcome of the Budget.

The expected decline of the EOT is driven by the slash in capital gains tax (CGT) relief from 100% to 50%, compounded by existing challenges in valuation, limited funding appetite and complexity of implementation. Nevertheless, EOTs remain a viable exit option where employee ownership aligns closely with non-financial objectives.

What do you think will happen to the following transactional activities in 2026?



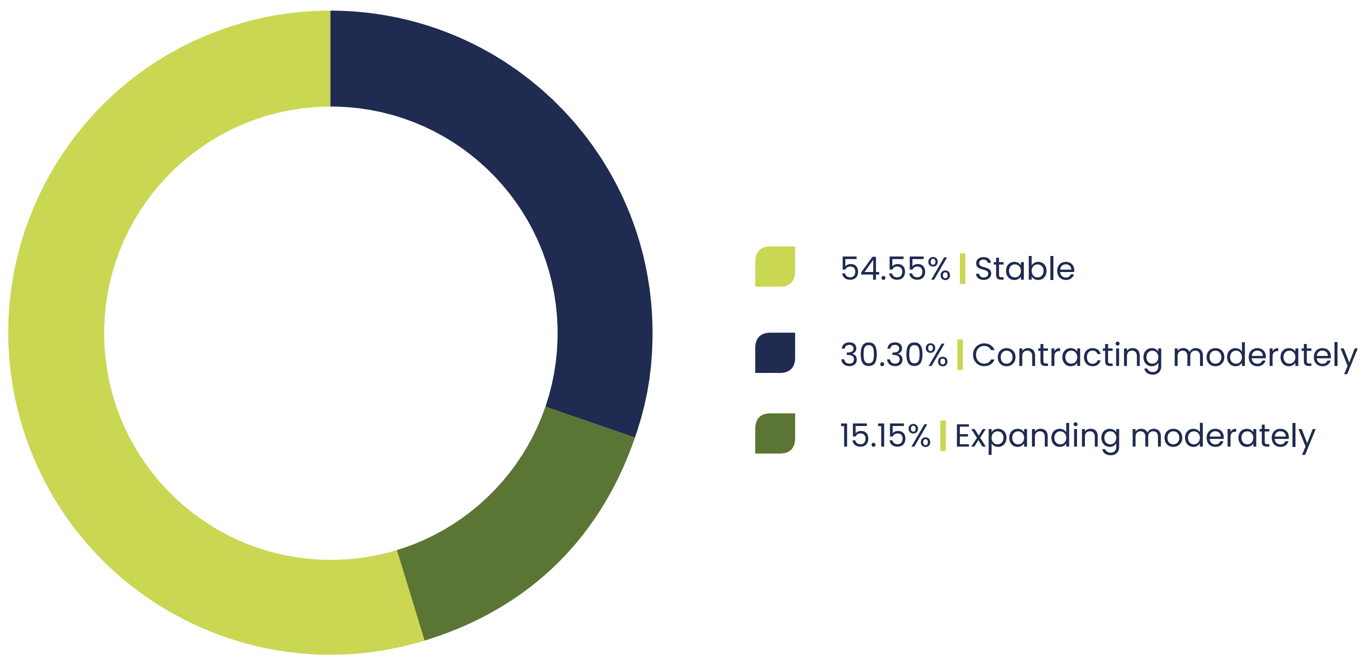
What do you expect valuation multiples in 2026 to be?

Our survey suggests pricing will remain stable in 2026, with a slight leaning towards a modest fall.

There are certainly positive drivers; pent-up demand both from businesses and funders may create more competitive tension, improved financing conditions ease affordability constraints and post-Budget clarity may restore confidence in taking greater risk.

However, caution lingers. Continuing geopolitical risks and uneven sector performance temper optimism. Fiscal certainty is a help, but policies have yet to stimulate the UK economy and despite falling rates, the cost of capital remains above 2022 levels, limiting leverage-driven bids.

With the market still adjusting to recent cost and tax increases, the consensus points towards broadly steady or perhaps slightly contracting valuations, with selective premium pricing for high-quality assets.



