14 July 2015

Begbies Traynor Group plc

Final results
for the year ended 30 April 2015

Begbies Traynor Group plc (the 'company' or the 'group'), the business recovery and property services consultancy, today announces its final results for the year ended 30 April 2015.

Financial highlights*

	2015 £m	2014 £m
Revenue	45.4	44.1
Adjusted profit before tax**	3.6	5.4
(Loss) profit before tax	(0.7)	4.3
Adjusted basic EPS*** (p)	2.9	4.7
Basic EPS (p)	(0.6)	3.7
Proposed total dividend (p)	2.2	2.2

- Completed a £5.3m placing of 13.1 million new ordinary shares to fund the Eddisons acquisition
- Net debt reduced to £12.8m (2014: £14.5m), after acquisition payments

**All figures stated from continuing operations following closure of loss-making global risk partners division*

***Loss before tax from continuing operations of £0.7m (2014: profit £4.3m) plus amortisation of intangible assets arising on acquisitions of £1.4m (2014: £0.3m) plus exceptional and acquisition-related items of £2.9m (2014: £0.8m)*

**** See reconciliation in note 6*

Operational overview

Insolvency:
- Results reflect a 14% reduction in the number of UK corporate insolvencies in the year to 31 March 2015
- Retained market-leading position
- Streamlined our cost base and office network, resulting in exceptional costs
- Cost management has partially mitigated reduced revenue, delivering solid operating margins
- Acquired and fully integrated Ian Franses Associates and Broadbents Business Recovery Services which are trading profitably, in line with our expectations
- Invested in our London office during the year, with the team moving to new offices in Canary Wharf
- Launched BTG Global Advisory, our new international alliance of independent insolvency, restructuring and financial advisory firms operating in key global jurisdictions

Property consultancy:
- Acquired Eddisons, a national firm of chartered surveyors with a specialism in the valuation and disposal of property and business assets, on 17 December 2014
- First five months of trading in line with our expectations
- Integration proceeding well with all key personnel retained and operating synergies being realised in line with our plans

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

"This has been a year of significant change for the group. We completed the strategic acquisition of the Eddisons property consultancy in December 2014, made two bolt-on insolvency acquisitions, managed the cost base in our insolvency division and closed the loss-making global risk partners division."

"The group is now focussed on two complementary operating divisions which positions the group to take advantage of the cyclicality of the insolvency market, where we have maintained our market-leading position by number of appointments, and developing our property services."

"The combination of the reduced cost base in the insolvency division, the removal of losses from the discontinued business and the full year impact of the Eddisons acquisition leaves the group well placed in the new financial year. We will continue to look for opportunities to develop and enhance the business both organically and through selective acquisitions."

A meeting for analysts will be held today at 9.15am for 9.30am at the offices of MHP Communications, 6 Agar Street, London WC2N 4HN. Please contact Charlie Bristow on 020 3128 8788 or via charlie.bristow@mhpc.com if you would like to attend.

Enquiries please contact:

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Information on Begbies Traynor Group can be accessed via the Group's website at
www.begbies-traynorgroup.com

CHAIRMAN'S STATEMENT

INTRODUCTION

The year under review was one of significant change for the group. We completed the strategic acquisition of the Eddisons property consultancy in December 2014, as well as two bolt-on insolvency acquisitions. In addition we restructured our insolvency division in response to lower levels of market activity, incurring exceptional costs, together with discontinuing the loss-making global risk partners division.

The group is now focussed on two complementary operating divisions: Begbies Traynor, the insolvency, restructuring and investigations consultancy; and Eddisons, the property valuation and property management consultancy. We are positioned to take advantage of the cyclicality of the insolvency market, where we have maintained our market-leading position by number of appointments, and to develop our property services consultancy. These complementary service lines are intended to give the group a more balanced business across the economic cycle.

It was another challenging year for the insolvency industry with national volumes at their lowest level since 2007, impacting our insolvency caseload. There has also been a change in the means of generating SME insolvency cases in recent years with the increasing use of internet-based rather than traditional marketing techniques; we invested in this area initially through the acquisition of Cooper Williamson in October 2013 and have continued to invest in these marketing initiatives. These factors have impacted on the business and as a result we have streamlined our cost base and office network in the year. Unfortunately this resulted in exceptional costs being charged; however, further benefits from these cost reductions will be realised in the new financial year and beyond. In spite of the challenging market, the insolvency business continues to trade profitably with solid operating margins and generates strong operating cash flows.

The integration of Eddisons is proceeding in line with our plans and the first five months of post-acquisition trading were in line with our expectations. The group will benefit from a full 12 month contribution from the business in the new financial year.

The combination of current year restructuring costs and losses from our discontinued business resulted in a statutory loss for the year as a whole. However, following the actions completed over the last 12 months, together with the acquisition of Eddisons, the group is well placed to return to profit in future years.

Our continued focus on cash management has resulted in a reduction in net debt to £12.8m (2014: £14.5m), after acquisition payments, which has enabled the board to recommend a maintained dividend for the year. We thank shareholders and employees for their continued support and patience in what is a transitional period for the group.

