



 Begbies Traynor Group plc

ANNUAL REPORT AND ACCOUNTS 2023

FRIDAY



BCV154D7

B3

19/01/2024

#132

COMPANIES HOUSE

Our vision

To be leaders in our chosen professional services giving outstanding advice and transactional support to enable clients to protect, enhance and realise the value of their assets, businesses and investments throughout the economic cycle.

Contents

At a glance

Insolvency

Corporate and personal insolvency

Our advisory and transactional services

Our businesses

Financial advisory

Business and financial restructuring
Advisory services
Corporate accounting and investigation

Transactional support

Corporate finance
Business sales agency
Property agency
Structuring

Funding

Commercial finance broking
Residential mortgage broking

Valuations

Commercial property valuation
Business and real estate valuation

Projects and development support

Building cost analysis
Financial planning

Asset management and insurance

Commercial property management
Insurance broking
Vacant property risk management

Why invest?

1

Strong track record

of cash-generative, profitable growth with a well-established progressive dividend policy

More information:
KPIs on page 10

2

AIM listed

since 2004 with a highly experienced board and leadership team

3

Strongly positioned

in insolvency and defensive activities, representing 80% of total revenue

More information:
Business model on page 6

4

Market-leading

insolvency practice taking the largest number of corporate insolvency appointments in the UK

5

Strong referral network

across the group leading to high levels of repeat business

6

Diverse income streams

provide multiple sources of growth across the economic cycle in fragmented markets

More information:
Business model on page 6

7

Growth strategy

of organic investment and value-accretive acquisitions across our service lines with proven financial track record

More information:
Strategy on page 8

Chairman's statement

Ric Traynor
Executive chairman

Introduction

I am pleased to report on a further successful year for the group, in which we have continued to execute our strategy to deliver strong, sustainable financial performance and reported results for the year ahead of original market expectations. This performance was delivered through our broadening range of services to an increasingly diverse range of clients.

We have a proven growth strategy which, over the five year period between 2014 and 2019, has doubled revenue from £60m to £120m and doubled adjusted profit before tax from £7m to £14m from a combination of organic growth and acquisitions. Under which we have delivered across insolvency and our full range of advisory, legal and financial services.

Revenue from formal insolvency appointments has increased by £7.1m from £35m in 2019 and we have continued to make good progress in the year. With a rich experience and a significant in-house higher-value insolvency appointment base, the last twelve months have brought us our enhanced reputation in mid-market insolvency.

We have maintained our market-leading position in relation to appointments with a 15% share of the overall market, ranked first nationally. An area of strategic focus has been to increase our exposure to larger and more complex insolvency appointments. We have been successful in doing so and our current 11th share of the administration market has seen our national ranking increase to second place from fourth over the last five years.

Our advisory and financial services, which are delivered via a mix of in-house operating divisions, insolvency and property services, have risen to £56m from £31m in 2019. From a long-standing mix of these services, which span financial, legal, debt and advisory activities, now representing 47% of our group revenue. Our services now include financial advisory, transactional support, acquisitions and disposals, funding, valuations, projects and development and asset management and insurance. This expansionary restructuring has increased the breadth of client and expertise we can provide in projects and transactions and developed our internal expertise in corporate culture, project, legal and operations constituting the whole group.

Overall, the group remains well-positioned in the current macroeconomic environment, with a diverse mix of services and 21% of income generated from non-core, legal and advisory activities.

In July 2022, we acquired Mantra Capital, a London-based property finance brokerage to enhance the scale of our banking business, which we combined with the Manchester Credit Acquisition in May 2021. This service line and our purchase is highly profitable with a 100% profit margin, and advisory offerings.

In addition, we acquired two mortgage advisory practices, one in Glasgow in Harrogate in June 2022 and Mark Jenkins in July 2022, which have strengthened our teams in eastern England and South of Essex in the north west. Following the year ended in May 2022, we acquired Bankruptcy & Co, another formal mortgage advisory, further strengthening our regional presence across Eastern England.

The group continues to be highly cash generative with free cash flow of £14.1m, and ended the year with a net cash balance of £10m (2021: £4.7m). This is having made £16m of acquisition and deferred licence payments and paid dividends of £2.4m in the year. This cash generation enables us to propose a 10% increase in the total dividend for the year representing a consistent five year dividend growth.

Our strong financial performance is well placed for us to continue to grow in the period ahead with organic call, and through acquisitions to further build our scale and range of non-core advisory services.

Results

Group revenue in the year increased by 11.1% to £130m (2021: £117m) and group profit was £19m. Adjusted profit before tax increased to £17.5m (2021: £17.8m). Statutory profit before tax was £16.9m (2021: £14.0m).

Adjusted last financial period average earnings per share for the year ended 30 April 2022 was 19p (2021: 16p). Basic earnings per share was 19p (2021: 16p) and for the year ended 30 April 2022 was 19p (2021: 16p).

For the year ended 30 April 2022, the average dividend per share was 19p (2021: 16p).

Dividend

The board is pleased to recommend a dividend for shareholders in respect of the company's financial performance for the full year ended 31 March 2023 of 5.9% in cash on a trailing twelve month basis, or 3.1p per share on a trailing twelve month basis, compared with 4.8% in cash or 2.5p per share on a trailing twelve month basis for the year ended 31 March 2022. The dividend is payable on 11 October 2023 at 10.4p.

This reflects the board's confidence in the group's strong financial position and prospects, whilst retaining capacity for continued organic and acquisitive growth with strategy. We remain committed to our long-term progressive dividend policy, which takes account of the group's earnings growth, our investment opportunities and cash requirements, together with the market outlook.

The final dividend will be paid on 3 November 2023 to shareholders on the register on 8 October 2023, with an ex-dividend date of 5 October 2023.

Strategy

We believe that the execution of our strategy will continue to enhance shareholder value through the delivery of strong, sustainable financial performance, building on our progress in recent years.

Organic growth will be targeted through:

- retention and development of our existing client and non-client employees
- recruitment of new talent
- enhanced cross-selling of our service lines and expertise to our wider client base, and
- investment in technology and processes to improve working practices and improve the service to our clients.

Our financial strategy is to target value-added acquisitions in many of the following market segments:

- insolvency to increase market share
- advisory and transactional services to enhance expertise and geographical coverage, and
- complementary professional services businesses to continue the development of the group and its service offering.

People

The continuing success of the group is reliant on the hard work and dedication of our colleagues and the quality, dedication and loyalty they deliver to our clients. I would like to thank all of our colleagues for their contribution over the course of the last financial year. We have recruited a number of acquisitions in recent years and we are pleased with the way our teams are working together and our new colleagues have integrated into our culture.

Board

In February 2023, we appointed Mandy Duggan to the board to bring her extensive education and experience to the board, to support the plan to enhance the development of our non-executive director board. Mandy brings valuable professional experience in both her executive and non-executive roles, in particular her financial forecasting skills and expertise. In the new financial year, Mandy will succeed Graham McInerney as chair of the audit committee.

Sustainability

The board is committed to developing the business in a sustainable way for the benefit of all our stakeholders.

We look to have a positive impact on our colleagues and the communities we serve, together with a culture of strong governance and responsible behaviour, and minimise our impact on the environment.

During the year under review, we have made progress in a number of areas, notably, through investing in our human resources expertise to enhance our people management. In addition, we have made progress in transitioning our company car fleet to ultra-low-emission vehicles, mitigating energy and carbon footprint, and making changes to our IT estate to reduce energy consumption.

Further information on our sustainability policies and progress is detailed on page 18.

Outlook

We have started the new year confident of a further year of growth, in line with market expectations.

The increase in scale of the group, with completion of professional services and an enhanced client base, provides a strong platform for us to continue delivering our strategy, driving continued organic growth. We remain well-positioned in the competitive economic environment, with a diverse mix of services and a strong team to generate strong and sustainable and defensible returns.

Our insolvency team will benefit from the recent insolvency arrangements and increased order book, together with anticipated further growth in the insolvency market. We will continue to identify growth opportunities for our advisory and transactional teams, having completed a further acquisition of a firm of chartered surveyors in May 2023.

Our strong culture, client and team engagement, and the potential capacity to deliver organic growth, initiatives and progress, and pipeline of acquisitions, are key to our long-term track record of growth. We will provide an update on the long-term annual general meeting in September 2023.

Ric Traynor
Executive chairman
10 July 2023

1. The financial statements are prepared on the basis of the accounting policies set out in the financial statements. The accounting policies are set out in the financial statements and are based on the accounting standards and practices applicable in the United Kingdom.

2. The financial statements are prepared on the basis of the accounting policies set out in the financial statements. The accounting policies are set out in the financial statements and are based on the accounting standards and practices applicable in the United Kingdom.

3. The financial statements are prepared on the basis of the accounting policies set out in the financial statements. The accounting policies are set out in the financial statements and are based on the accounting standards and practices applicable in the United Kingdom.

Business model

Our business is providing advice and transactional support to clients to protect, enhance and realise the value of their assets, businesses and investments throughout the economic cycle.

We do this with our team of fee earners operating within the local business community from offices across the UK.

Our market-leading insolvency practice, which takes the largest number of corporate insolvency appointments in the UK, and our growing complementary service lines, enable us to offer wide-ranging solutions for our clients.

Our key strengths

Our activities

People

- Highly experienced and qualified professionals
- Detailed market knowledge
- Entrepreneurial aptitude

Clients and relationships

- Diverse client base
- Enduring relationships
- Trusted brand and reputation

Know-how

- Creative, problem-solving expertise
- Established business practices
- Specialist services with barriers to entry

Financial

- Strong financial position
- Resilient financial performance across the economic cycle
- Growing operating margins

80% Insolvency and defensive activities

20% Pro-cyclical activities

We are well-positioned in a challenging economic environment, with the majority of our income from insolvency and defensive activities

Insolvency and defensive activities

- Corporate and personal insolvency
- Business and financial restructuring
- Credit advisory
- Accelerated corporate finance
- Due diligence and transaction support
- Asset realisation and liquidation
- Personal advisory
- Insurance broking
- Valuation and sale of distressed assets, property, machinery, and other business assets
- Specialist insurance and vacant property risk management
- Property auctions
- Building consultancy
- Commercial property management
- Property letting
- Leasehold enfranchisement

Pro-cyclical activities

- Finance broking
- Corporate finance
- Valuation of commercial properties
- Commercial property agency
- Business sales agency
- Transport planning and design

Our culture and values

Values

- Trusted advisors to our clients
- Act with integrity
- Take pride in our relevant solutions provided to clients

Governance

- Board oversight
- Highly experienced leadership team in executive and senior management positions

Risk management

- Established business and risk management processes
- Dedicated compliance functions
- Business diversification to reduce exposure to one activity or changes in the business cycle

How we create value for our stakeholders

People

Provide an environment in which our people

- are valued and enjoy working for the group
- can develop their talents and fulfil their potential
- share in our sustainable management and leadership, including senior employee forums

Clients

Optimise value for clients through providing

- high quality service
- competitive and cost-effective changing structure
- innovative and entrepreneurial advice and solutions

Shareholders

Sustainable increase in shareholder value through

- growing earnings per share
- paying dividends
- delivering share price appreciation

Our strategy and objectives

Delivering value through growth.

Our strategy

The board believes the execution of this strategy will enhance shareholder value through the delivery of strong, sustainable financial performance.

Organic growth strategy

Organic growth will be targeted through:

- retention and development of our existing partner and client base
- recruitment of new talent
- enhanced cross-selling of our service line and expert set to our wider client base and
- investment in technology and processes to improve working practices and improve the value of our client

Acquisition strategy

Our acquisition strategy is to target high quality, sustainable and scalable businesses of the following market segments:

- independent increase of market share;
- advisory and transactional services to enhance expertise in geographical coverage and
- complementary professional services businesses to support the development of the group and enhance profitability.

Our vision

To be leaders in our chosen professional services giving outstanding advice and transactional support to enable clients to protect, enhance and realise the value of their assets, businesses and investments throughout the economic cycle.

Our strategic objectives

1

Increase scale and quality

Enhance the scale and quality of our business by growing organically and by acquisition

2

Shareholder value

Deliver sustainable profitable growth, creating increased shareholder value

3

Effective capital structure

Maintain our strong financial position enabling the investment and development of the group and our people

4

Strong corporate governance

Continue to set and high standards of corporate governance and regulatory

Acquiring for growth

The group has a well-defined process for the identification, valuation, acquisition and integration of target businesses.

Our acquisition process

Target identification

The group maintains a pipeline of acquisition opportunities through both internally managed growth, external and regional third-party sales pipeline.

We target value-additive acquisitions, many of the following market segments:

- consolidation within existing markets
- property services to enhance a customer's geographical coverage and
- complementary professional services businesses to enhance the development of the group and to drive cost savings

Valuation and pricing strategy

The group has a standard process for assessing the value of a target business.

We require an appropriate ongoing contribution to the business of the group.

Our intention is that, to inform the pricing, valuation and commercial parameters, any quickly reported

Effective transaction process

The group has an established legal and financial due diligence process which includes in-house and external legal and commercial due diligence and integration planning.

This enables us to complete transactions in an efficient, cost-effective and timely manner.

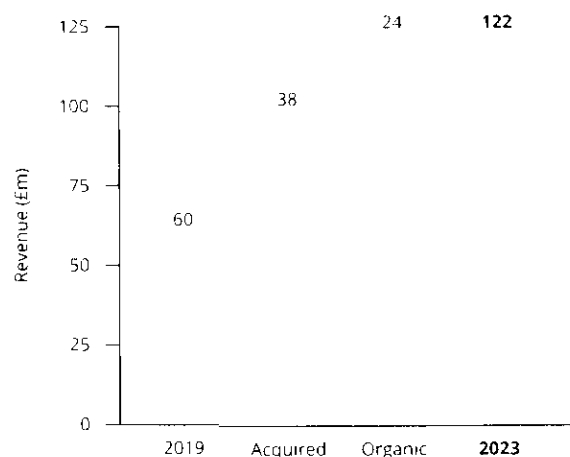
Integration and value delivery

There is a clear post-acquisition integration strategy, and plans to ensure smooth value delivery.

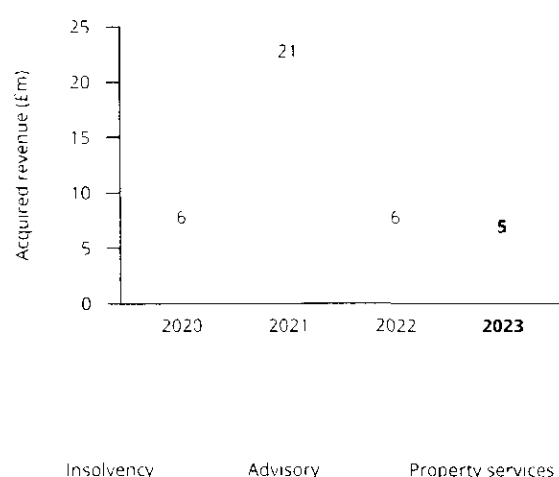
The integration model is as follows:

- clear communication to key stakeholders
- integration of support services
- alignment of objectives and
- financial alignment where appropriate

Revenue growth



Acquired revenue by year of acquisition



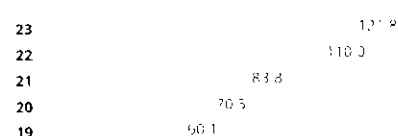
Our key performance indicators

The board uses the following KPIs to manage the performance of the business and progress against our strategic objectives.

REVENUE (£m)

£121.8m

(2022: £107.4m)



The measure

Revenue generated from the sale of products and services, net of discounts and returns.

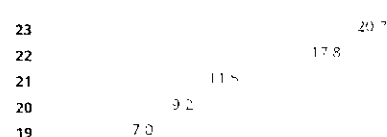
The target

To increase revenue by expanding the scale and quality of our operating businesses, both organically and through strategic acquisitions.

ADJUSTED PROFIT BEFORE TAX (£m)

£20.7m

(2022: £17.3m)



The measure

Profit before tax generated by the business in the year, adjusted to exclude items which are not recurring in nature and which might distort the performance of the underlying business, and the effect of the day-to-day management of the group.

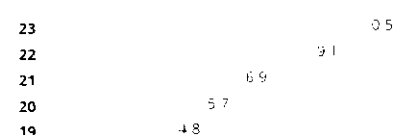
The target

To increase, through growth in adjusted profit before tax.

ADJUSTED BASIC EPS (p)

10.5p

(2022: 9.1p)



The measure

Adjusted EPS is calculated by dividing adjusted profits by the weighted average number of shares in issue.

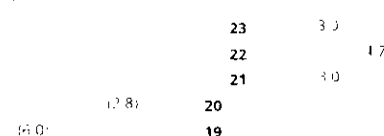
The target

To deliver growth in EPS to increase shareholder value.

NET CASH (DEBT) (£m)

£3.0m

(2022: £4.7m)



The measure

Cash net of borrowings, less £13.5m tax.

The target

To maintain a strong financial position with sufficient liquidity and capital structure to enable continuing investment in the business with the ability to act swiftly when opportunities arise.

More information:

Commentary on financial performance on these KPIs and other financial information is included in the financial review on page 11.