Adviser and funder survey

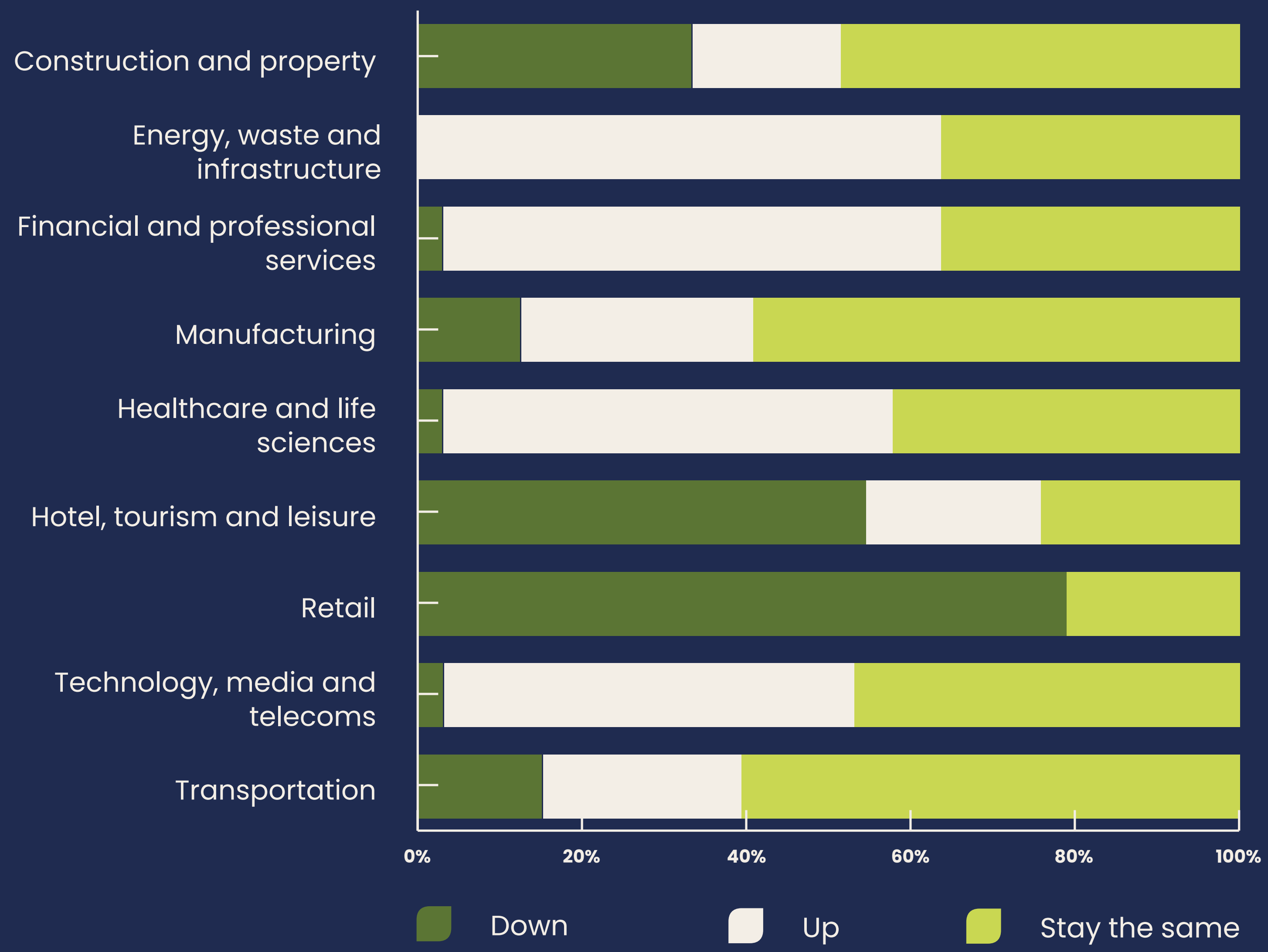
What do you think will happen to transactional activities in the following sectors in 2026?

Sector outlooks are diverse, broadly echoing last year's findings.

Optimism is strongest in energy, waste and infrastructure, driven by net zero commitments, ESG compliance, energy security and government incentives. In finance and professional services, private equity continues its consolidation drive into this fragmented market.

Technology, media and telecoms (TMT) remains a key growth sector, perhaps tempered by concern that the AI bubble may start to deflate. Health and life sciences is also resilient, driven by the counter-cyclical priorities of essential human needs and demographic trends.

Meanwhile, construction remains uncertain amid muted demand forecasts, whilst consumer-facing sectors are still under pressure from rising employment costs, fragile consumer confidence and the end of business rates relief.



