11 December 2023

Begbies Traynor Group plc

Half year results
for the six months ended 31 October 2023

"Strong first half performance and confidence in full year outlook"

Begbies Traynor Group plc (the 'company' or the 'group'), the professional services consultancy, today announces its half year results for the six months ended 31 October 2023.

Financial overview

	2023 £m	2022 £m
Revenue	65.9	58.5
Adjusted EBITDA[1]	12.8	11.9
Adjusted profit before tax[1,2]	9.9	9.0
Profit before tax	3.0	5.0
Adjusted diluted EPS[1,3] (p)	4.6	4.4
Diluted EPS (p)	0.8	2.3
Interim dividend (p)	1.3	1.2
Net cash (debt)	1.1	(2.4)

Financial highlights – performing well with double digit growth
- Strong first half performance building on consistent track record of growth in revenue and adjusted earnings
- Growth in revenue of 13% (8% organic, 5% acquired) and adjusted profit before tax of 10%, having absorbed increased finance costs
- Statutory profit before tax reflecting increased non-cash acquisition accounting charges
- Increase in interim dividend to 1.3p (2022: 1.2p), which extends our six consecutive years of dividend growth since 2017
- Strong balance sheet and significant levels of headroom within committed bank facilities
    - Well placed to continue investing in successful organic and acquisitive growth strategy
    - Positive cash position with net cash of £1.1m, after £4.0m of acquisition-related payments

Divisional highlights – growth across both divisions
- Insolvency and financial advisory performed well
    - Increased year on year insolvency activity levels
    - Market-leading position maintained (by volume of appointments)
    - Added capacity through recruitment for further growth
    - Resilient financial advisory performance, with advice provided on refinancing and restructuring solutions mitigating reduced capital transactions in the period
- Property advisory and transactional services continue to provide solid platform for growth
    - Organic growth driven by our breadth of expertise and services
    - Acquisitions trading well and in line with expectations

Current trading and outlook – in line with expectations
- Confident of delivering full year results in line with current market expectations[4]
    - Extending the group's strong financial track record of growth
    - Anticipate continued increase in insolvency activity; financial advisory anticipated to deliver broadly consistent second half
    - Property advisory and transactional services expected to deliver another year of strong growth
- Q3 trading update will be issued in late February 2024

Commenting on the results, Ric Traynor, Executive Chairman of Begbies Traynor Group, said:

"I am pleased to report a strong financial performance in the first six months of the financial year. We have continued to execute our strategy to grow the business, reporting double digit revenue and profit growth. The group's financial performance in the first six months leaves the board confident of delivering current market expectations[4] for the full year, which will extend our strong financial track record of growth.

"Our insolvency team has maintained its market-leading position (by volume) in a growing marketplace nationally, with an increase in insolvency numbers reflecting the current interest rate and inflation environment; whilst our advisory and transactional services teams had a successful six months, reflecting the breadth of advice we provide to our clients, which continue to provide a solid platform for growth.

“Our broad range of services, diversified client base, organic growth initiatives and pipeline of acquisition opportunities, combined with increasing counter-cyclical activity, leaves us confident of continuing to build upon our strong track record in the current year and beyond.”

There will be a webcast and conference call for analysts today at 8:30am. Please contact Charles Hirst via begbies@mhpgroup.com or on 020 3128 8100 if you would like to receive details.

1. The board uses adjusted performance measures to provide meaningful information on the performance of the business. The items excluded from adjusted PBT and EPS are those which arise due to acquisitions in accordance with IFRS 3 and are not influenced by the day-to-day operations of the group. Adjusted EBITDA excludes non-cash share-based payment and depreciation charges from adjusted PBT
2. Profit before tax of £3.0m (2022: £5.0m) plus amortisation of intangible assets arising on acquisitions of £3.0m (2022: £3.2m) plus transaction costs of £3.9m (2022: £0.8m)
3. See reconciliation in note 5
4. Current range of analyst forecasts for adjusted PBT of £21.9m-£22.5m (as compiled by the group)

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Notes to editors

Begbies Traynor Group plc is a leading professional services consultancy, providing services from a comprehensive network of UK and off-shore locations. Our professional team include licensed insolvency practitioners, accountants, chartered surveyors, bankers and lawyers. We provide the following services to our client base of corporates, financial institutions, the investment community and the professional community:

- **Insolvency**
    - Corporate and personal insolvency
- **Financial advisory**
    - Business and financial restructuring; debt advisory; forensic accounting and investigations
- **Transactional support**
    - Corporate finance; business sales agency; property agency; auctions
- **Funding**
    - Commercial finance broking; residential mortgage broking
- **Valuations**
    - Commercial property, business and asset valuations
- **Projects and development support**
    - Building consultancy; transport planning
- **Asset management and insurance**
    - Commercial property management; insurance broking; vacant property risk management

Further information can be accessed via the group’s website at www.ir.begbies-traynorgroup.com.