Operating review

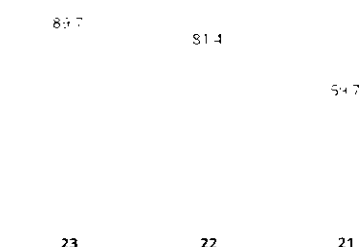
Ric Traynor
Executive chairman

Insolvency and advisory services

REVENUE (£m)

£89.7m

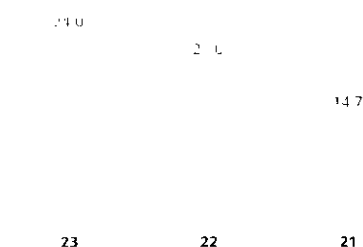
(2022: £81.1m)



SEGMENTAL PROFITS (£m)

£24.0m

(2022: £11.0m)



Financial summary

Revenue increased by 10.4% to £89.7m (2022: £81.1m), reflecting the benefit from recent acquisitions combined with an increase in activity levels. Revenue from insolvencies, agency appointments, increased by £10.6m (2022: £66.7m) with advisory and fees generating £14.1m (2022: £14.1m). This is a record level of revenues generated by a focused portfolio, representing 27% of all segmental revenues in 2023.

Operating costs increased to £65.3m (2022: £64.6m) as a result of inflationary cost increases, particularly in the cost of stock to associate with acquired businesses. However, these costs reduced as a percentage of revenue which resulted in improved operating margin of 26.8% (2022: 25.8%).

Segmental profits increased by 114% to £24.0m (2022: £11.0m).

Insolvency market

Corporate insolvencies materially increased to 22 in 2023 (2022: 16, 57%). This is due to both liquidations which had previously been on hold as a result of pandemic lockdowns together with increased administration, especially larger cases, which remain below historic levels but are now higher than the post-pandemic lows of mid-year 2021.

The challenge is for the businesses and people to be able to continue to support growth in the insolvency market.

Operating review Insolvency

We have maintained our market leading positions, our volume of appointments where we are ranked first nationally for overall corporate appointments, with a 13% share and second nationally in administration with an 11% share. These strong market positions reflect the benefits of investments we have made in technology and our fully expanding our onshore, offshore and offshore operations.

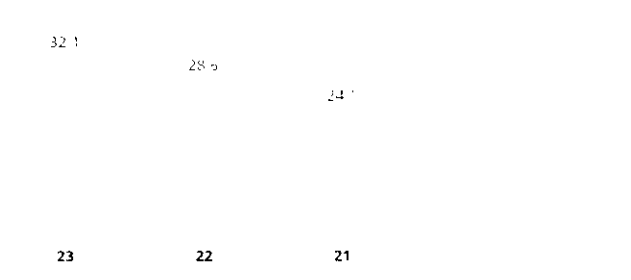
Page 10 of 14

Our financial performance is reported in the consolidated financial statements. For further details on our financial performance, please refer to the consolidated financial statements on pages 15 to 24 of this report.

REVENUE (£m)

£32.1m

+102.1% vs 2022



Auction activity increased in the year reflecting a number of non-property related client and media buy sales, in addition to the return of property auction volume, particularly in the second half of the year. We made progress in developing our property and digital offering through the acquisition of a team from Mark James and Co in Sheffield and a new team in Manchester. This complemented our current team and increases our geographic coverage. The teams have now progressed in the approaching trial period, with a further number of live transactions during the trial period, with a further number of live transactions planned for the coming year. We have also secured a number of new clients, including a number of new clients in the green energy sector, which will typically result in more targeted participation in property sales, being conducted through auction.

business sales transactions were robust in the year, having absorbed the market impact of the global interest rate

Projects and development

Our building and development team has been successful in securing a number of new projects, including development of a new building, surveying and specialist advice. We have also been successful in securing a number of new clients, particularly in the green energy sector. We have also been successful in securing a number of new clients, particularly in the green energy sector.

We have continued to develop the business in the year, including the integration of the Budworth Cardale team, which has enabled our Eastern England offering. We also continue to progress with expanding our reach to new markets, including the education sector and other areas.

Our team is continuing to engage with the government work with development, delivery and digital teams, including the launch of our digital platform, which will be in line with the previous year. The team continues to work on the digital platform, which will be in line with the previous year.

SEGMENTAL PROFITS (£m)

£5.7m

+112.2% vs 2022



Asset management and insurance

We manage commercial property in the region, including commercial occupiers and property development, including the use of an independent valuation service, including the use of an independent valuation service.

Over the year, we have started the Budworth Cardale team, which has enabled us to increase the number of live transactions. The team has been successful in securing a number of new clients, particularly in the green energy sector, which will typically result in more targeted participation in property sales, being conducted through auction.

Our team is continuing to engage with the government work with development, delivery and digital teams, including the launch of our digital platform, which will be in line with the previous year. The team continues to work on the digital platform, which will be in line with the previous year.

People

The number of people employed in the group has increased to 245 on 31 April 2023, from 225 at the start of the financial year. The number of people employed in the group has increased to 245 on 31 April 2023, from 225 at the start of the financial year.

Finance review

Nick Taylor
Group finance director

Financial summary

	2023 £m	2022 £m
Revenue	121.8	121.8
Adjusted EBITDA	26.6	23.9
Share-based payments	(1.3)	(1.6)
Depreciation	(3.5)	(4.8)
Operating profit before transaction costs and amortisation	21.8	18.5
Finance costs	(1.1)	(2.8)
Adjusted profit before tax	20.7	15.7
Transaction costs	(8.4)	(5.9)
Amortisation of intangible assets and goodwill	(6.3)	(5.9)
Profit before tax	6.0	4.0
Tax on operating income and other tax	(3.1)	(2.9)
Deferred tax charge due to change in tax rate	—	(1.9)
Profit after tax for the year	2.9	(0.8)

Operating result (before transaction costs and amortisation)

Revenue in the year increased by £11.8m (£121.8m, 2022: £110.0m) and includes a rise of 11.8% in volume.

Adjusted EBITDA increased by £2.6m, 2023: £26.6m with an extra £1.1m from share-based payments and depreciation including £1.8m (2022: £1.6m).

Operating profit before transaction costs and amortisation

	2023 (£m)			2022 (£m)		
	2023	2022	2021	2023	2022	2021
Property and related services	89.7	88.4	88.0	24.0	23.9	14.1
Property advisory and financial services	32.1	26.6	25.0	5.7	4.8	3.9
Share and other central costs	—	—	—	(7.9)	(7.2)	(5.5)
Total	121.8	115.0	113.0	21.8	18.5	12.5

Operating margins improved to 17.3% (2022: 15.9%) with an increase in both the property and financial services segments, but were offset by a fall in the advisory segment in 2022 and a fall in the advisory segment in 2021.

Adjusted profit before tax increased by 10% to £20.7m (2022: £18.5m).

Adjusted profit after tax for the year was £2.9m (2022: £(0.8)m).

• Legal requirements: compliance with applicable laws and regulations.

	2023			
	Profit before tax £m	Tax £m	Profit after tax £m	Effective rate
Adjusted	20.7	(4.3)	16.4	21%
Transfer pricing effect	(8.4)	—	(8.4)	—
Adjusted total	(6.3)	1.2	(5.1)	19.5%
Statutory rate of corporate tax	6.0	(3.1)	2.9	52%
Deferred tax charge from change in rate	—	—	—	—
Statutory	6.0	(3.1)	2.9	52%

	2006 2005	2007 2006	2008 2007	2009 2008
Acquisition	17.8	13.7	14.1	16.0
Disposals (net of costs)	(5.5)	—	(5.8)	—
Amortization	(5.2)	(1.3)	(14.1)	(1.0)
Statutory Accounting Adjustment (charge)	—	0.7	—	(0.8)
Depreciation	—	—	—	—
Impairment charge/(gain)	—	(1.2)	(0.8)	—
Total	4.1	1.2	(1.6)	4.2

	2023			
	Insolvency and advisory services	Property advisory and transactional services	Shared and support teams	Total
Fixed-fee services	533	295	—	828
Cost-plus services	53	10	87	150
Total	586	305	87	978

	1990	1991	1992	1993
1990-1991	19.1	20.6	—	21.4
1991-1992	16.4	17	17.2	17.7
1992-1993	16.42	17.55	17.7	18.05

15

Stakeholder engagement

Section 172 statement

The following disclosure forms the Directors' statement required under section 172(1)(a) of the Companies Act 2006, in respect of the Directors' engagement with stakeholders. The Directors have had regard to the matters set out in section 172(1)(b) of the Act in performing their duties. The Directors have engaged with stakeholders in the discharge of their long-term duties to the company and considered the views and interests of all key stakeholders in its decision-making.

The principal decisions made by the Board during the year are as follows:

Acquisitions

In line with our strategy, detailed on page 8, we completed two acquisitions in the financial year with a further acquisition on course following the year end. The Board believe that strategy increased value for all stakeholders and is for the long-term benefit of the group.

Board appointment

We strengthened the Board and have introduced a new director to the non-executive chair, Mary Donohue, as an independent director and member of the audit committee.

Sustainability

The Board has continued to develop its sustainability strategy for the year with key developments in the year as detailed on pages 14 to 17.

Capital structure

The Board reviewed its financial structure during the year and continued the group's commitment to working facilities with the Bank of Ireland in August 2025. This is a long-running relationship which commenced in 2016. The Board believe that this financing provides the group with the flexibility required to enable continuing investment in the business including appropriate capital expenditure requirements and make dividend distributions to shareholders.

Our people

Why we engage

The business is dependent on the professional development, recruitment and retention of our highly experienced, fit-for-purpose, who are responsible for delivering high-quality services to our clients.

The directors recognise that the quality, motivation and commitment of our people is fundamental to the group's success.

How we engage

We engage and interact with our teams both on a local office level and nationally, as detailed on page 22.

Our senior management teams across all the group's operations are both formally and informally in a regular dialogue with the executive directors.

Shareholders

Why we engage

Access to capital is of vital importance to the long-term success of our business.

The group's engagement activities are aimed to enhance the support for our strategic objectives and our vision for the future.

We believe in delivering value to our shareholders and ensure that the business continues to be successful in the long term and continues to deliver value for all our stakeholders.

How we engage

The chairman and finance director are primary responsible for the investor relations and a regular programme of engagement. This includes results announcements which are also available on the group's IR website. The IR programme maintains ongoing communication with shareholders and helps to ensure that the financial and operational views of the group are clear.

The group has an investor liaison team in place to manage the reception of the company.

The company makes announcements using the regulatory news service through the financial year in a timely and efficient manner.

The AGM provides an opportunity for all shareholders to ask questions and to meet the directors.

Community

Why we engage

We believe that through our community engagement activities we can make a meaningful impact on the areas where our people live and work.

We are conscious of the impact we have on the environment and are committed to making positive changes to our business where possible.

How we engage

Our sustainability commitment is detailed on pages 18 to 22 and is a key value to the community as we operate and in our ongoing impact on the environment.

Clients

Why we engage

Our clients are key to the success of our business.

How we engage

The group has a strong client base across all service lines. Our client-facing teams are in direct contact with their clients and are responsible for ensuring high-quality service and managing the delivery of our people.

Sustainability

Our commitment to a sustainable future

Our Board is committed to delivering the sustainable development goals that will benefit all our stakeholders.

At Begbies Traynor, sustainability is an integral part of our business. As we serve our clients, we seek to create a culture of strong governance and responsible leadership that minimises our impact on the environment.

Our environmental social and governance (ESG) goals

We will work to deliver sustainability outcomes for the annual financial year that achieve our ESG goals including:

- Compliance with ESG laws, regulations and standards
- Excellence in the management and empowerment of our colleagues – including diversity, equity and inclusion practices for our workforce
- A transition plan for the group to meet the UK's target of achieving net zero carbon emissions by 2050
- A commitment to maintaining high standards of corporate governance and
- Timely and full disclosure of data that underpins our stated commitments

ESG developments

We have made progress in the following areas in the period under review:

- Established our ESG governance and management structure, reporting to the board. In addition, we have strengthened our commitment to community, diversity and inclusion and sustainability, which will be a key role for determining priorities and managing associated risks and opportunities
- Following our appointment of a highly experienced HR professional to the newly created group role of people director, we have made further senior appointments to the team to enhance our people management. Details of some of the initiatives which have been completed in the year are detailed in pages 161–204 of this sustainability report
- Ongoing migration of electricity contracted energy supplier from renewable to tariff for phase 1, where utility supplier has contracted by the landlord for managing agent. We are engaging with them to integrate these supplier to renewable source of energy
- Continued transition of company car fleet to ultra-low emission vehicles (ULEV)
 - As at 30/2022, 99% of fleet cars are now ULEV and
 - 1/3 car hire pool is supplied from low carbon salary car hire scheme which enabled all employees to access low carbon vehicles for a cost effective manager and our manager, the majority of our employees to access low carbon fully funded vehicles
- Completed migration of IT services from on-premise servers to a cloud energy efficient cloud based solution
- Updates the office-based printer and scanner hardware to reduce energy consumption with an ongoing project to identify and not out continuing to reduce the consumption of paper and consumables

- We are investing in replacing our current IT storage platform with cloud enabled S3/Solid state drive storage to reduce carbon footprint, offsite have a smaller footprint and less carbon footprint with data storage in the cloud to reduce carbon footprint

- Maintained our strong governance and control

ESG governance

The board believes that strong ESG performance is a benefit to the group and its stakeholders. Our ESG goals align with our targets, management and opportunities, delivery, progress and performance and increase transparency through our reporting.

The group ESG committee, chaired by the group managing director and included the company secretary, a senior group executive. The committee reports to the board with the purpose of:

- a) defining a focus on sustainability within the group
- b) defining the group's sustainability strategy
- c) highlighting ESG compliance issues, risks and opportunities and
- d) contributing to the group's evolution and transformation through ensuring that it remains aligned with the principles of sustainability

Managing ESG risks

The board and the audit committee have reviewed the principal risks on an ongoing basis. Four of the principal risks and uncertainties are relevant to ESG. We also conduct a diversity and assess emerging risks including those relating to ESG and climate change detailed on page 21.

Our ESG-related principal risks are:

- 1. Cyber, privacy and retention through data, partner and employee
- 2. Business continuity
- 3. Legal and regulation and
- 4. Data loss, interruption in IT systems

ESG action plan

We will progress our sustainability strategy with a focus on the following summary as follows:

- 1) Strong ESG governance through the ESG Committee.**
- 2) Enhance the group's resilience.** We will develop an incident and business continuity plans to strengthen our response to a range of risk factors within the ESG landscape which could impact on the long-term viability of our business.
- 3) Monitor our ESG performance.** We will develop key ESG performance indicators that apply to the group and monitor our performance against these measures.
- 4) Rectify shortcomings and innovate.** Based on the findings regarding our ESG shortcomings, we will rectify our shortcomings through taking immediate and short-term actions and innovate through the right to we gain. Analysis of the data generated will also inform our work to produce a transition plan for the 2050 net zero carbon target. As part of this important study, we will identify the resources required to invest in our transition to a more sustainable future.

5) Disclose and communicate. We will disclose our progress against ESG data to all our stakeholders, and our commitment to transparency will be clear in our measures of what we do, and how we do it, to achieve our performance.

Our sustainability agenda for 2023 is outlined in our policies, which will be our primary ethical and business priorities.

Social

Social commitment

We are committed to a culture where everyone:

- can be valued and enjoy working for the group;
- can develop their talents and fulfil their potential; and
- can be recognised and rewarded through reward packages and the share incentive schemes.

We are committed to maintaining a positive environment and culture where colleagues are:

- professional and experts in their field;
- trusted advisors to our clients; and
- entrepreneurial.

We are investing in a performance management approach to support the delivery of our strategic growth ambition. We are ensuring every individual will own their own development plan and therefore give their talents to the group. Our retention rate over the last financial year was 86% (2022: 92%).

Our employee engagement survey results are available on our website.

In November 2022 we completed an all-colleague survey. The participation rate was 71% compared to 64% in the 2021 survey and an external benchmark study. The overall engagement score was 75% compared to 75% in 2020 and an external benchmark of 74%, which is pleasing given that we increased our benchmark by over 10% since the last survey.

We used feedback from the survey to inform key initiatives under our new people strategy, which is made up of three pillars:

- inclusion, diversity and wellbeing;
- learning for growth; and
- our community.

Inclusion, diversity and wellbeing

Equal opportunities

We are an equal opportunity employer with a policy to recruit, promote, train and develop colleagues, irrespective of race, age, sex and the characteristics of their ethnicity or other protected characteristics.

As at 31 April 2023, the total workforce of 117,200 comprised 63,965 males and 53,235 females. In comparison with other professional services firms there are a greater proportion of male colleagues in financial and engineering roles. The gender mix at this level is 53.4 males and 46.6 females (2022: 53.2 males and 46.8 females).

In accordance with the Equality Act 2010, Begbies Traynor Limited and its subsidiaries are required to disclose employees with 25 or more working hours a year in their gender pay statistics. This is not calculated in accordance with the published requirements and can be found on the Begbies Traynor Group Equality website.

Ensuring a diverse candidate pipeline is essential to our organic growth. We seek potential candidates through multiple recruiting organisations, including relationships with schools, colleges and universities, as well as our own work placement students and graduates.

We build a positive working environment to increase our productivity and diversity by adopting a number of flexible working opportunities and adjustments to the standard 9-5 office hours. HR policies are reviewed at least annually to maintain a healthy environment.