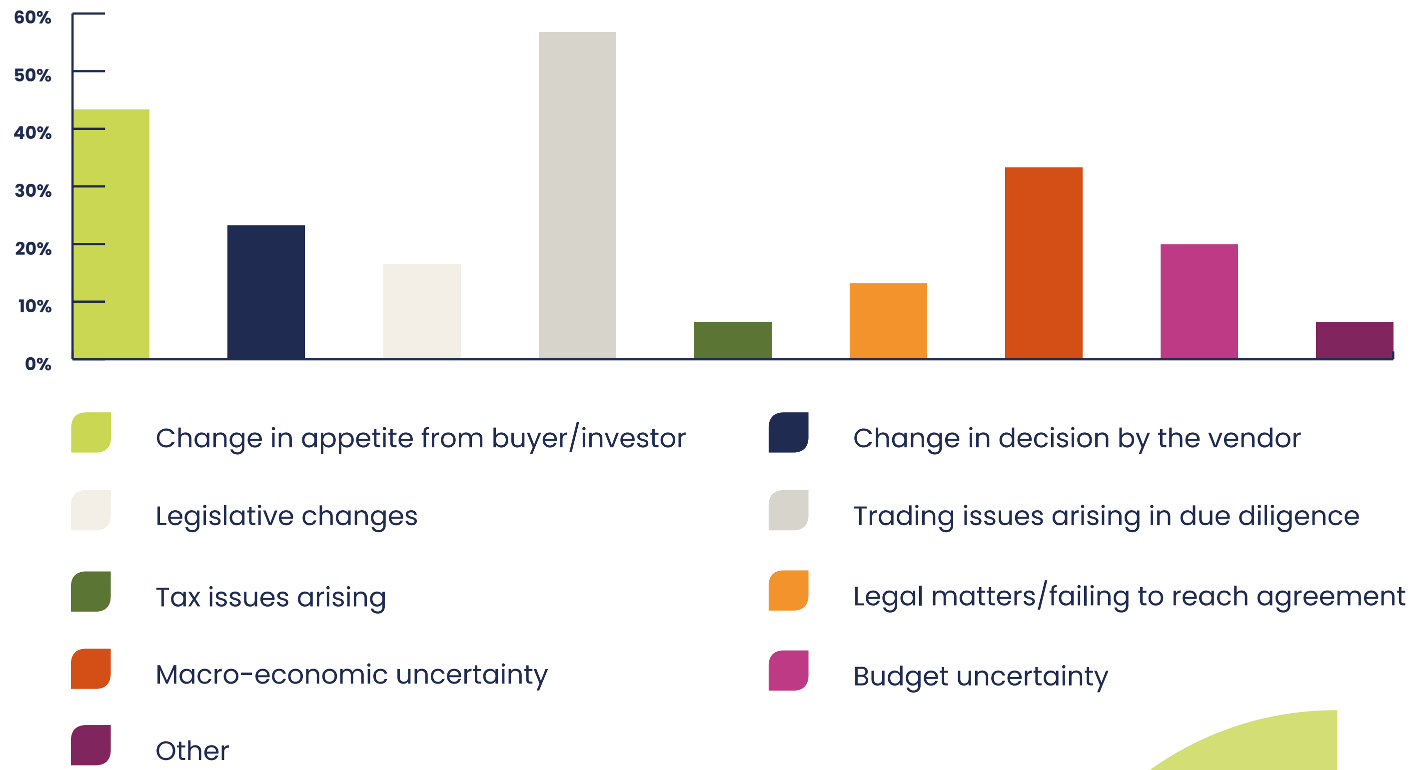
In the past 12 months, if you have worked on any deals that did not proceed, what were the primary reasons?

Trading issues and shifting counterparty appetite were the biggest challenges to successful deal completions as risk tolerances tightened in uncertain market conditions. Buyers and funders adopted a more risk-averse approach, with diligence processes often more intense and extended.

Investment in ensuring clean, complete and robust data prior to approaching counterparties gives greater confidence in the investment thesis whilst shortening execution timelines, reducing the chance for unforeseen factors to de-rail deals. Well-prepared companies thus improved their chances both of success and of attracting premium valuations.

Some respondents noted that unrealistic value expectations were also a barrier, whether sellers' own view or from unscrupulous brokers quoting inflated numbers to win work. With the tax burden and cost of capital both higher than pre-covid, buyer valuations have naturally reduced; a reputable adviser (such as our own valuations team) can give a realistic view of the value achievable in current conditions.

As fiscal and macroeconomic uncertainties ease, performance risks will likely remain the primary deal-breakers in 2026, reinforcing the need for thorough preparation, clear communication and contingency planning. PKF Francis Clark's focus on this early work was a key factor in completing more deals than any other lead adviser in the South West last year.