CHAIRMAN'S STATEMENT

INTRODUCTION

I am pleased to report a strong financial performance in the first six months of the financial year. We have continued to execute our strategy to grow the business, reporting double digit revenue and profit growth.

We have a proven growth strategy which, over the five year period between 2019 and 2023, doubled revenue from £60m to £122m and tripled adjusted profit before tax from £7m to £21m, from a combination of organic growth and acquisitions. This growth has been delivered across insolvency and our full range of advisory and transactional services. Our ambition is to maintain this growth track record with a medium-term revenue target of £200m.

We have continued to grow both divisions in the half year, both organically and through acquisitions.

Our insolvency teams have had a busy period with an increase in year-on-year activity levels. We have maintained our market-leading position (by volume) in a growing marketplace nationally, which is continuing to see an increase in insolvency numbers reflecting the current interest rate and inflation environment.

Our financial advisory teams have delivered a resilient performance in the period, driven by advice provided on refinancing and restructuring solutions, which has mitigated an anticipated reduction in capital transactions (M&A and capital investment).

Our property advisory and transactional teams have had a successful six months, reflecting the breadth of advice we provide to our clients, which continues to provide a solid platform for growth.

We have continued to invest in the group, having completed three acquisitions since the beginning of the financial year, as we continue to build our teams. These earnings accretive acquisitions align well with the group's current service offerings whilst strengthening our existing regional presence. Integration is proceeding well with initial trading performance in line with expectations.

Our strong financial position leaves us well placed to continue to invest in the business, both organically and through acquisitions, to further build our scale and range of complementary services.

RESULTS

Group revenue in the half year ended 31 October 2023 increased by 13% to £65.9m (2022: £58.5m). Adjusted profit before tax[1,2] increased by 10% to £9.9m (2022: £9.0m), having absorbed increased finance costs. Statutory profit before tax was £3.0m (2022: £5.0m), reflecting an increase in acquisition-related transaction costs to £3.9m (2022: £0.8m) and non-cash amortisation costs of £3.0m (2022: £3.2m).

Adjusted diluted earnings per share[1,3] was 4.6p (2022: 4.4p), reflecting increased UK corporation tax rates in the period. Diluted earnings per share was 0.8p (2022: 2.3p).

Net cash as at 31 October 2023 was £1.1m (30 April 2023: net cash of £3.0m, 31 October 2022: net debt of £2.4m), after £4.0m of acquisition related payments in the period (net of cash acquired).

1. The board uses adjusted performance measures to provide meaningful information on the performance of the business. The items excluded from adjusted PBT and EPS are those which arise due to acquisitions in accordance with IFRS 3 and are not influenced by the day-to-day operations of the group
2. Profit before tax of £3.0m (2022: £5.0m) plus amortisation of intangible assets arising on acquisitions of £3.0m (2022: £3.2m) plus transaction costs of £3.9m (2022: £0.8m)
3. See reconciliation in note 5

DIVIDEND

The board is pleased to declare an 8% increase in the interim dividend to 1.3p (2022: 1.2p), which will extend our six consecutive years of dividend growth since 2017 and reflects our confidence in sustaining our financial track record and in the group's financial position and prospects. We remain committed to a long-term progressive dividend policy, which takes account of the group's earnings growth, our investment plans and cash requirements, together with the market outlook.

The interim dividend will be paid on 7 May 2024 to shareholders on the register on 12 April 2024, with an ex-dividend date of 11 April 2024.

OUTLOOK

The group's financial performance in the first six months leaves the board confident of delivering current market expectations[1] for the full year, which will extend our strong financial track record of growth.

We anticipate that activity levels in our largest service line of insolvency will continue to increase in tandem with the indicators of corporate financial stress in the UK, resulting from the current interest rate and inflation environment. This gives the board confidence that the insolvency team will continue to deliver growth through the second half of the current year and thereafter.