Wellbeing

Wellbeing is essential to achieving optimal organisational performance. The core of our approach to wellbeing is focusing on quality of design, effective performance management and an environment that creates the conditions for success.

Supporting change across the profession

We are working closely with the Institution of Chartered Accountants and other steering groups and seek to influence the profession to help new life styles and help our colleagues to be well paid, well educated and share best practice.

Sharing success

We are committed to merit and competitive reward packages for our people, which combine a competitive salary together with a bonus and other benefits which are applicable.

We believe that it is important for our people to share in the success of the group and we have a share incentive scheme in place. 37,966 of our full-time employees have a year earned AXE, which is a share award on retention.

In total, 35% (2022: 24%) of our colleagues currently participate in a bonus, share or share plan schemes. The increase in participation reflects the level of uptake in our third SAVE scheme in the year.

Sustainability continued

Social continued

Learning for growth

Everyone is talent and development for all

We continue to develop talent and learning opportunities for all, supporting ongoing growth and innovation. We invest in our people, building a culture of learning and providing development opportunities for all.

This is part of our new learning and development strategy, which is based on two key objectives:

- **run the firm** – ensuring the basics are right and
- **grow the firm** – enabling business growth, innovation and skills development.

Our support enables colleagues to develop and maintain, and gain professional qualifications to further their career and career progression. We provide this support through placement courses, work experience and mentoring study programmes. This enables our people to gain professional qualifications in accountancy, insolvency, chartered surveying, business banking and asset finance. We also provide work placement opportunities for our graduates, which in many cases will lead to a graduate employment opportunity in the group.

During the year, we provided support for 117 staff to gain professional qualifications.

We review the performance of colleagues throughout the year as part of annual performance assessments and ongoing 1:1 conversations. The approach continues to focus on embedding performance management, by having regular quality performance and career conversations, creating the right conditions for individuals and teams to be successful.

Our community

Internal communications and engagement

During the year, we created a new role of internal communications manager and established a working group to support internal communication across our new internal communications map.

We continue to engage and interact with teams through:

- regular team meetings;
- a national partner conference; and
- internal updates from the executive chairman on major corporate events, including financial results and new services and opportunities.

To strengthen our employee engagement, we have also introduced four colleague networks:

- **Community** – define and promote our shared commitments and values, community culture;
- **Diversity and inclusion** – work with all colleagues and managers to raise awareness of the value of and their opportunities to raise awareness of inclusion and diversity matters;
- **Sustainability** – reduce emissions and waste across the group, supporting better use of technology with more efficient and sustainable ways of working;
- **People engagement** – champion and embed key employment practices.

Building and supporting communities

We continue to build and support communities for our people and the communities in which we operate. We continue to invest in our people and the communities in which we operate, providing opportunities for all to develop and grow.

We continue to invest in the communities in which we operate.

We continue to operate in the heart of the local communities, providing support through charity and for the social work, defence, continuing development relationships with local schools, colleges and universities to support young people in establishing a career in their industries.

Governance

Governance commitment

The board is committed to maintaining high standards of corporate governance. We recognise that a positive culture, together with a robust approach to governance, is key to the success of the organisation.

We have a clear approach to governance and risk management, with a highly experienced legal partnership, together with board, committee and governance risk controls.

Many of the group's services are regulated by external regulatory bodies and practices and internal controls are in place to ensure compliance with applicable laws and regulations.

Whistleblowing

We are committed to maintaining high ethical standards and have an independent review system. All our employees should feel able to raise any matters of concern to their manager. If they are not able to do so, we have a whistleblowing policy in place, which applies across the group.

Anti-bribery and corruption

We have a zero-tolerance approach to bribery and corruption, with a clear policy and procedures designed to ensure compliance with relevant laws wherever we do business.

Modern slavery

The Modern Slavery Act came into force in 2015. We have a zero-tolerance approach to modern slavery and believe that the risk of slavery or human trafficking in the organisation and engagement of our employees is low. To ensure further compliance, we approved supplier codes of conduct that mandate this approach and our suppliers. The group's Modern Slavery and Human Trafficking Statement is available on the group's website.

Data protection and information security

The group has policies in place to protect personal data held by the group, which meet the requirements of the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). The group's data protection policy is available on the group's website.

We have a data protection policy in place which is available on the group's website. There is a data protection programme of training for all staff, which highlights key areas of information security and data awareness. A critical data area is the group's financial data, which is held on the group's managed IT infrastructure, which would have required formal notification to the Information Commissioner's Office.

Environment

Environmental commitment

A core part of our business is to deliver a sustainable and profitable solution to our customers' needs. We are committed to reducing our environmental impact across our operations and supply chain. We are also committed to reducing our carbon footprint and to reducing our water usage.

We believe that our business is well positioned to deliver a sustainable future. Our business is well positioned to deliver a sustainable future. Our business is well positioned to deliver a sustainable future. Our business is well positioned to deliver a sustainable future.

Our Track Emission and Climate Change Report is available on our website. Our Track Emission and Climate Change Report is available on our website. Our Track Emission and Climate Change Report is available on our website.

Governance

The Board has overall responsibility for ESG issues, including climate-related matters, and monitors the management of our climate-related risks and opportunities. The Board delegates its overall authority to the ESG Committee, which provides quarterly updates to the Board.

The ESG Committee reviews and approves our register of climate-related risks and opportunities and our climate change strategy. The ESG Committee reviews and approves our register of climate-related risks and opportunities and our climate change strategy.

Risk management

We are committed to identifying, assessing and managing our climate-related risks and opportunities in line with our risk management framework.

Our climate-related risks and opportunities are assessed in line with our risk management framework. Our climate-related risks and opportunities are assessed in line with our risk management framework. Our climate-related risks and opportunities are assessed in line with our risk management framework.

Strategy

Our business strategy is to deliver a sustainable and profitable solution to our customers' needs. Our business strategy is to deliver a sustainable and profitable solution to our customers' needs.

We have identified and reviewed the climate-related risks and opportunities arising from our business strategy. We have identified and reviewed the climate-related risks and opportunities arising from our business strategy.

The table below details the climate-related risks and opportunities we have identified. The table below details the climate-related risks and opportunities we have identified. The table below details the climate-related risks and opportunities we have identified.

Risk/opportunity	Overview
Transition risks	
Climate change	Increasing demand for sustainable products and services, leading to increased regulatory requirements and higher costs of capital.
Investment risk	ESG performance and climate change are becoming increasingly important factors in investment decisions.
Reputation	Increased scrutiny of our business operations and products, leading to potential reputational damage.
Physical risks	
Climate change	Increasing demand for sustainable products and services, leading to increased regulatory requirements and higher costs of capital.
Investment risk	ESG performance and climate change are becoming increasingly important factors in investment decisions.
Reputation	Increased scrutiny of our business operations and products, leading to potential reputational damage.
Opportunities	
New products	Developing and launching new products and services that are sustainable and profitable.
Acquisition	Acquiring businesses that have strong ESG credentials and are well positioned to deliver sustainable growth.

Sustainability continued

Environment continued

Metrics and targets

We are committed to managing our climate risk, as we understand it, having a net-zero carbon emissions target by 2030, as well as other climate strategies and targets, as detailed in our climate strategy below.

Greenhouse gas emissions ('GHG') statement

Our primary climate metrics are greenhouse gas emissions, which reflect the climate change risks of the group and its operations, together with an overview of emissions attributable to climate change in our supply chain.

The company's greenhouse gas emissions are the primary climate risks of the group. Emissions of greenhouse gases have decreased by 10% in the 2023 financial year with emissions of greenhouse gases reduced by 29% and emissions of greenhouse gases reduced by 33%.

		2023	2022	2021	2020
GHG emissions					
Scope 1	Tonnes of CO ₂ e	253	165	147	198
Scope 2	Tonnes of CO ₂ e	189	164	162	216
Scope 3	Tonnes of CO ₂ e	245	211	143	194
Total group emissions	Tonnes of CO₂e	687	540	452	608
Intensity measure					
Emissions of full-time equivalent member of staff	Tonnes of CO ₂ e FTE	0.69	0.64	0.64	0.66
Revenue (billion turnover)	Revenue (billion turnover)	5.68	5.68	5.30	5.22
Energy consumption					
Scope 1	kWh	1,098,000	8,127,000	8,150,000	8,150,000
Scope 2	kWh	913,000	7,130,000	7,130,000	8,150,000
Scope 3	kWh	1,011,000	8,127,000	8,150,000	8,150,000
Total	kWh	3,022,000	24,384,000	23,430,000	24,450,000

Scope 1 Emissions from owned or controlled sources, including direct emissions from the group's operations.

Scope 2 Emissions from the purchase of electricity, heating and cooling.

Scope 3 Emissions from sources outside the group's operations, including emissions from the use of purchased goods and services, business travel, employee commuting, and other indirect emissions.

The group's emissions are calculated using the most accurate data available, including data from the group's operations, and data from third parties, such as suppliers and customers.

Risk management and principal risks

Identifying and managing risk

Identifying and managing risks relevant to our business involves a structured process to identify, assess and treat the risks we would face in achieving our strategic intent.

It involves a mix of the gradual and the experimental, moving with the pace of our environment, the scale and intensity of our challenges, our appetite for risk and our risk-taking, the nature of the opportunities and challenges we face, and the nature of our business and the nature of our management.

Risk management governance structure

Board of directors

Responsibility for setting the group's risk appetite and risk management strategy.

A strategic policy to define the group's approach to risk management and to ensure risk management is consistent.

The board delegates responsibility for risk management activities to the board's committees.

Audit committee

Identifies the principal risks identified by our risk management committee, together with any associated controls and mitigations.

Reviews and monitors the risk management system.

Risk management committees

IT security committee

A sub-committee of the audit committee. Its primary responsibility is to oversee

the management of risks associated with data protection, security of information systems, and networks, physical and non-physical, and

IT service management and incident response processes.

The committee is chaired by a non-executive director, Peter Waller, and includes the group legal counsel, the managing director of the group IT team

Operational risk committees

Subsidiary committees of the board, covering operating and support processes and mitigating risks including engagements.

Members include the relevant business, compliance and support executives, and the relevant independent or the relevant client engagement.

Environmental, social and governance (ESG) committee

The committee reports to the board with the purpose of providing a focus on sustainability in the group and delivering the group's sustainability strategy.

It is chaired by the group finance director and includes the company secretary and other senior stakeholders.

Divisional operating boards

Divisional boards are chaired with responsibility for the operational operating decisions in their division and are responsible for day-to-day management of the division.

Responsible for implementing the group's policies on risk management and internal control.

Responsible for the identification, evaluation, mitigation and timely resolution of client engagement

Risk management and principal risks *continued*

The directors have identified the principal risks assessed not to be material and emerging risks facing the group.

Outlined on the following page are the principal risks and uncertainties faced by the group in its strategic and financial implementation of its strategy. The risks are consistent with those disclosed in the prior year. The nature and extent of the risks are considered to be material to the business.

The group's controls are designed to manage these risks to a level that is acceptable in terms of the probability, frequency and potential financial and/or reputational materiality of the event or failure.

Risk	Mitigating activities	Change
Recruitment and retention of high-calibre partners and employees		
The business is dependent on a limited pool of high-calibre professionals to ensure the continued success of the business and its partners and employees.	• Attract, recruit and retain the talent and professionals who will drive the business forward • Implement a strategic management and talent strategy, including: • Attracting and recruiting colleagues with the right skills, experience and structure • Retention, including offering employee share schemes and salary protection • Training and development, career and gain opportunities, professional development and • Flexibility, which have been an integral part of long-term incentive awards • Attract, recruit and retain key people	Continued
Business continuity		
Significant events, such as a pandemic, could impact the business and its partners and employees, with a potential adverse effect on operational performance and reputation.	• With the business continuity plans in place across the business, the business will continue to work with alternative suppliers and services during the period of disruption and ensure the majority of activities will be fully working in the home.	Continued
Operational gearing		
The business is operationally geared with a high proportion of capital expenditure, which will impact the cash flow, and the business may face the risk of a significant decline in many areas of the business, which may be dependent on external factors.	• The business is operationally geared with a high proportion of capital expenditure, which will impact the cash flow, and the business may face the risk of a significant decline in many areas of the business, which may be dependent on external factors.	Continued

Risk	Mitigating activities	
Liquidity risk		
The group is not fully diversified geographically, relying significantly on the UK and Ireland for a substantial proportion of its revenue and profit. This concentration is exacerbated by the group's dependence on a few major clients, particularly in the UK and Ireland.	The group's activities are diversified geographically, with a substantial proportion of its revenue and profit generated outside the UK and Ireland. The group's major clients are diversified geographically, with a substantial proportion of its revenue and profit generated outside the UK and Ireland. The group's major clients are diversified geographically, with a substantial proportion of its revenue and profit generated outside the UK and Ireland.	Strategic
Marketplace		
The group's market position is challenged by changes in the competitive landscape, including changes in the regulatory environment and changes in the regulatory landscape.	The group is actively engaged in the marketplace, with a focus on innovation and growth. The group is actively engaged in the marketplace, with a focus on innovation and growth. The group is actively engaged in the marketplace, with a focus on innovation and growth.	Strategic
The group operates in a highly competitive market and is subject to the risk of loss of key clients.	The group manages its competitive position by focusing on innovation and growth. The group manages its competitive position by focusing on innovation and growth. The group manages its competitive position by focusing on innovation and growth.	Strategic
Legal and regulation		
The group is exposed to legal and regulatory risks, including changes in the regulatory environment and changes in the regulatory landscape.	The group is actively engaged in the marketplace, with a focus on innovation and growth. The group is actively engaged in the marketplace, with a focus on innovation and growth. The group is actively engaged in the marketplace, with a focus on innovation and growth.	Strategic
The group is exposed to legal and regulatory risks, including changes in the regulatory environment and changes in the regulatory landscape.	The group is actively engaged in the marketplace, with a focus on innovation and growth. The group is actively engaged in the marketplace, with a focus on innovation and growth. The group is actively engaged in the marketplace, with a focus on innovation and growth.	Strategic

Risk management and principal risks *continued*

Risk	Mitigating activities	Change
Failure or interruption in IT systems		
Any interruption to the group's IT systems may result in a number of issues, such as disruption to the group's operations, loss of customer data, and a loss of control of the group's operations and assets. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable.	The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable.	The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable. The group's IT systems are subject to a number of risks, including the risk of a cyber attack, the risk of a system failure, and the risk of a system being unavailable.
Acquisition risk		
The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture.	The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture.	The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture. The group's acquisition strategy is subject to a number of risks, including the risk of a failed acquisition, the risk of a failed integration, and the risk of a failed divestiture.

Approval

The Board has approved the Strategic Report and the Financial Statements for the year ended 31 March 2023.

Ric Traynor
Executive chairman
10 July 2023

Nick Taylor
Group finance director
10 July 2023

Chairman's introduction

Ric Traynor Executive chairman

I am fully committed to maintaining high standards of corporate governance. As chairman, it is my role to ensure that these standards are embedded into the board and to ensure that the group is managed in the best interests of shareholders and other stakeholder group.

We recognise that a positive culture together with robust and ethical governance is key to the success of the organisation. As a professional services organisation, the group's activities are regulated by external regulatory bodies and professional standards. These regulatory professional standards are reinforced by the code which sets the standards for the group in promoting ethical and professional growth against the background of robust regulatory compliance and ethical standards and a measured approach to risk taking.

We seek to be a trusted advisor to all our clients, bringing a totality of all times and to take on our role to advise and solution we provide.

We have a clear approach to governance and risk management with a highly experienced leadership team in executive and senior management positions, together with robust controls and governance procedures.

As a professional services organisation, we believe that the people working for the group can develop their talent and fulfil their potential with us.

In the following sections we have provided details of our approach to governance and application of the UK Corporate Governance Code from the audit and remuneration committees. I believe that the framework provided in the UK Code contributes to our ability to deliver long-term sustainable value and assists the board in managing the business for all of its stakeholders with the primary focus being a focus on our shareholders and a robust management framework across all corporate governance elements.

Further detail to our compliance with the UK Code can be found on our website at <https://begbies-traynor.co.uk/corporate-governance>.

Ric Traynor
Executive chairman
10 July 2023

Board of directors

Executive directors

Ric Traynor

Executive chairman



Appointment date:
May 2004

Experience

Ric has been an insolvency practitioner since qualifying as a Chartered Accountant with Arthur Andersen in 1984. He established Traynor & Co in 1992 which, following the acquisition of Begbies Traynor in 2007 became Begbies Traynor.

Ric has focussed on the development of the business, including the group's successful IPO in March 2023, and on practice re-management. He continues to hold the business and remains a major shareholder.

Nick Taylor

Group finance director



Appointment date:
December 2010

Experience

Nick was appointed to the Board in 2010 having previously joined the group as financial controller in 2007. He has chartered accountancy and financial experience, including financial reporting and operational management. He qualified with ICAEW in March 2002 and previously held senior financial positions for Lloyds Bank and for Data Treasury Limited, the business process outsourcing

Mark Fry

Head of insolvency and advisory



Appointment date:
July 2011

Experience

Mark was appointed to the Board in 2011 having joined the group in 2005 following an acquisition and he led the London and South East regional insolvency and advisory team. He is the current head of insolvency and advisory services, an experienced insolvency practitioner and has been involved in numerous complex and high-profile assignments. Mark is also a former President of the Insolvency Practitioners' Association.