Adviser and funder survey

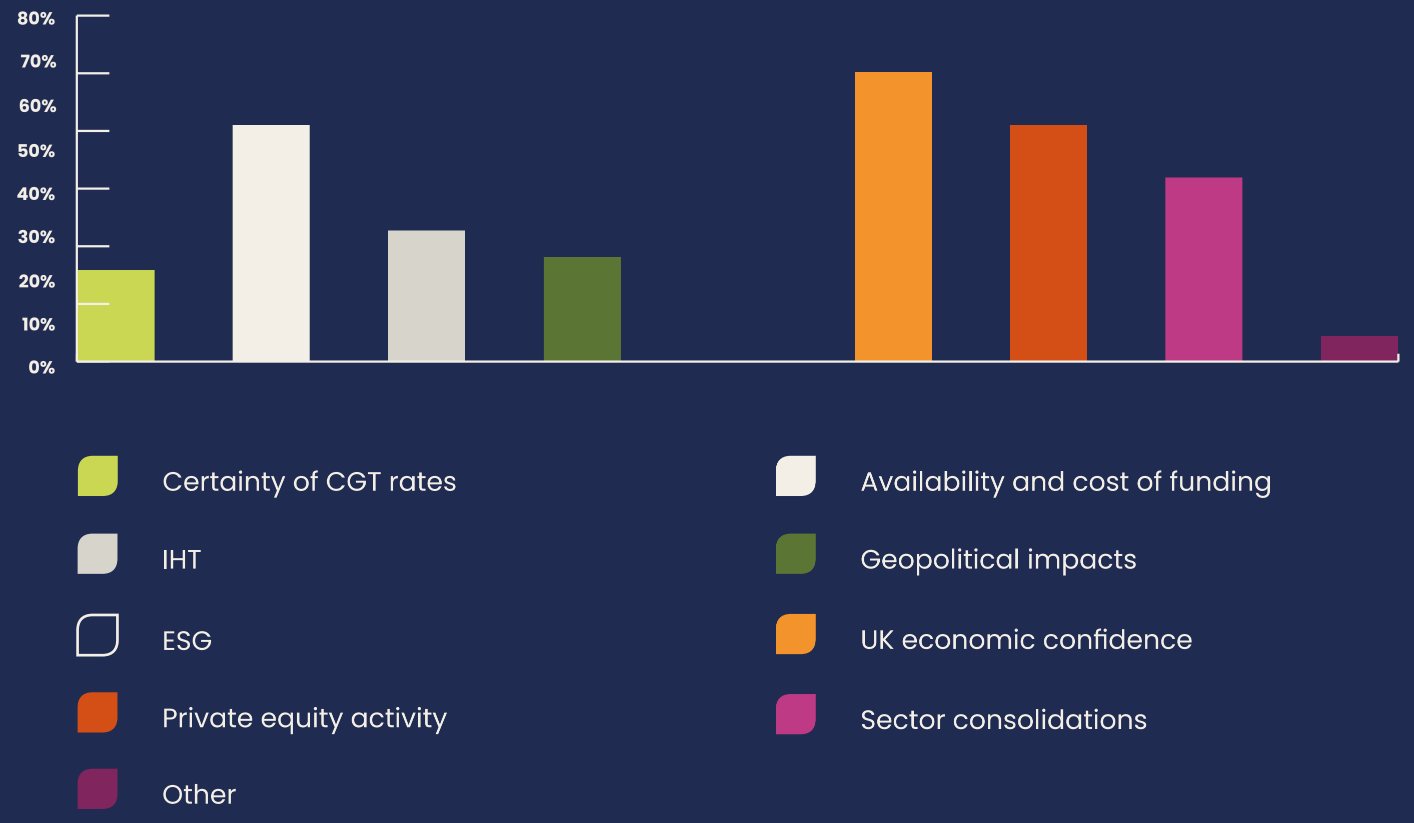
What do you think will be the biggest factors affecting deal activity in 2026?

Unsurprisingly, domestic economic confidence is seen as the key driver for 2026 activity.

Availability and cost of funding, including the appetite of private equity to deploy capital, is a close second, highlighting the importance of market liquidity and investor appetite in driving deal volume.

Tax changes feature to a lesser degree; CGT now appears more certain at least for this election cycle, but the restrictions on inheritance tax (IHT) relief for business assets coming into force from April 2026 may prompt shareholders to reevaluate succession plans, even with the concessions given by the government just before Christmas.