We expect our financial advisory services to deliver a broadly consistent performance in the second half.

We anticipate our property advisory and transactional services division will report another year of strong growth, benefitting from the organic growth seen in the first half and the contribution from current year acquisitions.

Our broad range of services, diversified client base, organic growth initiatives and pipeline of acquisition opportunities, combined with increasing counter-cyclical activity, leaves us confident of continuing to build upon our strong track record in the current year and beyond.

We will provide an update on third quarter trading in late February 2024.

1. Current range of analyst forecasts for adjusted PBT of £21.9m-£22.5m (as compiled by the group)

Ric Traynor
Executive Chairman
11 December 2023

BUSINESS REVIEW

OPERATING REVIEW

Insolvency and advisory

Financial summary

Revenue in the period increased by 11% (9% organic) to £47.0m (2022: £42.4m), reflecting increased insolvency activity levels partially offset by a quieter market for our advisory teams. Revenue from formal insolvency appointments increased by 17% to £38.8m (2022: £33.3m). Advisory services revenue reduced to £8.2m (2022: £9.1m), reflecting a strong comparative period (which benefitted from a number of contingent fees) and an anticipated reduction in corporate transactions (M&A and other capital investment).

Segmental profits for the period increased by 7% to £11.4m (2022: £10.7m). Divisional operating margins reduced slightly overall to 24.2% (2022: 25.2%), with improved insolvency margins offset by lower margins from financial advisory (compared to the strong comparative noted above and due to a quieter market).

Insolvency market

The number of corporate insolvencies in the 12 months ended 30 September 2023[1] increased to 24,326 (2022: 20,742). This increase in volume has largely been from increased liquidations, both voluntary and compulsory, which typically represent insolvencies of smaller companies. Administration volumes (which typically involve larger and more complex instructions) have also increased over the last year and are approaching pre-pandemic levels.

1. Source: The Insolvency Service quarterly statistics on the number of corporate insolvencies in England and Wales on a seasonally adjusted basis for the 12 months ended 30 September

Operating review

Our insolvency teams have experienced increased demand in the period, reflecting activity levels across the market as corporate distress levels continue to increase. We have maintained our market leading position (by volume) as we continue to see the benefits of our national office network. The increased activity has resulted in revenue growth of 17% in the period and our order book now stands at £35.0m (October 2022: £33.9m, April 2023: £35.2m).

As a result of the continuing increase in demand we have continued to invest in growing our team, which has increased FTE numbers by 12% over the last 12 months (6% since the start of the financial year), ensuring we retain the headroom to handle a further increase in activity levels.

In addition in September 2023, we acquired the Cardiff-based insolvency team from Jones Giles & Clay, who have joined our existing Cardiff insolvency team.

Across our mix of financial advisory services we continue to deliver a resilient performance with advice provided on refinancing and restructuring solutions mitigating the anticipated reduction in capital transactions (M&A and other capital investment).

Property advisory and transactional services

Financial summary

Revenue in the period increased by 17% (4% organic) to £18.9m (2022: £16.1m), reflecting the resilient range of services and expertise which continues to provide a solid platform for growth.

Segmental profits for the period increased by 32% to £3.7m (2022: £2.8m), with operating margins improved to 19.6% (2022: 17.4%).

Operating review

Financial performance in the period reflects our breadth of expertise and services, which has enabled the business to grow regardless of the headwinds in the broader UK commercial real estate sector.

The valuations team, who predominantly provide services to lenders, benefitted from the depth of their expertise and reputation. Instruction levels in the period have been driven by revaluations and loan security reviews which have offset reduced instructions for new loan valuations. We have continued to invest in the team through the acquisition of Andrew Forbes in November 2023 (following the period end). This has extended our regional presence across the South West and increased the size of our national valuations team to over 100 colleagues.

The auctions team had a successful six months with increased volumes from the sale of property, plant and machinery. The increase in auction sales has partially mitigated weaker transactional markets in both commercial property and business sales agency.

Our building consultancy team, delivering projects and development activity, continued to expand in the period, with increased activity levels across a broad client base. Our asset management and insurance teams had a robust six months.

At the start of the new financial year we acquired Banks Long & Co, a multi-disciplinary chartered surveyors practice. The team provides commercial property agency, property management, building consultancy and valuation services and the acquisition has developed our regional offering across Lincolnshire and Humberside. Integration is proceeding well with trading performance in line with expectations.