Non-executive directors

John May

Non-executive director



Appointment date:
October 2007

Experience

John was appointed to the Board in 2007 and is a non-executive director. He was an executive director of Gatehouse Investments Ltd from 2003 to 2011 prior to which he worked for the Bank of England for over 19 years, where he was an executive director of Lombard Bank and part managing director of changes via the debt capital markets. He also worked for the UK's largest private company, having been a director of more than 40 listed and private companies, generating 100% of the UK's earnings globally.

Graham McInnes

Non-executive director



R I

Mark Stupples

Non-executive director



1

Peter Wallqvist

Non-executive director



Mandy Donald

Non-executive director



1

Appointment date:
September 2004

Experience

Graham was arrested on the night of the 2004 robbery and charged with murder, armed robbery, kidnapping, and possession of a dangerous weapon. He pleaded guilty to the robbery and kidnapping charges and was sentenced to 20 years in prison. Graham began his prison term in 2005.

central to design. He has held a number of senior technical positions, including corporate training director at Shell and a programme development director in the oil and gas industry. He is currently working with a multinational, developing its own corporate training capabilities. In the 1990s, Graham is also a director of Newton Technolag, a small start-up specialising in the application of technology to the

Appointment date:
July 2017

Experience

Mark was appointed to the role in 2017 as general manager and director. He is a signatory to the property services agreement as a result of his special role in major works, including Stage 3 of Marge's Partner and as a Chief Operating Officer and Managing Director in December 2019. During this time, Mark had responsibility for the delivery of the business working closely with Finance, HR and IT and was responsible for the UK sustainability strategy. Mark now runs his own consultancy, focussing on business strategy and change.

Mark has experienced the challenges of the retail sector by starting and running the UK's first mobile food laboratory, the mobile food lab, located in a school and run by the retail sector. This has strengthened Mark's understanding of the retail sector, along with the retail

Appointment date:
December 2019

Experience

After an appointment, the candidate is interviewed by a panel of judges. The interview is designed to assess the candidate's knowledge of current management and legal principles, as well as the candidate's communication skills. The candidate is then interviewed by a panel of judges, which includes legal practitioners and non-legal practitioners. The candidate is then interviewed by a panel of judges, which includes legal practitioners and non-legal practitioners. The candidate is then interviewed by a panel of judges, which includes legal practitioners and non-legal practitioners.

Appointment date:
February 2023

Experience

Mandy Ward, age 59, is the third generation family member executive in the Mandy's is a chartered accountant and experienced non-executive director. She joined F&L in 2002 and spent 11 years working in different capacities in the firm. In 2002 she was appointed as Executive Director of Finance and Operations and from 2007-2011 was the Chairman of the Finance and Investment Committee and later in 2012, as a non-executive director, she was appointed as a member of non-executive director position in the financial and professional services for the club. She is a former Southall Group Director, Asian Management Group, Morgan Investment Group, and a former GVLs LLP, as well as in the past for a profit sector at the past time of Career Research, these roles include leading a team of several staff and risk assessing the

Corporate governance statement

Overview

It is also true that the theory of the composition of the compound is not yet complete.

- **node** is an object with **data** and **next** attributes. Initially, **data** is set to the value of the first element and **next** is set to **NULL**. In the following, **data** is an integer and **next** is a pointer to a node.
- **list** is a pointer to **node**. It always have the address of the first node in the linked list. For example, in the linked list shown in the figure, the value of **list** is the address of the first node.
- **data** and **next** are pointers to separate computer memory. They are linked by the program and internal control provided by the user and they are not necessarily related to the physical memory and
- **data** is a variable whose address is stored in the **data** attribute of the node and **next** is a variable whose address is stored in the **next** attribute.

in order to be good has different policies relating to the capture and primary processing, handling, distribution, and abatement of pollution and safety. It is common to find a system and/or aligned system for all aspects of the production process, such as in the case of a power plant. These are not integrated, but they are aligned. The latter may be considered an improvement.

Responsibilities of the board

For each i and j in $\{1, \dots, n\}$, let $\mathcal{C}_{ij}$ denote the i th column of $\mathcal{C}$ and $\mathcal{R}_{ij}$ denote the j th row of $\mathcal{R}$. Then

- setting the strategy and determining the company
- establishing the major goals and objectives and the strategy for their attainment
- determining the major areas of budgetary control
- determining the major standards and budgets
- determining the major methods of control and the major areas of responsibility
- determining the major structural and organizational changes
- determining the major financial and non-financial controls
- determining the major financial and non-financial controls
- determining the major financial and non-financial controls

Since the majority of the cases were febrile, the amount of fluid ingested might indicate the magnitude of exposure. Ingestion of 100 g or more was associated with a statistically significant increase in the risk of illness (OR 1.7, 95% CI 1.1-2.7).

and various other design considerations. In order to be able to use the stable, non-singular, rational transforms appearing in the synthesis and realization results and to obtain satisfactory results, the following conditions must be satisfied:

[illegible]

Board members

For the second part of the proof, let α be a regular cardinal and let $\mathcal{A}$ be a κ -regularity algebra. Then, by the previous theorem, $\mathcal{A}$ is a κ -regularity algebra for α if and only if $\mathcal{A}$ is a κ -regularity algebra for α . This completes the proof.

Role of the executive chairman

The authors are grateful to the National Science Foundation and the Department of Energy for their support. This work was performed under the auspices of the Office of Biological and Environmental Research of the U.S. Department of Energy.

[illegible]

Executive directors

[illegible]

Non-executive directors

The general definition of a vector field (NEDs). The NEDs are stationary, divergenceless and irrotational, of the particular form $\mathbf{E} = -\nabla\phi$, $\mathbf{B} = \nabla\psi \times \mathbf{e}_3$, where ϕ and ψ are scalar fields, $\mathbf{e}_3$ is the unit vector in the direction of the magnetic field, and ∇ is the 2D gradient operator in the plane perpendicular to $\mathbf{e}_3$.

The NEL was developed to meet all of the following objectives: to provide a meeting structure for the entire committee and the individual general meeting; to provide a mark and help the new users to understand the 1000 Series; to provide a guide to the NEL and explain how to use it; and to help the users to find the guides that are relevant to their particular studies and work.

Finally, our analyses suggest that the two US datasets do not depend together in a statistically significant manner in other relationships where we did not find a statistically significant effect of the US dataset.

Company secretary

The primary activities of the Office include: (a) to the extent appropriate, the Board of Trustees and regulatory agencies, and other interested parties are kept informed of the ongoing efforts of the Office in its ongoing efforts, including the development of the implementation plan for the All-India Survey of the Office, Secretary, and all other persons, and the efforts of the Office to ensure that the survey is carried out in a timely and efficient manner, and to ensure that the survey is carried out in a timely and efficient manner, and to ensure that the survey is carried out in a timely and efficient manner.

Audit committee report

- approving the constitution of the audit committee and operating as a sub-committee of the audit committee, including additional responsibilities agreed with management in the financial year end
- approving and signing external audit contracts, reviewing the effectiveness of the audit and the financial reporting process

Role of the external auditor

The committee monitors the relationship with the external auditor, Crowe, to ensure that auditor independence and objectivity are maintained. Crowe has no financial or other relationship with the group, which followed a tender process. The committee will meet to review the need for a further external audit. Any recommendation by Crowe to provide non-audit services to the group must be approved in advance by the committee. No fees were paid to Crowe for non-audit services during the year.

Having reviewed the auditor's independence and performance, the committee has concluded that these are effective and recommends that Crowe be reappointed for the next AGM.

Audit process

The auditor prepares an annual planning report for consideration by the committee, which details areas of audit focus and anticipated key audit risks, together with the anticipated level of materiality. This is reviewed and approved by the committee. Following the audit, the auditor presents its findings to the committee. Key significant areas of focus identified by the external auditor:

Internal audit

The committee has reviewed the group's processes for the review and testing of internal controls. Internal audit is conducted by a group of independent of the group. It includes that all areas of the adequacy and effectiveness of internal controls are identified through the group's compliance and financial risk register, where necessary, by external independent review.

Internal controls and risk management

The systems of internal control and risk management, including the responsibility of the board, which sets and reviews appropriate policies. The systems are designed to ensure compliance, but not to exclude a guarantee against material misstatement of financial statements. We delegate the tasks of implementation and maintenance of systems in accordance with those policies and the identification, evaluation, management and reporting of risk and control issues.

Controls and processes are reviewed on a periodic basis by the group's finance and compliance teams with any issues and recommendations reported to the audit committee.

Budgets are prepared annually and key performance targets with them are set by the board. Key performance targets are regularly reviewed and variance analysis is delegated and acted upon by members of the board and management. The audit of financial management.

The principal risks and uncertainties faced by the group, together with mitigating actions, are disclosed in the strategic report on pages 23 to 24.

Graham McInnes
Chair of the audit committee
10 July 2023

Graham McInnes

Chair of the audit committee

As chair of the audit committee the committee is pleased to present the committee's report for the year ended 31 April 2023. The purpose of the report is to describe the work undertaken by the committee and to explain how it discharges its responsibilities during the year.

Members of the audit committee

Until an independent non-executive director joins the committee since 2018. The other members of the committee during the year were John May and Eilanny Donald. May resigned the committee in February 2023 and Eilanny was appointed to that role as an independent director. The group formally seeks formal advice at the disposal of the committee to advise and assist the members.

In the new financial year, Eilanny Donald will succeed May as chair and I will remain a member of the committee.

The executive chairman, the group finance director and the representative of the group's external and non-independent directors attend meetings of the committee by invitation only. There are no meetings at least three times a year, in accordance with the terms of reference.

The committee's terms of reference are available on the group's website. Its principal responsibilities are to review and approve the financial reporting and internal control and risk management.

Key actions during the year

During the year the committee discharged its responsibilities by:

- approving the external auditor's plan for the audit of the group's annual financial statements, including key audit matters, key risks, confirmation of audit independence and terms of engagement and audit fees
- reviewing the group's draft annual report and accounts and the external auditor's draft audit completion report, including the identification of key audit matters and risk
- reviewing the group's half year and full year results and interim results
- reviewing the performance of the external auditor
- reviewing the group's risk management processes, listing the group's key risks and mitigations

Remuneration committee report

John May

Chair of the remuneration committee

On behalf of the remuneration committee, I am pleased to release this document, which sets out the remuneration policy and the remuneration paid to the directors for the year ended 30 April 2023.

Members of the remuneration committee

The remuneration committee has three members, each of whom are independent non-executive directors: Chair of the remuneration committee and Graham McInnes and Nick Stoddard are the other current members of the committee. The group financial secretary is at the disposal of the committee, and also acts as the secretary.

The executive chairman is invited to attend meetings of the committee but does not take part in remuneration matters relating to his or her remuneration. The chairman meets at least once a year and communicates with the remuneration chair.

The committee's terms of reference are available on the group's website. It provides advice, guidance and recommendations on remuneration matters to the executive director, chief financial officer, chairman and long-term incentive and shareholders' advisory committee.

Policy

The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success.

The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success. The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success. The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success.

Directors' remuneration

The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success. The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success. The remuneration committee's policy is to develop remuneration to attract, motivate and retain the best talent to drive the company's long-term success.

The executive chairman is remunerated as a percentage of salary, based on the salary of the chairman of the group's largest listed company, with a maximum bonus available of 100% of base salary. The bonus is payable only if the chairman is recommended for re-election by shareholders.

None of the directors is paid in the group's largest listed company, with a maximum bonus available of 100% of base salary.

Long-term incentive plans

The long-term incentive plans are payable to Nick Stoddard and Nick Stoddard. The long-term incentive plans are payable to Nick Stoddard and Nick Stoddard. The long-term incentive plans are payable to Nick Stoddard and Nick Stoddard. The long-term incentive plans are payable to Nick Stoddard and Nick Stoddard.

Non-executive directors

Non-executive directors' remuneration is determined by the board.

Remuneration committee report *continued*

Directors' emoluments

Director	2022 base salary (£,000)	2022 bonus (£,000)	2022 other (£,000)	2023 total £	2022 total £	2022 other £
Executive						
Phil Traynor	574,284	255,000	215,314	663,411	419,414	243,996
Nick Taylor	225,743	120,000	80,284	406,476	143,918	112,500
Mark Hely	430,000	320,000	141,067	790,046	464,046	325,999
Non-executive						
John Day	44,167	—	—	44,167	44,167	—
Stephen M. Drew	44,167	—	5,000	49,289	44,167	—
Mark Stupples	44,167	—	—	44,167	44,167	—
Peter Wallquist	44,167	—	—	44,167	44,167	—
Mandy Donaldson	11,250	—	—	11,250	11,250	—
Aggregate emoluments	1,210,648	765,000	361,665	2,052,973	1,097,475	742,500

£ = thousands of pounds sterling (£,000)

Director	2023 base salary (£,000)	2023 bonus (£,000)	2023 other (£,000)	2023 total £	2022 total £	2022 other £
Executive						
Phil Traynor	546,000	310,000	211,500	867,375	674,918	319,500
Nick Taylor	190,000	100,000	78,000	368,000	177,718	139,000
Mark Hely	424,800	330,000	158,284	813,084	464,046	341,000
Non-executive						
John Day	41,000	—	—	41,000	40,000	—
Stephen M. Drew	40,000	—	1,000	41,000	44,167	—
Mark Stupples	40,000	—	—	40,000	40,000	—
Peter Wallquist	40,000	—	—	40,000	40,000	—
Aggregate emoluments	1,241,400	880,000	379,784	2,106,448	1,236,946	889,500

Directors' share options

Aggregate emoluments disclosed above do not include any share option or restricted share plan awards or other share awards or share options granted to or held by the directors. Details of share options held by directors who served during the year are as follows:

		Number of shares	Exercise price	Number at 30 April 2023	Term	Expiry date
Director	Scheme					
Mark Hely	Share options scheme 2013	1,000,000	—	1,000,000	7%	30 April 2018
	Performance share plan 2013	250,000	—	250,000	3%	31 July 2018
Nick Taylor	Share options scheme 2013	412,000	£1.78500	142,472	6.5%	30 April 2019
	Performance share plan 2013	250,000	—	250,000	3%	31 July 2019

The movement in the company's share price in 2023 has been a downward movement in line with the market price, ranging from a low of 10p to 18p.

As detailed in the information graph, the company has issued 10.5 million new shares of 1p each over the period of the year, and has also repurchased 10.5 million shares.

Directors' interests

Mr Wright has a beneficial interest in 30 April 2023 in the following shares of the Group:

Director Name	Type of interest	30 April 2023		30 April 2022	
		number	%	number	%
Mr Wright	Ordinary shares	27,178,980	17.55	27,780,000	17.7
Mr Taylor	Ordinary shares	261,786	0.17	200,235	0.13
Mark Hill	Ordinary shares	661,610	0.43	661,610	0.43
John May	Ordinary shares	383,514	0.25	342,975	0.22
Graham McInnes	Ordinary shares	917,432	0.59	917,432	0.59
Mark Staples	Ordinary shares	30,727	0.02	30,727	0.02
Robert Wallqvist	Ordinary shares	30,000	0.02	30,000	0.02
Michael Donald	Ordinary shares	—	—	—	—

No change took place in the interests of directors between 30 April 2023 and 30 July 2023.

John May

Chair of the remuneration committee

30 July 2023

Directors' report

This report is presented in the annual report and accounts of the group, together with the financial statements and directors' report for the year ended 31st April 2023, as a chairman's statement, strategic report, directors' remuneration report and corporate governance statement, forms part of the financial information incorporated into it by cross-reference.

The shareholder engagement section of the strategic report contains information in respect of the group's key stakeholders and business relationships, including employees, the financial community and the community and environment.

Directors

The names and biographical details of the directors are shown on page 28.

Risks and uncertainties

The principal business risks and uncertainties to which the company is exposed are detailed on page 23 of the strategic report.

Dividends

The directors are recommending a final dividend of 2.0p (2012: 1.0p) and ordinary shares to be paid on 3 November 2023 to shareholders on the register on 6 October 2023. This, together with the interim dividend of 1.2p paid on 5 May 2023 (2022: 1.0p), makes a total dividend of 3.2p for the year (2022: 2.0p).

Substantial shareholdings

On 1 July 2023, the company had been notified of a substantial holding of 7.0% to 9.9% of the company's 4,112,000 ordinary shares by the following persons or entities in the aggregate capital of the company:

Shareholder	Number of shares	Percentage
Cliffe Brothers Asset Management	1,140,490	2.7%
Amari Global Investors	1,138,120	2.8%
NYK Vermögensverwalter	763,900	1.9%
State Investments	554,190	1.4%
Gresham House Asset Management	507,450	1.2%
Riverbank Merchant Asset Management	302,000	0.7%

Other than the above holdings and those of the members (see page 35), the board is not aware of any beneficial holding in excess of 1% of the total share capital of the company.

Financial instruments

The financial risk management objectives and policies of the group are shown in note 7.

Capital structure

Details of the issued share capital, together with details of the movements in share capital during the year are shown in note 2.

Political donations

The company made no political donations during the year.

Disabled employees

Equal opportunity employment by Beagles plc is an everyday fully integrated business function and the normal way of applying to work. In the event of members of staff being considered for employment, it is a priority to ensure that they are employed on an equal basis with other employees in that appropriate framework. It is the policy of the group that the training, career development and promotion of disabled persons should be as positive as that of other employees.