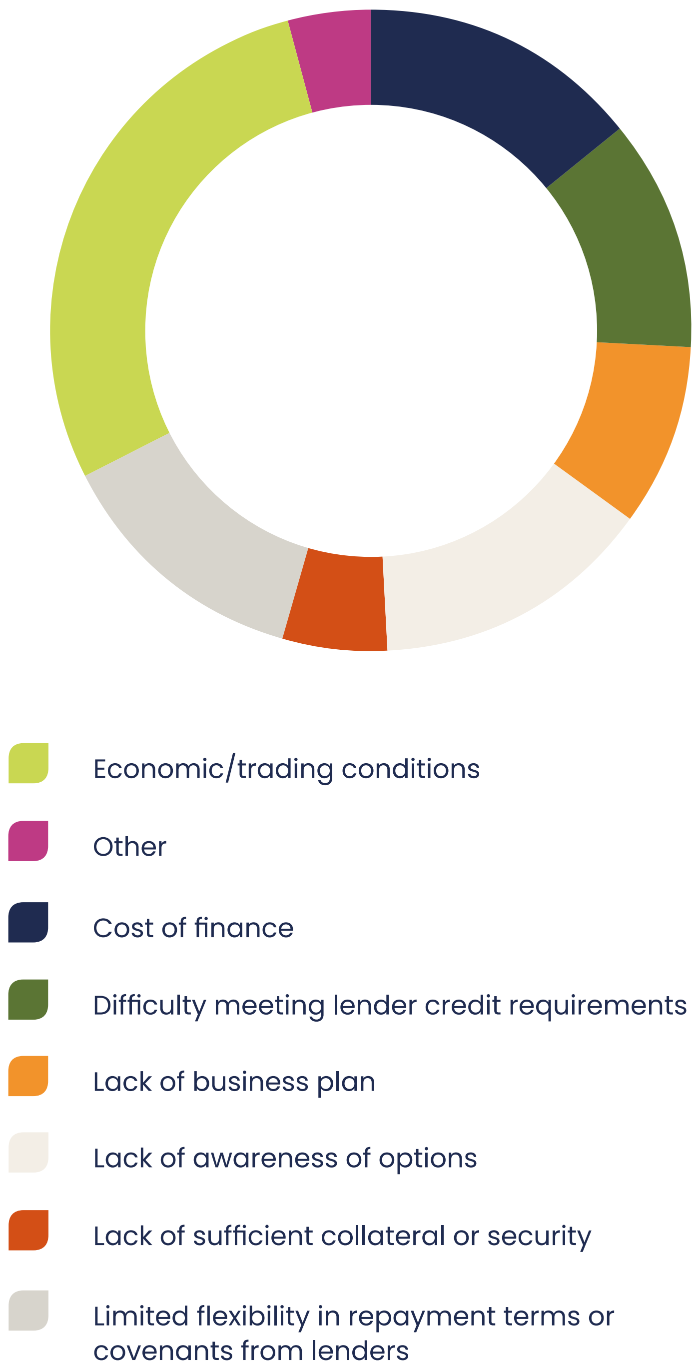
The surprising lack of emphasis on ESG suggests sustainability credentials are now seen as a baseline rather than a differentiator. Confidence, liquidity and tax will be the key factors shaping the market short-term.



What have been the most common challenges borrowers have faced in raising debt finance in 2025?

The economic and trading conditions restricting deal activity have, unsurprisingly, also been the biggest barrier to raising debt.

Cost of finance, lack of awareness of options, lack of flexibility in terms and lender credit requirements were the next most-cited obstacles. Often, these can all be overcome by simply knowing where to look – alternative debt options in the UK are now extremely diverse, meaning the majority of established businesses with a viable proposition can secure funding. Our debt advisory team is well positioned to help clients navigate this complex market.



Adviser and funder survey

How do you expect debt lending conditions to evolve over the next 12–24 months?

The activity of alternative debt funds continued to boom in 2025. The UK is home to over 250 such lenders, which now provide more than 60% of SME funding as High Street bank appetite remains subdued in this space.

Alternative lenders can offer greater quantum and more flexible structures than traditional banks, with higher pricing offset by longer tenors and bullet structures to keep annual cash flows manageable. The Basel 3.1 regulations (coming into force in early 2027) are likely to increase traditional banks' cost of capital; this may reduce the pricing differential to alternative lenders, encouraging more borrowers to explore the alternative space.

Our survey also indicated equity and mezzanine appetite has remained broadly stable with some selective growth, suggesting targeted deployment into well-structured deals.