FINANCE REVIEW

Financial summary

	6 months to 31 Oct 2023 £m	6 months to 31 Oct 2022 £m	12 months to 30 Apr 2023 £m
Revenue	**65.9**	58.5	121.8
Adjusted EBITDA	**12.8**	11.9	26.6
Share-based payments	**(0.2)**	(0.7)	(1.3)
Depreciation	**(1.9)**	(1.7)	(3.5)
Operating profit (before transaction costs and amortisation)	**10.7**	9.5	21.8
Finance costs	**(0.8)**	(0.5)	(1.1)
Adjusted profit before tax	**9.9**	9.0	20.7
Transaction costs	**(3.9)**	(0.8)	(8.4)
Amortisation of intangible assets arising on acquisitions	**(3.0)**	(3.2)	(6.3)
Profit before tax	**3.0**	5.0	6.0
Tax on profits on ordinary activities	**(1.8)**	(1.3)	(3.1)
Profit for the period	**1.2**	3.7	2.9

Operating result (before transaction costs and amortisation)

Revenue in the period increased by £7.4m to £65.9m (2022: £58.5m), an overall increase of 13% (8% organic, 5% acquired).

Adjusted EBITDA increased to £12.8m (2022: £11.9m) with non-cash costs (share-based payments and depreciation) decreasing to £2.1m (2022: £2.4m), due to lower share-based payment charges.

Operating performance by segment is detailed below:

	Revenue (£m)			Operating profit (£m)		
	2023	2022	*growth*	**2023**	2022	*growth*
Business recovery and financial advisory	**47.0**	42.4	*11%*	**11.4**	10.7	*7%*
Property advisory and transactional services	**18.9**	16.1	*17%*	**3.7**	2.8	*32%*
Shared and central costs	**-**	-	-	**(4.4)**	(4.0)	*10%*
Total	**65.9**	58.5	*13%*	**10.7**	9.5	*13%*

Shared and central costs increased to £4.4m principally due to investment in the group's IT and HR capability but remained broadly unchanged as a percentage of revenue at 6.7% (2022: 6.8%).

Operating margins were unchanged at 16.2% (2022: 16.2%).

Finance costs increased to £0.8m (2022: £0.5m) resulting from higher IFRS 16 interest costs (due to new property leases commencing in the period) and the increased cost of the group's borrowing facilities due to higher interest rates.

Adjusted profit before tax increased by 10% to £9.9m (2022: £9.0m).

Transaction costs

Transaction costs arise due to acquisitions in accordance with IFRS 3 and include the following:

- Acquisition consideration where the vendors have obligations in the sale and purchase agreement to provide post-acquisition services for a fixed period (deemed remuneration in accordance with IFRS 3). This consideration is charged to profit over the period of service;
- Gains on acquisitions, where the fair value of assets acquired exceeds the consideration under IFRS 3; and
- Legal and professional fees incurred on acquisitions.

These costs (detailed in note 3) increased to £3.9m (2022: £0.8m), reflecting acquisition consideration from both current and prior year acquisitions of £4.5m (2022: £5.4m), acquisition costs of £0.1m (2022: £0.3m), partially offset by a gain on acquisition of £0.7m (2022: £4.9m).

Tax

The overall tax charge for the period was £1.8m (2022: £1.3m) as detailed below:

	2023				2022			
	Profit before tax £m	**Tax £m**	**Profit after tax £m**	***Effective rate***	Profit before tax £m	Tax £m	Profit after tax £m	*Effective rate*
Adjusted	**9.9**	**(2.6)**	**7.3**	***26%***	9.0	(1.9)	7.1	*21%*
Transaction costs	**(3.9)**	**-**	**(3.9)**	***-***	(0.8)	-	(0.8)	-
Amortisation	**(3.0)**	**0.8**	**(2.2)**	***25%***	(3.2)	0.6	(2.6)	*19%*
Tax on ordinary activities	**3.0**	**(1.8)**	**1.2**	***60%***	5.0	(1.3)	3.7	*26%*

The adjusted tax rate of 26% is based on the expected rate for the full year, with the increase from the comparative period due to the increased UK headline rate.

Earnings per share

Adjusted diluted earnings per share[1] was 4.6p (2022: 4.4p), reflecting increased UK corporation tax rates in the period. Diluted earnings per share was 0.8p (2022: 2.3p).