Greenhouse gas ('GHG') emissions report

Details of the group's GHG emissions for the year are detailed on page 22 of the strategic report.

Employees

The policy of the group is to recruit, promote, train and develop its people by reference to their skills, abilities and other attributes of value to the role in the business. The group considers itself to be an equal opportunities employer.

For details of employee engagement, refer to the shareholder engagement page 17 and our sustainability statement (pages 18 to 21).

Auditor

Each of the directors at the date of approval of the annual report confirms that:

- they and the directors were properly informed and able to interpret and act on the information available to them in the company's accounts and aware of the
- the directors had taken all the steps that ought to be taken to ensure that the information on which the directors relied to establish that the company's accounts were aware of that information.

In accordance with section 434 of the Companies Act 2006, no resolution will be proposed at the annual general meeting that the directors be re-appointed as auditors.

Approved by the board and signed and dated on behalf of the board.

John Humphrey

Company secretary

10 July 2023

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. For that year, the directors have elected to prepare the group financial statements in accordance with the Accounting Standards for Companies in the United Kingdom (United Kingdom Generally Accepted Accounting Practice) (United Kingdom Accounting Standards) and United Kingdom company law. The directors are also responsible for ensuring that the financial statements are prepared in accordance with the requirements of the Companies Act 2006 and the provisions of the Companies Act 2006 relating to the preparation of the financial statements and the requirements of the Companies Act 2006 relating to the preparation of the financial statements.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with the adopted International Accounting Standards and, if not, any material departures; disclose each departure in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to prepare the company's financial statements on a basis other than going concern.

The directors are also required to keep adequate accounting records that are sufficient to show and explain the company's transactions and its financial position at any time. They are also responsible for ensuring that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring that the annual report and financial statements are published on the company's website in accordance with applicable law and regulation. The directors are also responsible for ensuring that the annual report and financial statements are published on the company's website in accordance with applicable law and regulation. The directors are also responsible for ensuring that the annual report and financial statements are published on the company's website in accordance with applicable law and regulation.

Independent auditor's report

to the members of Begbies Traynor Group plc

Opinion

We have audited the financial statements of Begbies Traynor Group plc (the Parent Company) and its subsidiaries (together the Group) for the year ended 31 March 2023, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 April 2023
- the consolidated statement of comprehensive income for the year ended 31 April 2022
- the Group and parent company balance sheet as at 31 April 2023
- the Group cash flow statement for the year ended 31 April 2023
- the notes to the financial statements, including a summary of significant accounting policies

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted accounting standards. The financial reporting framework that has been applied is the UK adopted accounting standards, financial reporting framework that has been applied is the UK adopted accounting standards, financial reporting framework that has been applied is the UK adopted accounting standards. The financial reporting framework that has been applied is the UK adopted accounting standards, financial reporting framework that has been applied is the UK adopted accounting standards.

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 April 2023 and of the group's performance for the year ended 31 April 2023

- the Group financial statements have been properly prepared in accordance with UK adopted financial reporting standards
- the Parent Company financial statements have been properly prepared in accordance with UK adopted financial reporting standards
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under these standards are further defined in the Auditor's responsibilities section of the financial statements. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the ISAs. The financial statements are prepared in accordance with the UK adopted accounting standards, financial reporting framework that has been applied is the UK adopted accounting standards, financial reporting framework that has been applied is the UK adopted accounting standards.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included examining the directors' assessment of going concern. This involved gaining an understanding of management's basis for the identification of events or conditions that may cast a significant doubt on the ability of the Group or Company to continue as a going concern, and whether a material uncertainty related to going concern exists.

Furthermore, we performed specific audit procedures on going concern, whereby we identified and evaluated the directors' ability to continue to adopt the going concern basis of accounting, and we evaluated the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting. We also considered whether any factors or events have occurred that may cast a significant doubt on the ability of the Group or Company to continue as a going concern.

We also considered explicitly whether there was any evidence of management bias in the financial statements relating to going concern. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that individually or collectively may cast a significant doubt on the Group's or Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with regard to going concern are described in more detail in the notes to the financial statements.

Overview of our audit approach

Materiality

In planning and conducting our audit we applied the concept of materiality. We determined the materiality of the financial statements by considering the consequences of any error on the financial statements. We also considered the qualitative factors, including the nature and circumstances of the error, that may affect the financial statements identified.

We used a different level of materiality, performance materiality, to determine the extent of testing required in the financial statements. Performance materiality is set based on the audit materiality and is designed to provide a level of assurance over and above what is the level of risk of a material misstatement being aggregated in the financial statements.

Where misstatements are identified, performance materiality may be related to a lower level, such as the performance materiality for the group, to ensure the overall audit is effective.

Group materiality	£1,050,000
Group performance materiality	£700,000
Parent Company materiality	£150,000
Parent Company performance materiality	£525,000
Basis for Group materiality	Profit adjusted profit before tax
Basis for Parent Company materiality	Based on net assets and the related group materiality
Rationale for the benchmark adopted	Begbies Traynor Group plc is a public company with a significant number of external stakeholders. A material misstatement is considered to be the key risk for the Group and as such a profit-based materiality basis is considered appropriate. We adjusted for one-off and non-recurring items as these are not representative of the underlying operating performance and are not in line with the financial performance. The adjusted figure is a more accurate representation of the underlying operating performance and is used to determine the materiality for the group and the parent company.

We agreed with the audit committee that we would report to the committee all identified audit differences identified during the course of our audit in excess of £4,000. We also agreed to report differences below this threshold that, in our view, may affect the quality of the group's financial statements.

Overview of the scope of our audit

Our audit was designed to provide reasonable assurance of the group's financial statements, including the consolidated financial statements, and assessing the risks of material misstatement at the group level. We also assessed the risk of misstatement in the financial statements, whether due to fraud or error and then designed our performance audit procedures to respond to those risks. In particular, we focused on the areas where the directors made subjective judgements, such as accounting estimates, provisions and contingencies.

We defined the scope of our audit to ensure that we obtained sufficient audit evidence to be able to form an opinion on the financial statements as a whole. We used the outputs of our risk assessment to plan for the scope of the audit and to ensure that we considered qualitative factors to ensure that we obtained sufficient evidence on all financial statement line items.

For the significant components, we performed a full scope audit of the complete financial information for the reporting period. For the components, we performed analytical procedures and other audit procedures to provide assurance and then, if necessary, to form an opinion on the specific financial statement line item. We also considered the potential for the group's financial statements to be materially misstated due to the magnitude of the error, the risk of detection, the likelihood of the error being detected, and the likelihood of the error being detected by the group's internal controls. The audit team also performed analytical procedures to ensure that there were no significant risks of material misstatement in the group's financial statements.

Audits of the components were performed at a materiality level calculated by reference to a proportion of the group's total assets, appropriate to the nature of the business and the risk.

The group materiality was calculated as the sum of all components' materiality levels and was used to determine the audit procedures.

Beggies Traynor Group plc Annual report and accounts 2023

Overview of our audit approach continued

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue and unbilled income recognition Note 12 in the accounts is in paragraph 30 of the Strategic Report and 12 of the Financial Statements. It is a controlled matter. At the year end, and in policies noted at 12, there are a number of different claims each which contain different performance conditions. We have considered the implications of the various performance conditions and determined that the significant risk in the period is that of the overstatement of unbilled income revenue arising from the manipulation of claims in a year end through the manipulation of provisions for irrecoverable amounts. Judgements are formed on a large portfolio of cases meaning individual judgements are not material. However, as a result of the large number of insolvent cases being handled by the firm, the aggregate balance of unbilled income is significant. As a result of this, our audit level of risk is not low, and the potential for a material misstatement and significant audit work was performed in this area.	We performed procedures over the year end to ensure that there was sufficient challenge to the year end revenue team's monthly unbilled income estimates and judgements, including reasons for a further review and challenge to key estimates and provisions against unbilled income and provisions calculated and kept by individual solicitors, practitioners and the firm's lawyers, including a sample of controls, training, review, and challenge. The level of challenge and follow up in the audit was a function of the variance over the internal control in place. As an example, year end unbilled income balances were tested through questionnaires being issued to the fee earners and then reviewing their responses and a sample of underlying supporting documentation, property valuations and claims is held on and decisions against the year end position set out. This included examining valuations and assets held for the case. We performed the stage of completion calculations as at year end for a sample of cases and through challenge from rigorous internal test means made management's reliance to the data of a case by looking at the quality of underlying data and the issues. We also challenged recoverability of the fees by looking at the value of assets held with respect to the cases which supported the fee estimate. We also reviewed the unbilled revenue estimates made in the prior year in relation to their recovery, for a sample of cases and assessed their accuracy based on actual results. We performed a challenge to the ageing provision to unbilled income, to ensure any ageing from the prior year and part of the ageing provision was with good understanding of the business.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and we do not provide an opinion on whether the other information is fairly stated in the report, save for our limited assurance on the sustainability conclusion of the year.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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 on that fact.

As required by the reporting framework:

Opinion on other matter prescribed by the Companies Act 2006

In connection with the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report by the financial year end, with the financial statements, is materially consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and its operations and financial reporting obtained by the group in the course of the audit, we have identified the principal matters on which the strategic report or the directors' report:

Consolidated statement of comprehensive income

for the year ended 30 April 2023

		2023 £'000	2022 £'000
Revenue	3	121,825	117,101
Cost of sales		(67,700)	(65,101)
Gross profit		54,125	52,000
Other operating income		208	1,107
Administrative expenses		(47,178)	(47,126)
Operating profit (before amortisation and transaction costs)		21,821	15,981
Transaction costs	5	(8,440)	(9,121)
Amortisation of intangible assets arising from acquisition		(6,226)	(7,246)
Operating profit		7,155	(4,386)
Finance costs	7	(1,170)	(1,550)
Profit before tax		5,985	(4,931)
Tax (before credit deferred tax charge)	6	(3,074)	(2,752)
Deferred tax charge due to change in tax rate	8	—	(1,121)
Profit (loss) and total comprehensive income for the year		2,911	(8,804)
Earnings (loss) per share			
Basic	1	1.9p	0.5p
Diluted	11	1.8p	0.4p

The profit for the year was £2.9 million (2022: £0.5 million) and is attributable to the parent.

Consolidated statement of changes in equity

for the year ended 30 April 2023

	£m	£m	£m	£m	£m	£m
	2022	2021	2020	2019	2018	2017
At 1 May 2022	1,677	6,505	27,072	304	1,052	8,157
Total comprehensive income for the year	—	—	—	—	1,607	1,947
Dividends	—	—	—	—	(4,357)	(5,357)
Change in equity for equity-settled share-based payments	—	—	—	—	1,344	1,111
Share issued as consideration for acquisitions	87	—	1,038	—	—	87
Share issued for share-based payments	77	187	—	—	—	174
At 30 April 2022	1,761	6,692	28,110	304	1,993	8,157
Total comprehensive income for the year	—	—	—	—	1,607	1,947
Dividends	—	—	—	—	(5,357)	(5,357)
Change in equity for equity-settled share-based payments	—	—	—	—	1,277	1,277
Share issued as consideration for acquisitions	28	—	772	—	—	28
Share issued for share-based payments	28	187	—	—	—	114
At 30 April 2023	7,727	29,973	27,944	304	18,392	84,340

A description of the nature and purpose of each reserve is included in the note 23.

Consolidated balance sheet

at 30 April 2023

		2023 £'000	2022 £'000
Non-current assets			
Intangible assets		73,386	73,207
Property, plant and equipment		1,993	2,005
Right-of-use assets	12	7,751	1,184
Trade and other receivables	4	5,200	1,174
		88,330	77,570
Current assets			
Trade and other receivables	34	55,550	48,474
Cash and cash equivalents		8,001	9,755
		63,551	58,229
Total assets		151,881	135,799
Current liabilities			
Trade and other payables	7	(42,644)	(47,003)
Current tax liabilities		(1,110)	(1,347)
Lease liabilities	16	(1,554)	(1,147)
Provisions	16	(1,006)	(1,471)
		(46,314)	(50,968)
Net current assets		17,237	8,261
Non-current liabilities			
Borrowings	12	(5,000)	(5,000)
Long-term liabilities	4	(6,658)	(7,306)
Provisions	18	(2,139)	(1,829)
Deferred tax	4	(7,430)	(7,636)
		(21,227)	(21,771)
Total liabilities		(67,541)	(67,787)
Net assets		84,340	68,012
Equity			
Share capital	21	7,727	7,727
Share premium		29,973	29,973
Merger reserve		27,944	27,944
Capital redemption reserve		304	304
Retained earnings		18,392	12,064
Equity attributable to owners of the company		84,340	88,012

The financial statements of Begbies Traynor Group plc for the year ended 30 April 2023 were approved by the Board of Directors on 18 May 2023 and signed on behalf of the Board on 19 May 2023.

Ric Traynor
Executive chairman

Nick Taylor
Group finance director

Consolidated cash flow statement

for the year ended 30 April 2023

		2023 £'000	2022 £'000
Cash generated by operations	1	13,218	11,127
Income tax credit		(5,328)	3,927
Interest income on banking		(668)	1,325
Interest paid on lease liabilities		(408)	470
Net cash from operating activities (before acquisition consideration payments)		17,413	16,850
Acquisition consideration payments which are deemed remuneration under IFRS 3	14	(10,599)	5,270
Net cash from operating activities		6,814	12,120
Investing activities			
Purchase of intangible fixed assets	15	(56)	113
Purchase of property, plant and equipment	16	(931)	1,560
Proceeds from disposal of property, plant and equipment		20	40
Acquisition of intangible	13	(809)	1,200
Other intangible acquisition payment	15	(325)	100
Capital and other acquisition of businesses	15	1,158	377
Net cash used in investing activities		(943)	1,990
Financing activities			
Dividends paid	17	(5,387)	14,555
Finance income on lease liabilities		213	604
Capital element of lease payments		(2,381)	15,155
Net cash used in financing activities		(7,555)	12,110
Net (decrease) increase in cash and cash equivalents		(1,684)	1,620
Cash and cash equivalents at beginning of year		9,685	8,065
Cash and cash equivalents at end of year		8,001	9,685

47

2. Accounting policies continued

(d) Intangible assets

Goodwill

Goodwill arising on a combination of business is recognised as an intangible asset.

Following initial recognition, goodwill is subject to an impairment review at least annually and then whenever a triggering event or impairment arises. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising on a business is before the date of the group financials of TRG has been reported in the previous financial year and is being tested for impairment at that time and will be included in the prior year.

Other intangible assets

Other intangible assets are measured at full cost and are amortised on a straight-line basis over their estimated useful lives. The carrying amount is reduced by any provision for impairment where necessary.

On a business combination, as well as relating to identifiable intangible assets already recognised in the balance sheet of the acquired entity at their fair value, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition balance sheet at fair value.

Amortisation is charged with administrative expenses in the consolidated statement of comprehensive income and is written off the cost or valuation of assets over their estimated useful lives on the following basis:

Software 104-324,000

Intangible assets arising on acquisitions 104-324,000

(e) Property, plant and equipment

All assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives on the following basis:

Computers 104-324,000

Motor vehicles 104-324,000

Other equipment 104-324,000

Leasehold improvements evenly over period of lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised within profit or loss for the period.

(f) Impairment of tangible and intangible assets

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset is a cash generating unit (CGU) and cash flows that are independent from other assets, the group estimates the recoverable amount of the CGU by comparing the CGU to which it is related to the

recoverable amount (higher of fair value less costs to sell and value in use). In calculating value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value and the risk specific to the asset for which the estimated future cash flows have not been adjusted.

If the recoverable amount of an asset for cash is estimated to be less than its carrying amount, the carrying amount of the asset must be reduced to its recoverable amount. An impairment loss is recognised as an expense in the date.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not so that the increased carrying amount exceeds the carrying amount that would have been determined had no impairment loss been recognised in the prior period. A reversal of an impairment loss is recognised in the income statement.

Notes to the consolidated financial statements *continued*

for the year ended 30 April 2023

2. Accounting policies continued

(g) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the group has a contractual right to receive cash or another financial asset, or a contractual obligation to deliver cash or another financial liability.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks and other financial institutions, which are subject to a low risk of changes in value.

Trade and other receivables (excluding unbilled income and deemed remuneration)

Trade receivables are initially recognised at the transaction price and then at the present value of the cash flows, less impairment provisions, estimated using the trade receivables.

The group applies the simplified approach to providing for expected credit losses (ECLs) under IFRS 9, which permits the use of the lifetime expected loss provision as a measure of expected credit losses. The group makes specific provisions for trade receivables where additional information is known regarding the creditworthiness of the customer. The group also makes specific provisions for trade receivables where the group has established an ECL model using historical data, adjusted for forward-looking factors.

Trade receivables are written off where there is no expectation of recovery.

Other receivables are initially stated at their fair value and subsequently at amortised cost.

Trade and other payables

Trade and other payables are initially stated at their fair value and subsequently at amortised cost.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified based on the substance of the contractual arrangements entered into. A financial instrument is a contract that gives rise to a financial liability or a financial asset for the group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially recognised at the fair value of the proceeds, net of transaction costs. Bank charges, including interest payable on overdrafts and on redemption and drawings, are recognised as an expense in the consolidated statement of comprehensive income using the effective interest method and measured at the carrying amount of the instrument in the period that they are incurred in the period over which they are incurred.