The overall outlook seems positive. The vast majority of respondents expect lending conditions to remain stable or improve, underpinned by greater fiscal certainty, the downward trend in interest rates and sheer amount of dry powder seeking a home.

45.45% | Improving

45.45% | Stabilising

9.09% | Tightening

What advice would you give CFOs preparing for a funding event in 2026?

"**Shop around,** there is a vibrant and growing market, particularly for acquisition finance"

"Ensure the **cash modelling is robust and has been stress-tested** for downside events and shocks, both domestically and across the wider supply chain"

"Develop a **clear strategy** including risk assessment; undertake scenario planning and financial modelling of downside risks"

"**Be match fit.** Let your advisers run the rule over your business and allow them the time to do so. This investment will not only put your business on a better operational footing but give more deal certainty, both on execution and value"

"Consider introducing some **flexibility within your funding structure** to take advantage of growth opportunities"

"**Price isn't everything.** CFOs often pay insufficient attention to covenants and chase either price alone, or the (administratively) easiest option"

"Ensure that your **financial systems are robust** and provide accurate data in short turnaround times"

Insights

Technical expertise and honest opinions to help you make confident decisions.

Successfully navigating the lifecycle of a business requires foresight, preparation and the right expertise at every stage. This collection of articles brings together insights on the critical decisions that shape outcomes for owners, investors and stakeholders when planning for growth, restructuring or exit.

Here is a selection of articles prepared by the team, with concise summaries presented on the following pages.

Scan the QR code to read the full articles

Exit strategy

What are your options?

Exiting a business is a major decision that shapes both financial outcomes and legacy. From trade sales and private equity to MBOs, EOTs or winding up, each route has distinct implications. This article outlines the main exit options, focusing on valuation, tax efficiency and continuity.

UK debt funding market

A strategic window for growth

The UK debt market has become increasingly borrower-friendly. Falling rates, lender competition and flexible structures are making debt a strategic tool for growth, acquisitions and shareholder transactions. This article explains how businesses can take advantage of current conditions.

How to maximise business sale value with the right buyer

Selling a business is high-stakes, with value shaped by buyer quality, timing and deal terms. This article explains why expert M&A advice is vital to maximise value, manage risk and secure the right outcome.

Unlocking the power of data in financial due diligence

Data is now central to modern dealmaking. Analytics help buyers and sellers uncover risk, identify opportunity and build confidence. This article explores how data is reshaping deal strategy and decision-making.

The value of private equity

Private equity is about more than price and deal terms. The right investor should add strategic value and be a partner you can work with after completion. This article explores why people and alignment matter as much as capital in successful PE deals.

Business exit planning to protect your wealth

Exiting a business is a financial and emotional transition, not just a transaction. Without planning, sudden wealth can create risk. This article explores the challenges of life after exit and how early wealth planning can protect assets and support long-term goals.

Unlocking value through a members' voluntary liquidation

For owners exiting a solvent business, a members' voluntary liquidation can offer a structured, tax-efficient route. This article explains how MVLs work, the tax considerations involved and why preparation is key.

Changes to tax rules in the 2025 Budget

Recent UK Budget changes are reshaping growth and ownership. Higher EMI limits, increased EIS and VCT thresholds and changes to EOT relief create new planning opportunities. This article explores what founders and investors need to know.

Interactive workshops

Each year we hold a series of interactive workshops designed to help business owners understand the various funding and exit options available to them. Using case studies and with plenty of opportunity to ask questions of our expert advisers, the workshops provide clarity and structure to help business owners and management teams achieve their aims.

Our workshops cover a range of topics, including:

- Valuing your business and understanding the factors that affect this
- Options for realising the value of your business – trade sale, management buy-out or EOT
- Raising finance involving private equity and/or structured debt
- Succession planning

If you are interested in attending one of our workshops or you would like us to tailor one to your own circumstances, please email Gemma Lloyd-Jones using the QR code or on:

gemma.lloyd-jones@pkf-francisclark.co.uk

Feedback from previous workshops

"Provided **a fantastic overview** of the transaction process and planning needed"

"Good balance of information, presentation and interaction"

"Case study provided a useful vehicle for all kinds of topics"

"Chance to see the difference in approach to debt and equity"

"**Really insightful** to see how debt/PE works side by side"

"**Very interactive and enlightening**. It was good to have each group present how the transaction can be set up in different ways"

"A **great introduction as to how transactions can be structured** and the interaction between management, banks and PE"

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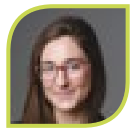

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