1. See reconciliation in note 5

Partners and employees

The average number of full-time equivalent (FTE) partners and employees working in the group over the period increased due to both acquisitions and organic investment.

	2023				2022			
	Insolvency and advisory services	**Property advisory and transactional services**	**Shared and support teams**	**Total**	Insolvency and advisory services	Property advisory and transactional services	Shared and support teams	Total
Fee earners	**566**	**320**	**-**	**886**	506	289	-	795
Support teams	**54**	**11**	**100**	**165**	64	7	92	163
Total	**620**	**331**	**100**	**1,051**	570	296	92	958

The ratio of our support teams to fee earning partners and employees is 5.4 (Apr 2023: 5.4, October 2022: 4.9).

Financing

The group has maintained a robust financial position with net cash of £1.1m as at 31 October 2023 (30 April 2023: net cash £3.0m, 31 October 2022: net debt £2.4m), having made £4.0m of acquisition and deferred consideration payments in the period (net of cash acquired).

We have significant levels of headroom within our bank facilities which are committed until August 2025 and comprise a £25m unsecured, committed revolving credit facility and a £5m uncommitted acquisition facility. During the period, all bank covenants were comfortably met.

Cash flow in the period is summarised as follows:

£m	**6 months to 31 Oct 2023**	6 months to 31 Oct 2022	12 months to 30 Apr 2023
Adjusted EBITDA	**12.8**	11.9	26.6
Working capital	**(4.6)**	(4.8)	(2.8)
Cash from operating activities (before acquisition consideration payments[1])	**8.2**	7.1	23.8
Tax	**(1.8)**	(3.2)	(5.3)
Interest	**(0.9)**	(0.4)	(1.1)
Capital expenditure	**(0.8)**	(0.3)	(1.0)
Capital element of lease payments	**(0.7)**	(1.4)	(2.3)
Free cash flow	**4.0**	1.8	14.1
Acquisition payments (net of cash acquired)[2]	**(4.0)**	(7.4)	(10.6)
Net proceeds from share issues	**-**	0.2	0.2
Dividends	**(1.9)**	(1.7)	(5.4)
Net cash outflow	**(1.9)**	(7.1)	(1.7)

1. Acquisition consideration payments accounted for as deemed remuneration in accordance with IFRS3
2. Acquisition consideration payments (defined above), acquisition costs and contingent consideration payments net of cash acquired

Cash from operating activities (before acquisition consideration payments) was £8.2m (2022: £7.1m) due to increased EBITDA of £0.9m. Working capital absorption was broadly in line with the comparative period. Tax payments were £1.8m (2022: £3.2m, including £1.0m of accelerated payments).

Free cash flow in the period was £4.0m (2022: £1.8m).

Acquisition payments (net of cash acquired) in the period were £4.0m (2022: £7.4m) comprising: the acquisition of Banks Long £0.8m (2022: Mantra Capital (£4.7m) and Budworth Hardcastle (£0.5m)), contingent payments in respect of prior year acquisitions of £3.1m (2022: £1.9m) and acquisition costs £0.1m (2022: £0.1m).

Net assets

Net assets as at 31 October 2023 were £80.2m, compared to £84.3m as at 30 April 2023. The movement represents an increase of £7.3m from post-tax adjusted earnings and £0.6m from the issue of new shares; offset by dividends of £5.9m and the post-tax impact of acquisition-related transaction and amortisation costs of £6.1m.

Ric Traynor
Executive chairman
11 December 2023

Nick Taylor
Group finance director
11 December 2023

Consolidated statement of comprehensive income

	Note	**Six months ended 31 October 2023 (unaudited) £'000**	Six months ended 31 October 2022 (unaudited) £'000	Year ended 30 April 2023 (audited) £'000
Revenue	2	**65,859**	58,457	121,825
Direct costs		**(38,096)**	(32,743)	(67,700)
Gross profit		**27,763**	25,714	54,125
Other operating income		**385**	142	208
Administrative expenses		**(24,262)**	(20,363)	(47,178)
Operating profit before amortisation and transaction costs	2	**10,699**	9,473	21,821
Transaction costs	3	**(3,830)**	(828)	(8,440)
Amortisation of intangible assets arising on acquisitions		**(2,983)**	(3,152)	(6,226)
Operating profit		**3,886**	5,493	7,155
Finance costs	4	**(845)**	(503)	(1,170)
Profit before tax		**3,041**	4,990	5,985
Tax on profits on ordinary activities		**(1,822)**	(1,269)	(3,074)
Profit and total comprehensive income for the period		**1,219**	3,721	2,911
Earnings per share				
Basic	5	**0.8p**	2.4p	1.9p
Diluted	5	**0.8p**	2.3p	1.8p

All of the profit and comprehensive income for the period is attributable to equity holders of the parent.