(h) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, the probability that the group will be required to settle the obligation and the amount can be reliably estimated.

(i) Professional indemnity insurance claims

Insurance cover is maintained in respect of professional negligence claims. The group judges that the recognition and quantification of the liability is consistent with client and regulatory provisions regarding recognition of a liability to the extent of the group's success. Where cash outflow is both probable and can be estimated reliably, a liability is recognised in the consolidated statement of the group's liability with the amount recognised for any portion that the group will be required to pay, where a payment is not due back to the group. Where the liability is not reliably estimated, the liability is not recognised and the related transaction is recognised in the consolidated statement of the group's liability.

2. Accounting policies continued

(n) Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instruments granted, measured at the grant date. The fair value is reduced by the amount of any cash dividends paid on the equity instruments prior to the vesting date. The fair value is also reduced by the amount of any cash dividends paid on the equity instruments after the vesting date.

The fair value of the equity instrument is determined based on the assumptions that will be used to estimate the fair value of the equity instrument at the grant date. The fair value is determined based on the assumptions that will be used to estimate the fair value of the equity instrument at the grant date. The fair value is determined based on the assumptions that will be used to estimate the fair value of the equity instrument at the grant date.

(o) Dividends

The dividend is recognised as a liability when it is legally payable to the shareholders of the company. The dividend is recognised as a liability when it is legally payable to the shareholders of the company.

(p) Taxation

The tax expense relates to the current tax and deferred tax.

Current tax

Current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because of tax credits, tax losses, tax losses carried forward, and other items that are not deductible for tax purposes. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expense or the payable or receivable or difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base. The tax base of an asset is the amount that will be deductible for tax purposes against any taxable profit. The tax base of a liability is the amount that will be deductible for tax purposes against any taxable profit. The group's liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated for the tax rate that is expected to apply in the period when the liability is settled or the asset is recovered. Deferred tax is recognised as a liability or an asset, depending on the nature of the temporary difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes by the same taxation authority, and the group intends to settle its current tax assets and liabilities on a net basis.

(q) Critical accounting judgements and sources of estimation uncertainty

In the process of applying the group's accounting policies, the group is required to make certain estimates, judgements, and assumptions that it believes are reasonable based on the information available. The estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period presented.

When making such judgements, the group evaluates its estimates using material external and internal information, and the group's historical experience and other factors. The group's estimates are based on the best available information at the time of the estimates. Actual results may differ from the estimates, the effect of which is recognised in the period in which the facts and circumstances that caused the estimates to become known.

The group believes that the estimates and judgements that have the most significant impact on the annual results of the group are as follows:

Key sources of estimation uncertainty

Goodwill

The group's goodwill is an intangible asset that is measured at the cost of acquisition, less any impairment. The goodwill is measured at the cost of acquisition, less any impairment. The goodwill is measured at the cost of acquisition, less any impairment. The goodwill is measured at the cost of acquisition, less any impairment.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

2. Accounting policies continued

(q) Critical accounting judgements and sources of estimation uncertainty continued

Other sources of estimation uncertainty

Intangible assets in a business combination

The group's intangible assets may be identifiable intangible assets, which include identifiable intangible assets such as patents, trademarks and related rights. The fair value of these assets is determined by management's estimate that the expected cash flows generated by the assets in the active market in the asset exists. The use of different assumptions for the expected cash flows or the cash flows and the discount rate would change the valuation of the intangible assets and the resulting impairment loss or gain. Full details are given in the group's 2022 financial statements.

Unbilled income

As detailed in note 20, in determining the amount of revenue to be recognised, management is required to make an estimate of the unbilled income, which is the total expected fees and charges in partnership.

The group estimates may change over time as the engagement completes. These estimates are made on a larger estimate of the contract, and are therefore unlikely to be individually material.

Provisions and claims

As detailed in notes 20b and 20c, there is judgement in the recognition and quantification of the financial liabilities recognised as provisions and claims.

(r) Recently issued accounting pronouncements

UK-adopted IAS

As detailed in note 20, the group's financial statements have been prepared in accordance with the UK-adopted IAS, which are the standards that impact the group, as they are the standards that are used in the group's financial statements and are consistent with the group's current accounting policies.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 April 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity's financial position or future reporting periods and on foreseeable future transactions.

3. Revenue

Revenue recognised in the year ended 30 April 2023 (£14,000m) was a mix of volume contracts with and without a significant amount of change with IFRS 15, and volume contracts with and without a significant amount of change with IFRS 15, and volume contracts with and without a significant amount of change with IFRS 15.

The group's revenue is split as follows:

	2023 £'000	2022 £'000
Contract assets		
Unbilled income	37,489	31,205
Contract liabilities		
Deferred income	(6,503)	(1,514)

The movement in contract assets in the year comprises £10,000 increase from acquisition in the year and £1,000 increase due to organic growth in the year. The movement in contract liabilities in the year comprises £1,000 increase arising from formal reply to appointment. Revenue recognised in the year that was included in deferred income at the beginning of the year was £1,300 (£1,000).

For the group's formal reply to appointment, which are expected to be completed within one year, the aggregate amount of the liability is £1,300, of which has been allocated to performance obligations that are unsatisfied at 30 April 2023 is £85,000 (£1,200).

For other contracts, the group has taken the practical expedient, which is available under IFRS 15, to not disclose any amounts relating to contracts which had no impact on the year's results.

4. Segmental analysis

The group's operating segments are structured in line with the management's primary business segments and are calculated on a basis which includes operating income and other income. The group's operating segments are: insolvency and advisory services, property advisory and transactional services, and shared and central services.

The performance of the group's operating segments is measured on the basis of operating performance measures which are primarily based on operating profit before financial and financial costs, and on operating cash flow. Revenue is also presented as a performance measure, and is measured with effects:

	Insolvency and advisory services 2023 £'000	Property advisory and transactional services 2023 £'000	Shared and central costs 2023 £'000	Consolidated 2023 £'000
Revenue				
Total revenue from rendering of professional services	89,696	32,187	—	121,883
Inter-segment revenue	—	(58)	—	(58)
Revenue from external customers	89,696	32,129	—	121,825
Fee time	77,212	2,989	—	80,201
At a profit in time	12,484	29,140	—	41,624
Revenue from external customers by business segment	89,696	32,129	—	121,825
Insolvency and advisory services	77,212	—	—	77,212
Corporate financial services and financial engineering	12,484	—	—	12,484
Commercial property management	—	2,989	—	2,989
Property consultancy services	—	18,003	—	18,003
Asset disposals	—	11,137	—	11,137
Revenue from external customers by service line	89,696	32,129	—	121,825
Operating profit before financial and financial costs	23,999	5,692	(7,870)	21,821
	Insolvency and advisory services 2023 £'000	Property advisory and transactional services 2023 £'000	Unallocated corporate amounts 2023 £'000	Consolidated 2023 £'000
Balance sheet				
Assets	130,676	13,204	8,001	151,881
Liabilities	(51,220)	(10,210)	(6,111)	(67,541)
Net assets	79,456	2,994	1,890	84,340

Unallocated amounts include corporate liabilities, cash and investments.

Notes to the consolidated financial statements continued

for the year ended 30 April 2023

4. Segmental analysis continued

	2023 £m	2022 £m	2021 £m	2020 £m
Revenue				
Income from the rendering of professional services	51,363	50,444	—	51,363
Income segment expenses	—	(33)	—	24
Revenue from external customers	51,363	50,411	—	51,387
Overseas	23,861	23,777	—	23,861
At a profit or loss	7,722	23,842	—	23,862
Revenue from external customers by class of revenue	51,363	50,411	—	51,387
Insolvency and advisory services	23,861	—	—	23,861
Corporate finance services and financial broking	7,722	—	—	7,722
Commercial property management	—	2,777	—	2,777
Property consultancy services	—	13,075	—	13,075
Asset disposals	—	6,567	—	6,567
Revenue from external customers by jurisdiction	51,363	50,411	—	51,387
Operating profit before amortisation and impairment losses	2,110	4,841	17,149	4,504
	2023 £m	2022 £m	2021 £m	2020 £m
Balance sheet				
Assets	12,123	1,684	9,685	4,019
Liabilities	(11,290)	(9,711)	(6,761)	(4,760)
Net assets	933	4,995	2,924	(741)

Geographical segments

The group's principal operations are marketed and located in the UK

5. Profit (loss) for the year

Profit (loss) for the year is determined after deducting the following:

	2023 £'000	2022 £'000
Depreciation of property, plant and equipment	1,114	1,188
Depreciation of right-of-use assets	2,136	2,145
Amortisation of intangible assets	6,410	5,665
Impairment of goodwill, property, plant and equipment	(13)	11
Loss/profit on disposal of right-of-use assets	42	157
Share of profit/loss	74,254	67,885
Share-based payment expense	846	830
Impairment of the available-for-sale financial assets	524	310
Reversal of impairment of the available-for-sale financial assets	(31)	101

During the year, the group obtained the following services from the group's auditor, at the following fee levels:

	2023 £'000	2022 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	30	40
Fees payable to the company's auditor for other services to the group		
— the audit of the company's subsidiaries pursuant to legislation	113	109
— audit of the financial statements	6	—
Total audit fees	149	149

For information, the group also obtained the following services from the group's auditor, at the following fee levels:

	2023 £'000	2022 £'000
Acquisition of a subsidiary and other non-current assets for sale with IFRS 5	12,304	1,082
Acquisition of intangibles	434	1,115
Disposal of a subsidiary and other non-current assets	(4,298)	1,021
Total transaction costs	8,440	8,218

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

6. Employee costs

The full-time equivalent full-time permanent staff and employee share ownership scheme are disclosed below.

The average annual number of permanent full-time employees including executive directors working on the group's operations is as follows:

	2023 number	2022 number
Partners	81	86
Employees	991	1,017
	1,072	1,103

Partners' remuneration in the group's consolidated IFRS

	2023 £'000	2022 £'000
The aggregate remuneration comprised:		
Wages, salaries and partners' compensation charged as an expense	63,977	54,354
Social security costs	5,398	4,614
Pension costs (note 17)	3,602	3,113
Share-based payments	1,277	1,574
	74,254	63,655

Directors' remuneration

	2023 £'000	2022 £'000
Short-term benefits	2,053	2,136
Share-based payments	177	147
	2,230	2,283

	number	£
The average number of directors who:		
Had awards or were able in the form of shares to participate in incentive schemes	2	1

No directors participated in the group's defined contribution pension scheme during either year.

7. Finance costs

	2023 £'000	2022 £'000
Interest on borrowings	762	1,115
Finance charge on lease liabilities	343	265
Finance charge on dilapidation provision	65	73
Total finance costs	1,170	1,453

8. Tax

	2023 £'000	2022 £'000
Deferred tax credit charge	4,447	75
Deferred tax credit income for impairment of goodwill	(1,373)	—
Impact of change in tax rate	—	1,817
Total deferred tax credit charge	(1,373)	1,892
Total net deferred tax charge	3,074	1,967

Corporation tax is calculated at 19.5% (2022: 19.6%) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2023 £'000	2022 £'000
Profit before tax	5,985	11,109
National tax charge at the UK corporation tax rate of 19.5% (2022: 19.6%)	1,167	799
Non-deductible material transaction costs	1,624	1,141
Impact of change in tax rate on deferred tax balances	—	1,317
Tax relief on expenses that are not deductible in determining taxable profit	283	418
Total tax charge reported in the consolidated statement of comprehensive income	3,074	1,719

The prior period deferred tax charge at £1.8m was a result of a net tax charge resulting from an increase in deferred tax liabilities following the legislation to increase the UK corporation tax rate from 19% being enacted during the period.

9. Dividends

	2023 £'000	2022 £'000
Amounts recognised as distributions to equity holders in the year		
Interim dividend for the year ended 30 April 2023 of 11.1p (2021: 11.0p) per share	1,687	1,501
Final dividend for the year ended 30 April 2022 of 2.4p (2021: 2.0p) per share	3,700	3,140
	5,387	4,641
Amounts proposed as distributions to equity holders		
Interim dividend for the year ended 30 April 2023 of 12p (2022: 11.0p) per share	1,854	1,551
Final dividend for the year ended 30 April 2023 of 3.2p (2022: 2.4p) per share	4,017	3,140
	5,871	4,691

The proposed final dividend is subject to approval by shareholders at the annual general meeting of shareholders on 26 May 2023. The interim dividend for 2023 was paid on 5 May 2023 and is accordingly not recognised as a liability in the consolidated statement of financial position for equity shareholders.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

10. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	2023 £'000	2022 £'000
Earnings		
Profit (loss) for the year attributable to equity holders	2,911	5,106
	2023 number '000	2022 number '000
Number of shares		
Weighted average number of ordinary shares for the year attributable to equity holders	155,634	152,100
Effect of:		
Share option	6,423	5,905
Contingent shares	233	—
Weighted average number of ordinary shares for the purposes of diluted earnings per share	162,290	158,005
	2023 pence	2022 pence
Basic earnings per share	1.9	3.4
Diluted earnings per share	1.8	3.3

The calculation of the diluted basic earnings per share is based on the following data:

	2023 £'000	2022 £'000
Earnings		
Profit (loss) for the year attributable to equity holders	2,911	5,106
Amortisation of intangible assets arising from acquisition	6,226	1,484
Transaction costs	8,440	8,203
Tax effect of above items	(1,236)	(1,152)
Change in deferred tax on intangible assets with an indefinite life	—	1,961
Adjusted earnings	16,341	14,144
	2023 pence	2022 pence
Adjusted basic earnings per share	10.5	9.3
Adjusted diluted earnings per share	10.1	9.0

11. Intangible assets

	Cost	Amortisation and impairment	Carrying amount	Intangible assets
	£m	£m	£m	£m
Cost				
At 1 May 2022	60,208	—	60,208	100,629
Additions during the year	—	—	—	1,101
At 30 April 2022	60,208	—	60,208	101,730
At 30 April 2023	60,208	—	60,208	102,831
Amortisation and impairment				
At 1 May 2022	—	1,547	1,547	2,142
Amortisation during the year	—	137	137	5,489
At 30 April 2023	—	1,684	1,684	7,631
At 30 April 2022	—	1,684	1,684	7,631
Carrying amount				
At 30 April 2023	60,208	1,684	58,524	95,200
At 30 April 2022	60,208	1,547	58,661	99,588

The carrying value of intangible assets arising from acquisitions comprises brands (£13,040, £12,121, £13,657, £10,108) and related ships (£15,381, £10,030, £12,187, £10,000) and books (£11,474, £10,712, £12,188, £10,121) and websites (£4,315, £2,952, £3,124, £2,617). The remaining value of 2,019 and 1,055 of intangible assets arising from acquisitions is between one and three years.

Goodwill arises from a business combination allocated to an acquisition in the light of the excess of the purchase price over the fair value of identifiable intangible assets. The carrying amount of goodwill is not amortised but is tested annually for impairment.

The group tests goodwill annually for impairment, and more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the goodwill is based on a value in use calculation using cash flow projections over a five year period with a terminal value applied, including the latest five year forecast approved by the board. The five year forecast is prepared based on current market knowledge, known orders of new engagements and the pipeline of opportunities. For remaining years are based on anticipated growth rates in registered companies and the current labour market of a few companies.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are the following:

- pre-tax discount rate
- revenue and
- operating profit margins

Pre-tax discount rate

The group uses a five year average cost of capital to cover use of the value in use calculation. The group pre-tax discount rate of 12.6% (2022: 12.6%) which reflects current market assessments of the fair value of money for the period under review and the risk attached to the group. An embedded option is also considered the uncertainty in the group and a further risk is considered in the discount rate for the period of the value in use calculation.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

11. Intangible assets continued

Revenue

Revenue is recorded in the consolidated financial statements when an identifiable intangible asset is acquired and the intangible asset is available for use. Revenue is recorded when the intangible asset is available for use and the intangible asset is available for use.

Insolvency CGU EBITDA margins

Margins are calculated on the basis of the EBITDA margin of the intangible asset, which is calculated as EBITDA divided by the carrying amount of the intangible asset. The EBITDA margin is calculated as EBITDA divided by the carrying amount of the intangible asset.

Sensitivity to changes in assumptions

When the intangible asset is used in the consolidated financial statements, the carrying amount of the intangible asset is subject to change. The carrying amount of the intangible asset is subject to change.