Consolidated statement of changes in equity

For the six months ended 31 October 2023 (unaudited)	Share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	**Total equity**
	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 May 2023	7,727	29,973	27,944	304	18,392	**84,340**
Total comprehensive income for the period	—	—	—	—	1,219	**1,219**
Dividends	—	—	—	—	(5,944)	**(5,944)**
Shares issued as consideration for acquisitions	14	—	361	—	—	**375**
Credit to equity for equity-settled share-based payments	—	—	—	—	7	**7**
Other share options	135	46	—	—	—	**181**
At 31 October 2023	**7,876**	**30,019**	**28,305**	**304**	**13,674**	**80,178**

For the six months ended 31 October 2022 (unaudited)	Share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	**Total equity**
	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 May 2022	7,671	29,787	27,172	304	19,591	**84,525**
Total comprehensive income for the period	—	—	—	—	3,721	**3,721**
Dividends	—	—	—	—	(5,387)	**(5,387)**
Shares issued as consideration for acquisitions	28	—	772	—	—	**800**
Credit to equity for equity-settled share-based payments	—	—	—	—	744	**744**
Other share options	14	156	—	—	—	**170**
At 31 October 2022	**7,713**	**29,943**	**27,944**	**304**	**18,669**	**84,573**

For the year ended 30 April 2023 (audited)	Share capital	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	**Total equity**
	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 May 2022	7,671	29,787	27,172	304	19,591	**84,525**
Total comprehensive income for the period	—	—	—	—	2,911	**2,911**
Dividends	—	—	—	—	(5,387)	**(5,387)**
Credit to equity for equity-settled share-based payments	—	—	—	—	1,277	**1,277**
Shares issued as consideration for acquisitions	28	—	772	—	—	**800**
Other share options	28	186	—	—	—	**214**
At 30 April 2023	7,727	29,973	27,944	304	18,392	**84,340**

Consolidated balance sheet

	Note	**31 October 2023 (unaudited) £'000**	31 October 2022 (unaudited) £'000	30 April 2023 (audited) £'000
Non-current assets				
Intangible assets		**71,000**	76,273	73,386
Property, plant and equipment		**2,164**	1,980	1,993
Right of use assets		**9,664**	5,400	7,751
Trade and other receivables	7	**4,763**	7,439	5,200
		87,591	91,092	88,330
Current assets				
Trade and other receivables	7	**60,237**	54,976	55,550
Cash and cash equivalents		**8,061**	7,551	8,001
		68,298	62,527	63,551
Total assets		**155,889**	153,619	151,881
Current liabilities				
Trade and other payables	8	**(46,131)**	(40,402)	(42,644)
Current tax liabilities		**(1,970)**	(707)	(1,110)
Lease liabilities		**(2,181)**	(1,009)	(1,554)
Provisions		**(1,091)**	(1,249)	(1,006)
		(51,373)	(43,367)	(46,314)
Net current assets		**16,925**	19,160	17,237
Non-current liabilities				
Borrowings		**(7,000)**	(10,000)	(5,000)
Lease liabilities		**(8,244)**	(4,960)	(6,658)
Provisions		**(2,265)**	(2,292)	(2,139)
Deferred tax		**(6,829)**	(8,427)	(7,430)
		(24,338)	(25,679)	(21,227)
Total liabilities		**(75,711)**	(69,046)	(67,541)
Net assets		**80,178**	84,573	84,340
Equity				
Share capital		**7,876**	7,713	7,727
Share premium		**30,019**	29,943	29,973
Merger reserve		**28,305**	27,944	27,944
Capital redemption reserve		**304**	304	304
Retained earnings		**13,674**	18,669	18,392
Equity attributable to owners of the company		**80,178**	84,573	84,340

Consolidated cash flow statement

	Note	**Six months ended 31 October 2023 (unaudited) £'000**	Six months ended 31 October 2022 (unaudited) £'000	Year ended 30 April 2023 (audited) £'000
Cash flows from operating activities				
Cash generated by operations	9	**3,855**	(970)	13,218
Income taxes paid		**(1,924)**	(3,216)	(5,328)
Interest paid on borrowings		**(512)**	(274)	(668)
Interest paid on lease liabilities		**(347)**	(199)	(408)
Net cash from operating activities (before acquisition consideration payments)		**5,338**	3,464	17,413
Acquisition consideration payments which are deemed remuneration under IFRS 3		**(4,266)**	(8,123)	(10,599)
Net cash from operating activities		**1,072**	(4,659)	6,814
Investing activities				
Purchase of intangible fixed assets		**—**	(18)	(56)
Purchase of property, plant and equipment		**(756)**	(309)	(931)
Proceeds on disposal of property, plant and equipment		**—**	—	20
Acquisition of businesses		**(305)**	(327)	(809)
Deferred consideration payments		**—**	—	(325)
Net cash acquired in acquisition of businesses		**575**	1,055	1,158
Net cash from investing activities		**(486)**	401	(943)
Financing activities				
Dividends paid		**(1,854)**	(1,687)	(5,387)
Net proceeds on issue of shares		**31**	170	213
Repayment of obligations under leases		**(703)**	(1,359)	(2,381)
Drawdown of loans		**2,000**	5,000	—
Net cash from financing activities		**(526)**	2,124	(7,555)
Net increase (decrease) in cash and cash equivalents		**60**	(2,134)	(1,684)
Cash and cash equivalents at beginning of period		**8,001**	9,685	9,685
Cash and cash equivalents at end of period		**8,061**	7,551	8,001

1. Basis of preparation and accounting policies

(a) Basis of preparation

The half year condensed consolidated financial statements do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the group's annual financial statements as at 30 April 2023, which have been prepared in accordance with IFRSs as adopted by the European Union.

This condensed consolidated half year financial information does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2023 were approved by the board of directors on 10 July 2023 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The directors have reviewed the financial resources available to the group and have concluded that the group is a going concern. This conclusion is based upon, amongst other matters, a review of the group's financial projections for a period of twelve months following the date of this announcement, together with a review of the cash and committed borrowing facilities available to the group. Accordingly, the going concern basis has been used in preparing these half year condensed consolidated financial statements.

The condensed consolidated financial statements for the six months ended 31 October 2023 have not been audited nor subject to an interim review by the auditors. IAS 34 'Interim financial reporting' is not applicable to these half year condensed consolidated financial statements and has therefore not been applied.

(b) Significant accounting policies

The accounting policies adopted in preparation of the half year condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 30 April 2023.

2. Segmental analysis by class of business

	Six months ended 31 October 2023 (unaudited) £'000	Six months ended 31 October 2022 (unaudited) £'000	Year ended 30 April 2023 (audited) £'000
Revenue			
Business recovery and financial advisory	**46,993**	42,350	89,696
Property advisory and transactional services	**18,866**	16,107	32,129
	65,859	58,457	121,825
Operating profit before amortisation and transaction costs			
Business recovery and financial advisory	**11,391**	10,652	23,999
Property advisory and transactional services	**3,681**	2,829	5,692
Shared and central costs	**(4,373)**	(4,008)	(7,870)
	10,699	9,473	21,821

3. Transaction costs

	Six months ended 31 October 2023 (unaudited) £'000	Six months ended 31 October 2022 (unaudited) £'000	Year ended 30 April 2023 (audited) £'000
Acquisition consideration (deemed remuneration in accordance with IFRS 3)	**4,514**	5,425	12,304
Acquisition costs	**61**	327	434
Gain on acquisition	**(745)**	(4,924)	(4,298)
	3,830	828	8,440

4. Finance costs

	Six months ended 31 October 2023 (unaudited) £'000	Six months ended 31 October 2022 (unaudited) £'000	Year ended 30 April 2023 (audited) £'000
Interest on bank loans	**498**	303	762
Finance charge on lease liabilities	**317**	161	343
Finance charge on dilapidations provisions	**30**	39	65
	845	503	1,170

5. Earnings per share

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

	Six months ended 31 October 2023 (unaudited)	Six months ended 31 October 2022 (unaudited)	Year ended 30 April 2023 (audited)
	£'000	£'000	£'000
Earnings			
Profit for the period attributable to equity holders	**1,219**	3,721	2,911