12. Property, plant and equipment

	At 30 April 2022	At 30 April 2021	At 30 April 2020	At 30 April 2019	At 30 April 2018
Cost					
At 1 July 2021	4,434	1,601	5,194	45	11,347
Acquired in the year	—	25	49	21	—
Disposals	82	23	712	—	43
Carried forward	—	—	521	66	11,390
At 30 April 2022	4,434	1,625	6,005	86	11,441
Acquired in the year	77	12	1,125	—	—
Disposals	74	15	63	—	421
Carried forward	—	—	—	86	11,441
At 30 April 2023	4,741	1,837	6,724	69	13,371
Depreciation and impairment					
At 1 July 2021	2,512	1,104	1,877	28	4,333
Carried forward	1,86	31	163	25	1,334
Carried forward	—	—	—	27	1,334
At 30 April 2022	2,512	1,135	1,877	53	11,221
Carried forward	77	12	1,125	—	—
Disposals	—	—	—	—	1,334
At 30 April 2023	4,186	1,623	5,503	66	11,378
Carrying amount					
At 30 April 2023	555	214	1,221	3	1,993
At 30 April 2022	4,877	1,111	5,181	13	1,107
At 30 April 2021	55	112	1,317	27	1,107

13. Right of use assets

	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Cost				
At 1 May 2021	11,844	1,851	1,112	1,116
Arising on acquisitions	174	—	—	—
Additions	1,179	1,064	—	1,480
Disposals	(157)	—	—	(875)
At 30 April 2022	12,936	2,915	1,112	1,721
Arising on acquisitions	371	—	—	—
Additions	1,170	1,400	—	1,204
Disposals	(2,131)	—	—	(1,114)
At 30 April 2023	17,775	3,335	577	21,687
Depreciation and impairment				
At 1 May 2021	7,161	1,841	1,112	1,114
Charge for the year	1,935	514	192	1,064
Disposals	(214)	—	—	(1,113)
At 30 April 2022	8,882	2,355	1,304	1,065
Charge for the year	1,921	1,115	115	51
Disposals	(1,164)	—	—	(1,113)
At 30 April 2023	10,587	2,772	577	13,936
Carrying amount				
At 30 April 2023	7,188	563	—	7,751
At 30 April 2022	4,053	451	112	1,657
At 30 April 2021	4,687	610	11	601

14. Trade and other receivables

	2023 £'000	2022 £'000
Non-current		
Deferred remuneration	5,200	4,179
Current		
Trade receivables	14,564	11,917
Less: impairment provision	(2,912)	(2,301)
Trade receivables – net	11,652	9,616
Unbilled receivables	37,489	45,113
Other debtors and prepayments	2,987	2,116
Deferred remuneration	3,422	1,277
	55,550	49,022

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Trade receivables are non-interest bearing and are generally on 30 day terms. Refer to note 20 for disclosures on impairment.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

14. Trade and other receivables continued

The impairment provision on company receivables is calculated with a provision of £1,422,000 (2022: £1,215,000) and on a proportionate basis on group receivables of £262,100 (£428,000). The expected loss provision for trade receivables is calculated at the gross carrying amount of trade receivables less any allowance for doubtful debts, as detailed in the following table.

30 April 2023	Days past due					Total £'000
	<30 days £'000	<60 days £'000	<90 days £'000	<180 days £'000	>180 days £'000	
Expected loss rate	1%	2%	4%	10%	22%	4%
Gross amount less specific loss allowance	6,201	2,262	896	1,741	898	11,988
Expected credit loss provision	29	52	35	175	199	490

30 April 2022	Days past due					Total £'000
	<30 days £'000	<60 days £'000	<90 days £'000	<180 days £'000	>180 days £'000	
Expected loss rate	1%	2%	6%	14%	29%	4%
Gross amount less specific loss allowance	4,447	1,374	47	271	537	6,676
Expected credit loss provision	50	43	26	38	155	312

Movement in the impairment provision

	2023 £'000	2022 £'000
Balance at beginning of the year	2,501	2,342
Amounts arising in the year	41	—
Amounts written off during the year	(113)	96
Amounts recovered during the year	(41)	0
Impairment charge in the year	524	206
Balance at end of the year	2,912	2,644

15. Trade and other payables

	2023 £'000	2022 £'000
Current		
Trade payable	2,055	1,411
Accruals	10,454	9,733
Other taxes and social security	5,209	4,070
Deferred income	6,503	6,011
Other creditors	14,350	9,450
Deferred consideration	13	835
Deemed remuneration liabilities	4,060	1,320
	42,644	37,830

Trade credit has a current net clearing and is normally settled on agreed terms with suppliers.

The directors consider that the carrying amount of trade and other payables approximates to their net value.

In addition to the deemed remuneration liabilities recognised above of £4,060,000, there are further obligations based on current forecasts of the firm, where the service obligations of selling shareholders have not yet been performed. The maximum potential value of all performance conditions (earn-outs) would be 3% of net earnings of £1.1m provided and £0.9m additional for staged obligations achieved.

16. Lease liabilities

	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Cost				
At 1 May 2021	7,714	4,121	2,125	4,417
Exchange change	50	10	1	554
Acquired through acquisition	485	694	—	637
Assets transferred to lease	217	—	—	217
Disposals	(145)	—	—	(151)
Lease payments	(1,234)	(1,120)	(120)	(3,732)
At 30 April 2022	6,887	4,005	2,006	6,342
Exchange change	324	10	—	243
Additional new leases	2,629	400	—	3,419
Assets transferred to lease	144	—	—	841
Disposals	(16)	—	—	(46)
Lease payments	(1,281)	(1,170)	(130)	(3,800)
At 30 April 2023	7,644	568	—	8,212
Current liabilities	1,326	496	—	1,534
Non-current liabilities	6,318	72	—	6,678
At 30 April 2023	7,644	568	—	8,212

At the balance sheet date, the group had not started any new lease contracts over the lease term.

	2023 £'000	2022 £'000
Aggregating under and over lease payments for the year	73	100

17. Borrowings

	2023 £'000	2022 £'000
Non-current		
Unsecured loans at amortised cost	5,000	5,000

The group's principal borrowing facilities are: A £12.5 million secured loan secured by the group's property portfolio of £75m and an unsecured loan of £5m which was converted into a £5m loan in 2022. The principal details of these borrowings are summarised as follows:

- £5m loan was drawn at 20 April 2023 at 3.75% with an effective interest rate of 4.20% p.a.
- £5m secured facility was drawn at 30 April 2023 at 3.75% p.a.

The group's borrowing facilities mature in 2027.

Following a detailed balance sheet review, the directors are satisfied that the carrying amount of the group's unsecured loan is at the £5m carrying value.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

18. Provisions

	2022 £'000	2021 £'000	2020 £'000	2019 £'000
At 1 May 2022	94	47	473	3,444
Provision expense	—	364	—	31
Additions	—	1,104	—	1,105
Settlements and payments	—	2	—	—
Disposals	—	37	—	37
At 30 April 2023		1,394	1,076	4,617
At 30 April 2023	91	2,794	260	3,145
At 1 May 2021	0	804	283	161
Non-current liabilities	—	154	—	2,139
At 30 April 2023	91	2,794	260	3,145

Disposals provision include liabilities arising from warranty and product liability obligations relating to its on-board fuel tanks.

The financial elements of the provisions are all expected to be settled in the period ending 30 April 2023.

19. Deferred tax

The following table shows the deferred tax assets and liabilities, net of deferred tax credits to which they relate, at the reporting date.

	2022 £'000	2021 £'000	2020 £'000	2019 £'000
At 1 May 2022	1,182	(3,227)	2,211	(3,421)
Credit to income	—	142	1,049	—
Additional provisions	—	1,104	—	(1,725)
Income statement effects of change in tax rates	(1,517)	(1,480)	75	(1,917)
At 30 April 2023	(3,292)	(3,377)	1,037	(4,163)
Credit to income	—	1,103	—	(1,725)
Additional provisions	—	(1,212)	252	(277)
At 30 April 2023	(6,292)	(3,217)	2,079	(7,430)

Current deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances, after offsetting, for financial reporting purposes.

	2023 £'000	2022 £'000
Deferred tax liabilities	(9,511)	(4,484)
Deferred tax assets	2,081	1,830
	(7,430)	(2,654)

20. Financial instruments

Financial risk management objectives and policies

The group's principal financial instruments are:

- cash and cash equivalents, the nature of which is not subject to any significant risk, and, in aggregate, both current and future cash flows are contractually fixed;
- trade receivables and trade payables, which are subject to credit risk and liquidity risk.

There has not been any significant change to the nature of the group's financial instruments, but a gradual increase in the group's exposure to all of the risks arising from the group's financial instruments, as set out in the risk management and funding risk. The group has a well established policy for managing each of these risks and they are summarised below.

Interest rate risk

The group's current borrowing is on the basis of a variable interest rate (bank of England base rate). Although the group has no new borrowing agreements, the group does not seek to hedge primarily on the basis of hedging the variable interest rate component of its payable financial instruments.

If interest rates had been at two points higher in all of the variable rates were held in place, the group's profit for the year ended 30 April 2023 and net assets at that date would decrease by the £2,000,000, £1,000,000 and £1,000,000 attributable to the group's exposure to variable rates in its variable rate borrowings.

Credit risk

The nature of the group's debtor balances, that is, the nature of the group's customers and the assets of those, the risk are dependent on the group's management.

On general solvency, appointment with certain the majority of the group's customers are generally rated, giving a net credit rating of at least BBB, and the group's credit risk is generally considered to be low. The credit risk of the group's engagement with the group is considered to be extremely low.

Some group debt is in the form of bank loans, which are generally secured on the group's assets, and are generally secured on the group's assets.

On counterparty risk, the group's debt is generally secured on the group's assets, and the group's assets are generally secured on the group's assets. The group's debt is generally secured on the group's assets, and the group's assets are generally secured on the group's assets.

On counterparty risk, the group's debt is generally secured on the group's assets, and the group's assets are generally secured on the group's assets. The group's debt is generally secured on the group's assets, and the group's assets are generally secured on the group's assets.

On counterparty risk, the group's debt is generally secured on the group's assets, and the group's assets are generally secured on the group's assets. The group's debt is generally secured on the group's assets, and the group's assets are generally secured on the group's assets.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty meeting its obligations as they fall due. The group's policy is to generate cash flow from its operating activities, and to maintain a low level of debt. The group's policy is to generate cash flow from its operating activities, and to maintain a low level of debt.

The group's policy is to generate cash flow from its operating activities, and to maintain a low level of debt. The group's policy is to generate cash flow from its operating activities, and to maintain a low level of debt.

There is no material risk associated with the group's financial instruments or other financial assets.

The table below summarises the maturity profile of the group's financial liabilities as at 30 April 2023 and the group's payments.

	At 30 April 2023				At 30 April 2022			
	Within 1 year £'000	Between 2—5 years £'000	After 5 years £'000	Total £'000	Within 1 year £	Between 2—5 years £	After 5 years £	Total £
Bank and cash	328	5,436	—	5,764	152	5,436	—	5,588
Trade and other payables	42,644	—	—	42,644	3,103	—	—	3,103
Long-term liabilities	2,082	6,935	1,678	10,695	3,854	1,000	37	4,891
	45,054	12,371	1,678	59,103	40,059	6,436	37	46,532

Notes to the consolidated financial statements continued

for the year ended 30 April 2023

20. Financial instruments continued

Capital management

The primary objective of the group's capital management is to ensure that it has sufficient resources to meet its obligations to its shareholders and other stakeholders. The group's capital management strategy is to ensure that it has sufficient resources to meet its obligations to its shareholders and other stakeholders. The group's capital management strategy is to ensure that it has sufficient resources to meet its obligations to its shareholders and other stakeholders.

The table below presents quantitative data on the group's capital management strategy.

	2023 £'000	2022 £'000
Shareholder funds	84,340	84,340
Bank borrowings	5,000	5,000
At 30 April	89,340	89,340

Categories of financial instruments

The table below shows the classification of the group's financial instruments.

	2023 £'000	2022 £'000
Financial assets at amortised cost		
Trade receivables	11,652	11,652
Cash at bank	8,001	8,001
	19,653	19,653
Financial liabilities at amortised cost		
Trade and other payables	(42,644)	(42,644)
Bank borrowings	(5,000)	(5,000)
	(47,644)	(47,644)

21. Share capital

	2023 thousand	2022 thousand	2023 £'000	2022 £'000
Allotted, called up and fully paid				
Ordinary shares of 5p				
At 1 May	153,402	153,402	7,671	7,671
Issue of shares for share-based payments	551	1,460	28	73
Share buy-back consideration for acquisition	559	1,464	28	73
At 30 April	154,512	156,326	7,727	7,817

Ordinary shares carry no right to fixed income and each share entitles its holder to one vote at general meetings of the company.

22. Share-based payments

The group operated three equity-settled share-based payment arrangements in the year: a market value share option scheme and a performance share plan (PSR) for senior management and an HMRC-approved save as you earn (SAYE) scheme for qualifying employees.

The group also received an equity-settled long-term incentive plan (LTIP) consisting of 1,145,000 shares at £1.45 per share, of which 1,145,000 shares are held by the group. The LTIP is subject to the group's performance over the next three years. The LTIP is subject to the group's performance over the next three years.

The group also operated a cash-settled share-based payment arrangement in the year. The group recognised an expense of £18,200 (2022: £18,200) relating to the cash-settled share-based payment arrangement.

22. Share-based payments continued

Share-based payments made during the year ended 31 March 2023 are summarised in the table below.

	2023		2022	
	Number of share options thousand	Weighted average exercise price pence	Number of share options thousand	Weighted average exercise price pence
Outstanding at 1 May	10,316	37	11,614	41
Granted during the period	918	5	—	—
Forfeited during the period	(269)	5	—	—
Expired during the period	(182)	5	—	—
Exercised during the period	(978)	59	3,164	59
Outstanding at 30 April	9,805	33	8,450	40
Exercisable at 30 April	1,500	46	2,416	51

The weighted average share price in the year ended 31 March 2023 was 17.9p.

The table below shows details of the outstanding share options at the year end:

	Exercise period	2023		2022	
		Number of share options thousand	Contractual life remaining years	Number of share options thousand	Contractual life remaining years
Share option scheme 2013	3	1,000	0.5	1,000	0.5
Share option scheme 2017	4.2	500	4.5	500	3.5
Share scheme 2018	5.0	—	—	—	0.0
Share option scheme 2019	8.8	1,500	6.5	1,500	5.5
PSO 2020	7	4,006	7.2	4,207	6.2
SAve scheme 2021	7.1	1,356	1.2	1,356	0.2
PSO 2021 (issued 1 Apr 21)	—	525	7.7	—	—
PSO 2021 (issued Sep 21)	—	—	—	161	0.4
Share option scheme	10	918	3.2	—	—

The fair value of the PSOs granted in the year was calculated using the Black-Scholes pricing model with the following assumptions:

	2023
Share price at grant date (p)	15
Exercise price (p)	—
Vesting period (years)	3
Time to expiry (years)	3.5
Expected volatility (%)	20
Risk-free rate (%)	1.2
Expected dividend yield (%)	0
Fair value per share (p)	1.0

The expected volatility has been determined from historical volatility of the group's share price in line with the vesting period of the option. The risk-free rate is based on the treasury yield benchmark rate consistent with the option life. The fair value is spread over the vesting period of the option.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

23. Acquisitions

Budworth Hardcastle

On 1 June 2022 the group acquired 100% of the shares in Budworth Hardcastle, a private limited liability company incorporated in England.

The identifiable intangible assets of the acquired business are recorded in the consolidated financial statements as follows:

	2022	2021	2020
£'000	£'000	£'000	£'000
Net assets acquired			
Intangible assets	50	41	—
Property, plant and equipment	10	—	—
Trade and other receivables	131	—	30
Cash and cash equivalents	397	—	397
Trade and other payables	(113)	—	(113)
Provisions	—	14	14
Deferred tax	—	(102)	—
Total identifiable assets	485	461	427
Satisfied by:			
Consideration under IFRS 3			427
Gain on acquisition			427
Consideration accounted for as deemed remuneration under IFRS 3:			
Control of the group			427
Equity instruments issued			34
Financial cash flow deferred adjustment			(216)
Overseer remuneration			36
Earnings			427
			271
Cash flows arising on acquisition			
Consideration payment, which includes the remuneration			376
Less: cash and cash equivalents acquired			(397)
			(21)

Fair value adjustments to the acquisition relating to the separation of identifiable intangible assets have been recorded. Details of intangible assets are provided in the financial notes 11.

As detailed above, the consideration payable for this acquisition requires most of the non-cash obligations to be performed by the selling shareholders of the company. The company has no liability for the deemed remuneration for the year ended 2022.

Acquisition of intangible assets of Budworth Hardcastle, the intangible assets acquired are presented as an acquisition.

The acquisition contributed to the 20% increase in the 2022/23 to the group's earnings of 14.6 million and transaction costs of 1.1 million, between the date of acquisition and the balance sheet date.

23. Acquisitions continued

Mantra Capital

On 1 July 2023, the group acquired Mantra Capital Limited (the 'acquiree') through

the purchase of 100% of the group's shares in Mantra Capital Limited (the 'acquisition'). The acquisition was completed on 1 July 2023.

	2023	2022	2021
Net assets acquired			
Intangible asset	88	47	8,339
Investments	1,110	1,173	—
Property, plant and equipment	26	15	165
Right of use asset	—	27	87
Trade and other receivables	1,820	1,414	17
Cash and cash equivalents	58	—	17
Trade and other payables	(91)	(41)	(13)
Corporation tax	(124)	—	1
Provisions	—	8	—
Lease liabilities	—	(11)	(14)
Deferred tax	17	(49)	—
Total identifiable assets	3,137	2,775	8,592
Satisfied by:			
Consideration under IFRS 3			8,592
Gain on acquisition			8,592
Consideration accounted for as deemed remuneration under IFRS 3:			
Cash consideration			470
Equity instrument issued			1,173
Reversal of cash consideration			—
Contingent consideration			850
Total			2,493
			8,592
Cash flows arising on acquisition			
Consideration payment, which is deemed remuneration			470
Less cash and cash equivalents acquired			(17)
			453

Fair value adjustments of £32,000 relating to the acquisition of intangible assets have been recorded. Details of intangible assets recognised are included in note 17.

A deferred liability of £1.1 million was recognised in respect of the acquisition of Mantra Capital Limited, which is payable over a period of 12 months. The liability is classified as a liability for a deemed remuneration payable.

A contingent liability of £850,000 was recognised in respect of the acquisition of Mantra Capital Limited, which is payable over a period of 12 months.

The acquisition is accounted for as a business combination under IFRS 3. The group is required to measure the identifiable intangible assets at fair value at the acquisition date, which is the date of the acquisition, and the balance sheet date.

Notes to the consolidated financial statements

continued

for the year ended 30 April 2023

23. Acquisitions continued

Mark Jenkinson & Son

On 1 March 2023 the group acquired 100% of the equity of Mark Jenkinson & Son, a company that specialises in the acquisition and installation of window blinds.

	2023 £'000	2022 £'000
Net assets acquired		
Intangible assets	—	511
Deferred tax	—	17
Total identifiable assets	—	528
Satisfied by:		
Consideration under IFRS 3:		
Cash paid		575
Gain on acquisition		575
Cash outflows arising on acquisition		
Goodwill arising		375

Fair value adjustments of £511 relating to the separate recognition of intangible assets are shown as an expense. Details of intangible assets recognised can be found in note 24.

Summary of cash flows arising from acquisitions

	2023 £'000	2022 £'000
Acquisition consideration payments which are deemed remuneration under IFRS 3		
Initial payment	5,547	5,185
Deferred consideration payment	5,052	5,105
	10,599	10,290
Investing acquisition payments		
Cash consideration under IFRS 3	375	255
Goodwill arising	434	—
	809	255
Deferred consideration payments	325	36
	1,134	291
Net cash and cash equivalents acquired	(1,158)	159
Total cash flows arising from acquisitions	10,575	10,481

If this acquisition had taken place on the first day of the financial year, the group revenue for the period would have been £123.4m and group profit before tax would have been £7.4m.

The amounts recognised above are provisional estimates.

24. Reconciliation to the cash flow statement

	2023 £'000	2022 £'000
Profit (loss) for the year	2,911	65,000
Amplification of tax	—	—
Tax	3,074	1,520
Share premium	1,170	830
Amortisation of intangible assets	6,410	6,000
Depreciation of property, plant and equipment	1,114	1,358
Depreciation of right-of-use assets	2,136	2,040
Foreign exchange	(4,298)	(1,910)
Amplification of tax	434	—
Profit on disposal of fixed assets	(13)	(10)
Loss on transfer of liability of R2U assets	42	180
Share-based payment expense	1,277	1,310
Deemed remuneration obligation settled through equity	800	1,050
Increase in deemed remuneration on share sale	(1,769)	(1,030)
Increase in deemed remuneration on liabilities	2,675	1,100
Operating cash flow - before movements in working capital	15,963	75,470
Increase in receivables (including deemed remuneration)	(4,656)	(3,200)
Increase in payables (including deemed remuneration liabilities)	2,480	1,100
Net cash increase in working capital	(569)	300
Cash generated by operations	13,218	75,770

Cash and cash equivalents (which are presented as a single class of asset on the face of the consolidated balance sheet) comprise cash at bank and in the short-term highly liquid investments with a maturity of three months or less.

25. Reconciliation of movement in net cash

	At 30 April 2023 £'000	At 30 April 2022 £'000	At 30 April 2021 £'000
At 1 May 2022	9,650	(1,000)	(4,800)
Cash flow	(1,840)	—	(2,840)
Net cash and cash equivalents acquired (note 23)	1,190	—	1,150
At 30 April 2023	8,001	(5,000)	3,001

26. Contingent liabilities

As disclosed in note 15, the group has contingent consideration payable in respect of an acquisition.

The group had no other material contingent liabilities at 30 April 2023 or 30 April 2022.

27. Pensions

The group operates defined contribution and defined investment qualifying pension plans.

The total cost charged to the income statement in 2023 of £2.3m (2022 of £2.0m) represents contributions payable to the plans funded by the group. As at 30 April 2023, contributions of £490,000 (2022 of £270,000) in respect of the current year which were not paid have been paid into the schemes.

Notes to the consolidated financial statements

for the year ended 30 April 2023

28. Related party transactions

This is a non-competition agreement between the company and its subsidiary and is subject to the laws of the state of New York. It is a legal document that should be read carefully and understood by all parties before signing.

Trading transactions

Using a χ^2 test, we are allowing for the two values of α given in (1) and (2) to be equal, and the test statistic is given by

As of June 30, 2013, the global network had a lease agreement with Walco for 100,000 sq. ft. of warehousing regional office space in Chicago, Illinois, for the term of 10 years and an interest in a 100,000 sq. ft. Warehouse in Chicago. The lease is for a 10-year term and the company is not obligated to terminate the lease at the end of the 10-year term. The monthly rental cost of the property, which is fully funded by the landlord, includes taxes and utilities for the use of approximately 100,000 sq. ft. of space. The tenant will also pay a proportionate share of the utility charge and the insurance for the property. Rent is also included in the property, but the company will not be responsible for the 20,000 sq. ft. and 40,000 sq. ft. of the property. The company will also pay a proportionate share of the utility charge and the insurance for the property.

The results of the group-level analysis are presented in Table 1. The average of the 10th percentile of the mean MAZ score in a community was entered as one in the Southern Cross project, and the average of the 90th percentile of the score in the group was entered as five in the 1992-93 study. At 31 April 1993, the 10th percentile was 0.0000 and the 90th percentile was 0.0000.

Red Flag purchased a controlling interest in Red Flag Airmail Ltd (Red Flag Airmail) in the group on 17 April 2012 with the group retaining a minority interest in the partnership. On 31 January 2013 the group relinquished its minority interest after electing not to participate in a capital roll over by the partners as provided in the LLP members agreement. During the year the group continues to provide a number of central support services to Red Flag for which it receives £70,000 (2011: £70,000) under a service agreement term dated Jan 31 April 2012.

The growth of an annual rolling construction spending bill is shown in Figure 2. The completed registration for the 10th of Period 2 quarterly data is used with a lagged value of 150, given in the year 2022, all of which is used to determine whether the expenditure is expected to exceed the rolling five-year rolling average of 2022. For example, in April 2022, the rolling average is used to determine whether the 2022 expenditure is expected to exceed the rolling average of 2022.

Key management personnel

The top management (the directors) will define the key management objectives and the management system will be designed to meet them. The management system will be designed to meet the objectives of the top management.

29. Reserves

The total year-on-year percentage change in the number of reserves is 1.1%.

Simple polygon	An n -sided polygon for which $n \geq 3$. The interior angles
Major arc angle	Formed by the greater of two arcs formed by two points on a circle and the two radii and the center of the circle.
Central angle	An angle whose vertex is the center of a circle and whose sides are radii.
Reflex angle	An angle greater than a straight angle and less than a full circle.

30. Post-balance sheet events

On 30 May 2012, the group acquired the entire issued and unpaid capital of the subsidiary which it trades as Bank of Long & Short (a total of 10,000,000 shares) for an operating loan of 90 million and a number of shares. The acquisition is carried out with a strategy to create the scale quality and change of the group's services, both organically and through value-added services provided. The acquisition is for an initial cash outflow of 100 million, with cash from the group's existing facilities and the receipt of 100 million in new government shares. Under the terms of the acquisition, there is deferred consideration of 10 million, payable in three instalments over the five years from completion. The company's net asset total for the ending 31 December 2012 is 50 million. Further details on the fair value of assets and liabilities acquired are set out in the table below and was not available at the time of preparing the accounts.

Company balance sheet

at 30 April 2023

	2023 £'000	2022 £'000
Fixed assets		
Investment in subsidiary	79,701	79,701
Current assets		
Trade and other receivables	40,348	40,348
Creditors: amounts falling due within one year		
Trade and other payables	(2,741)	(2,741)
Net current assets	37,607	37,607
Total assets less current liabilities	117,308	117,308
Creditors: amounts falling due after more than one year		
Trade and other payables	(18,861)	(18,861)
Net assets	98,447	98,447
Capital and reserves		
Called-up share capital	7,727	7,727
Share premium account	29,973	29,973
Merger reserve	27,944	27,944
Capital redemption reserve	304	304
Profit and loss account	32,499	32,499
Shareholders' funds	98,447	98,447

As at the end of the reporting period, the company has no financial instruments that are categorized as held for sale and there is no cash or cash equivalents at the year end. Ric Traynor Group plc is not a subsidiary of any other company.

The financial statements of Ric Traynor Group plc for the year ended 30 April 2023 were approved by the board of directors on 12 July 2023. They were approved on behalf of the company by the directors.

Ric Traynor
Executive chairman

Nick Taylor
Group finance director

Notes to the company financial statements

for the year ended 30 April 2023

1. Significant accounting policies

Basis of accounting

The financial statements are prepared in accordance with the accounting policies set out in the financial statements of Begbies Traynor Group plc for the year ended 30 April 2023, which are set out in the financial statements of Begbies Traynor Group plc for the year ended 30 April 2023.

The financial statements are prepared in accordance with the accounting policies set out in the financial statements of Begbies Traynor Group plc for the year ended 30 April 2023, which are set out in the financial statements of Begbies Traynor Group plc for the year ended 30 April 2023.

The financial statements are prepared in accordance with the accounting policies set out in the financial statements of Begbies Traynor Group plc for the year ended 30 April 2023, which are set out in the financial statements of Begbies Traynor Group plc for the year ended 30 April 2023.

Investments

Fixed term investments in subsidiaries are shown at cost less provision for impairment. The carrying value is reviewed as at the year end for impairment events or changes in circumstances that indicate that the carrying value may not be recoverable.

Share-based payments

The fair value of services received in exchange for the grant of options is recognised as an expense over the vesting period in accordance with FRS 102. Options are valued using the Black-Scholes, not-compiling model. Further details are provided in note 22 of the consolidated financial statements.

Critical accounting judgements and key sources of uncertainty

In the process of applying the company's accounting policies, the company is required to make certain estimates, judgements and assumptions that are based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and when method considerations are applicable to particular circumstances. Actual results may differ from the estimates, the effect of which is recognised in the period in which the facts and circumstances change.

The directors do not consider there to be any critical accounting judgements or key sources of uncertainty.

FRS 102 exemption

Begbies Traynor Group plc is entitled to the benefit of a quality of disclosure under FRS 102 and has therefore taken advantage of the disclosure exemptions available to companies in the consolidated financial statements. Exemptions have been taken in the consolidated financial statements in relation to the disclosure of the following information:

The company's shareholders have been notified in writing about the exemption to take advantage of the disclosure exemptions in relation to the disclosure of the following information.

The company also intend to take advantage of the exemption in the financial statements to be issued in the following year. The exemption may be served on the company by its shareholders.

2. Auditor's remuneration

The auditor's remuneration for audit and other services is disclosed in note 22 of the consolidated financial statements.

3. Staff costs

The company has one full-time employee in 2023.

	2023 £'000	2022 £'000
Total aggregate employee compensation		
Salaries	927	838
Social security costs	135	116
Pension costs	15	12
	1,077	966

Notes to the company financial statements

continued

for the year ended 30 April 2023

4. Investment in subsidiaries

£ million	
Cost and net book value	
At 1 May 2022 and 30 April 2022	10,424
Additions	1,177
At 30 April 2023	79,701

Details of subsidiaries are set out below. Those undertakings are included in the consolidated financial statements and are 100% controlled. Companies are listed under the appropriate group.

Subsidiary details	Company name	Registered in
340 Deansgate, Manchester M3 4LY		
Begbies Traynor Limited ¹	Holding Company	England and Wales
BTA Consulting Limited ¹	Holding Company	England and Wales
Begbies Traynor International Limited	Holding Company	England and Wales
Begbies Traynor Central LLP	Insurance	England and Wales
Begbies Traynor London LLP	Insurance	England and Wales
Begbies Traynor SY LLP	Insurance	England and Wales
Springbank Corporate Finance LLP	Corporate finance	England and Wales
BTA Corporate Finance LLP	Corporate finance	England and Wales
BTA Advisory LLP	Financial consulting	England and Wales
BTA Global A Facility Limited	International services organisation	England and Wales
BTA Corporate Solutions Limited	Insurance	England and Wales
Moran E. Venter & Co Limited	Insurance broker	England and Wales
Mantel Consulting & Capital Limited	Insurance broker	England and Wales
Mantel Insurance Broker Limited	Insurance coverage	England and Wales
MAF Property Limited	Insurance	England and Wales
Aspen Finance Company Limited	Insurance	England and Wales
Aspen Consulting & Investments Limited	Insurance	England and Wales
Ellaydon Limited	Insurance	England and Wales
Ennis Capital Limited	Insurance	England and Wales
Mantel Capital Holdings Limited	Insurance	England and Wales
Mantel Private Finance Limited	Insurance	England and Wales
Mantel Midlands Limited	Insurance	England and Wales
Mantel Capital Partners Limited	Insurance	England and Wales
David P. Jones & Partners Limited	Insurance	England and Wales
Begbies Traynor Jersey Limited	Insurance	Guernsey
CVE Global LLP	Insurance	England and Wales
Begbies Traynor Jersey Limited	Insurance	Jersey
Begbies Traynor Warrington Limited	Insurance	Warrington

Notes to the company financial statements

continued

for the year ended 30 April 2023

4. Investment in subsidiaries continued

The following table details the company's investments in subsidiaries exempt from audit under section 474A of the Companies Act 2006

Company name	2023	2022
BTL Global Holdings Limited	100%	100%
BTL Corporate Finance Limited	100%	100%
BTL Corporate Finance Ltd	100%	100%
Canal Global Finance Limited (BTL)	100%	100%
MAE Projects Limited	100%	100%
Molind, Ltd Finance Limited	100%	100%
Envest M Ltd & Co Limited	100%	100%
Elgh & Co Company Limited	100%	100%
Ellevent Holdings Limited	100%	100%
Hargreaves Neave Property Congell Limited	100%	100%
Bat Thomas Partners Limited	100%	100%
Machin Consulting & Capital Limited	100%	100%
Machin Finance Brokers Limited	100%	100%
Canal Finance Limited (BTL)	100%	100%
Badwayen Harpaastel Limited	100%	100%
CP Finance Ltd	100%	100%
Avon Finance Consulting & Investments Limited	100%	100%
Ellytan Limited	100%	100%
Envest Capital Limited	100%	100%
Machin Capital Holdings Limited	100%	100%
Machin Finance Limited (BTL)	100%	100%
Machin Midlands Limited	100%	100%
Machin Capital Finance Limited	100%	100%
Begbies Finance Gibraltar Limited	100%	100%
Begbies Finance Jersey Limited	100%	100%
Begbies Finance Guernsey Limited	100%	100%

5. Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year		
Accounts receivable, goods in hand and work in progress	40,314	37,000
Other debtors	34	5
	40,348	37,005

6. Trade and other payables

	2023 £'000	2022 £'000
Amounts falling due within one year		
Deferred income	2,741	1,102
Amounts falling due after more than one year		
Deferred income	18,861	10,100

The company has no financial instruments other than those shown in the financial statements above, all of which are denominated in sterling. The directors consider the fair values of the financial instruments appear to be close to their book values and that the main risk to the company arising from financial instruments is interest rate risk, which is kept under review.

7. Share capital

	2023 thousand	2022 thousand	2023 £'000	2022 £'000
Allotted, called up and fully paid				
Ordinary shares in issue				
at 1 May	153,402	150,000	7,671	7,500
Share options for special dividend payment	551	1,100	28	55
Share issued as consideration for acquisitions	559	1,034	28	52
At 30 April	154,512	152,134	7,727	7,607

Ordinary shares carry no right to fixed income and do not have any special rights to vote at general meetings of the company.

The company has issued share options as set out in note 22 to the consolidated financial statements.

Officers and professional advisors

Directors

R W Traynor
E N Taylor
M F Tully
R J Mather
P M Moly
M Stappell
P W Waller
M E Walsh

Secretary

L E Thompson

Company number

510043

Registered office

342 Deansgate
Manchester
M3 4LJ

Bankers

HSBC Bank plc

Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PS

Auditor

Crowe U.K. LLP

Chartered Accountants and Statutory Auditors
Manchester, United Kingdom

Registrar

Computershare Investor Services Plc

25 Old Bailey
The PCL Group
Registered Office
London
EC3A 7BT

Corporate and financial PR advisors

MHP Communications Limited

100 Great Portland Street
London
NW1 7AT

Nominated advisor and joint broker

Canaccord Genuity Limited

81 Wall Street
London
EC2A 7QR

Joint broker

Shore Capital Stockbrokers Limited

Canaccord House
51 Abchurch Lane
London
EC4A 3DF

Begbies Traynor Group plc

340 Deansgate

Manchester

M3 4LY

Tel: 0161 837 1700

Fax: 0161 837 1701

Web: www.begbies-traynorgroup.com

Begbies Traynor Group plc

Offices across the UK. www.begbies-traynorgroup.com

Begbies Traynor Group plc is a company registered in England and Wales No. 0721143. Registered office: 340 Deansgate, Manchester M3 4LY.