	31 October 2023 (unaudited)	31 October 2022 (unaudited)	30 April 2023 (audited)
	number '000	number '000	number '000
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**158,076**	155,962	155,634
Effect of dilutive potential ordinary shares:			
Share options	**1,611**	6,054	6,423
Contingent shares	**-**	-	233
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**159,687**	162,016	162,290

	Six months ended 31 October 2023 (unaudited)	Six months ended 31 October 2022 (unaudited)	Year ended 30 April 2023 (audited)
	pence	pence	pence
Basic earnings per share	**0.8**	2.4	1.9
Diluted earnings per share	**0.8**	2.3	1.8

The following additional earnings per share figures are presented as the directors believe they provide a better understanding of the trading position of the group, as they exclude the accounting charges which arise due to acquisitions in accordance with IFRS 3 and are not influenced by the day-to-day operations of the group.

	Six months ended 31 October 2023 (unaudited)	Six months ended 31 October 2022 (unaudited)	Year ended 30 April 2023 (audited)
	£'000	£'000	£'000
Earnings			
Profit for the period attributable to equity holders	**1,219**	3,721	2,911
Amortisation of intangible assets arising on acquisitions	**2,983**	3,152	6,226
Transaction costs	**3,830**	828	8,440
Tax effect of above items	**(746)**	(615)	(1,236)
Adjusted earnings	**7,286**	7,086	16,341

	Six months ended 31 October 2023 (unaudited)	Six months ended 31 October 2022 (unaudited)	Year ended 30 April 2023 (audited)
	pence	pence	pence
Adjusted basic earnings per share	**4.6**	4.5	10.5
Adjusted diluted earnings per share	**4.6**	4.4	10.1

6. Dividends

The interim dividend of 1.3p (2022: 1.2p) per share (not recognised as a liability at 31 October 2023) will be payable on 7 May 2024 to ordinary shareholders on the register at 12 April 2024. The final dividend of 2.6p per share as proposed in the 30 April 2023 financial statements and approved at the group's AGM was paid on 3 November 2023 and was recognised as a liability at 31 October 2023.

7. Trade and other receivables

	31 October 2023 (unaudited) £'000	31 October 2022 (unaudited) £'000	30 April 2023 (audited) £'000
Non current			
Deemed remuneration	**4,763**	7,439	5,200
Current			
Trade receivables	**11,448**	11,847	11,652
Unbilled income	**41,552**	35,735	37,489
Other debtors and prepayments	**3,970**	4,019	2,987
Deemed remuneration	**3,267**	3,375	3,422
	60,237	54,976	55,550

8. Trade and other payables

	31 October 2023 (unaudited) £'000	31 October 2022 (unaudited) £'000	30 April 2023 (audited) £'000
Current			
Trade payables	**2,672**	1,450	2,055
Accruals	**9,761**	8,698	10,454
Final dividend	**4,090**	3,700	—
Other taxes and social security	**5,197**	4,406	5,209
Deferred income	**6,998**	5,799	6,503
Other creditors	**14,059**	14,161	14,350
Deferred consideration	**13**	246	13
Deemed remuneration liabilities	**3,341**	1,942	4,060
	46,131	40,402	42,644

9. Reconciliation to the cash flow statement

	31 October 2023 (unaudited) £'000	31 October 2022 (unaudited) £'000	30 April 2023 (audited) £'000
Profit for the period	**1,219**	3,721	2,911
Adjustments for:			
Tax	**1,822**	1,269	3,074
Finance costs	**845**	503	1,170
Amortisation of intangible assets	**3,071**	3,243	6,410
Depreciation of property, plant and equipment	**596**	536	1,114
Depreciation of right of use assets	**1,246**	1,096	2,136
Gain on acquisition	**(744)**	(4,924)	(4,298)
Acquisition costs	**61**	327	434
Profit on disposal of property, plant and equipment	**—**	—	(13)
Loss on disposal of right of use asset	**—**	—	42
Share-based payment expense	**157**	745	1,277
Deemed remuneration obligations settled through equity	**375**	800	800
Decrease (increase) in deemed remuneration receivable	**592**	(3,962)	(1,769)
(Decrease) increase in deemed remuneration liabilities	**(719)**	464	2,675
Operating cash flows before movements in working capital	**8,521**	3,818	15,963
Increase in receivables	**(4,364)**	(3,428)	(4,656)
(Decrease) increase in payables	**(199)**	(1,337)	2,480
Increase (decrease) in provisions	**(103)**	(23)	(569)
Cash generated by operations	**3,855**	(970)	13,218