RESULTS

Group revenue from continuing operations in the year ended 30 April 2015 was £45.4m (2014: £44.1m). Adjusted profit before tax* was £3.6m (2014: £5.4m). Exceptional and acquisition-related items (detailed in the finance review) totalled £2.9m (2014: £0.8m). Loss before tax was £0.7m (2014: profit before tax £4.3m). Statutory loss for the year was £1.6m (2014: profit £3.0m) after loss from discontinued operations.

Earnings per share from continuing operations**, adjusted for the net of tax impact of amortisation of intangible assets arising on acquisition, exceptional and acquisition-related items were 2.9p (2014: 4.7p). Basic and fully diluted loss per share from continuing operations were 0.6p (2014: earnings per share 3.7p).

Net debt after acquisition payments reduced by £1.7m to £12.8m at 30 April 2015 (2014: £14.5m). Gearing reduced to 21% (2014: 24%) and the group retains significant headroom in its committed banking facilities. Interest cover*** was 4.4 times (2014: 5.9 times). Net assets per share were 63p (2014: 65p).

** Loss before tax from continuing operations of £0.7m (2014: profit £4.3m) plus amortisation of intangible assets arising on acquisitions of £1.4m (2014: £0.3m) plus exceptional and acquisition-related items of £2.9m (2014: £0.8m)*

*** See reconciliation in note 6*

**** Before exceptional and acquisition-related items and amortisation of intangible assets arising on acquisitions*

DIVIDEND

The board remains committed to a long-term progressive dividend policy, which reflects the potential for earnings growth. Having considered the results for the year, the level of retained earnings and the group's financial position, together with the outlook for the new financial year and the investment requirements of the business, the board has recommended the total dividend be maintained at 2.2p (2014: 2.2p). This comprises the interim dividend already paid of 0.6p (2014: 0.6p) and a final dividend of 1.6p (2014: 1.6p).

The final dividend will be paid on 6 November 2015 to shareholders on the register on 9 October 2015, with an ex-dividend date of 8 October 2015.

PEOPLE

We are reliant on the expertise, professionalism and commitment of our people and I thank all of them for their contribution during another challenging year for our industry.

OUTLOOK

Financial performance in our insolvency division is directly related to the cyclicality of the national insolvency market. The market as a whole remains difficult to predict although activity levels have stabilised over the last four quarters to 31 March 2015. However, there are no indications of a change in the benign financing environment in the UK and we therefore remain cautious about activity levels in this division in the near term. The restructuring of the division completed in the last financial year will result in a reduced cost base for the new financial year and we remain confident of the division's long-term performance.

The new financial year will benefit from a full year contribution from the Eddisons acquisition, which is expected to enhance our financial performance, delivering a stable level of profitability in line with its post-acquisition trading and positive cash generation.

The combination of the reduced cost base in the insolvency division, the removal of losses from the discontinued business and the full year impact of the Eddisons acquisition leaves the group well placed in the new financial year and beyond. We will continue to look for opportunities to develop and enhance the business, both organically and through selective acquisitions.

An update on current trading will be provided at the time of the company's annual general meeting in September 2015.

Ric Traynor
Executive chairman
14 July 2015

STRATEGIC REPORT

Begbies Traynor Group is a business recovery and property services consultancy, providing services nationally from a comprehensive network of UK locations, through two operating divisions: Begbies Traynor and Eddisons.

Begbies Traynor is the UK's leading independent business recovery practice handling the largest number of corporate appointments, principally serving the mid-market and smaller companies. We provide a range of specialist professional services primarily to businesses, their professional advisors and the major banks covering insolvency, restructuring and risk management activities.

Eddisons is a national firm of chartered surveyors, offering a wide range of specialist services to banks, insolvency practitioners, and owners and occupiers of commercial property. The services offered are valuation and sale of property, machinery and business assets, including fixed charge property receiverships; insolvency insurance brokerage; property and facilities management; and building consultancy services.

MARKET

The number of corporate insolvencies (source: The Insolvency Service) for the year to 31 March 2015 (the period which most closely matches the Group's financial year) totalled 16,380 (2014: 18,994), representing a 14% year on year reduction. The number of corporate insolvencies in the first calendar quarter of 2015 was 4,014, which is the lowest level of quarterly appointments since the fourth calendar quarter of 2007, albeit these numbers have stabilised at this level over the last 12 months.

STRATEGY

To enhance our market-leading business recovery practice, ensuring the business is well-placed to benefit from opportunities in its counter-cyclical marketplace, together with developing our property services consultancy.

DEVELOPMENTS IN THE YEAR

In December 2014 we completed the strategic acquisition of Eddisons, a national firm of chartered surveyors. Eddisons brings expertise in the valuation and disposal of property and business assets, which is intrinsic to our insolvency division. The acquisition enables the group to utilise Eddisons' expertise on its existing caseload rather than subcontractors, together with marketing our enhanced competencies and service offerings to the combined client base, including banks and other financial institutions.

We have also continued to invest in our insolvency division through two acquisitions in the year: Ian Franses Associates on 13 June 2014, based in Paddington, and Yorkshire based Broadbents Business Recovery Services on 31 March 2015. Both businesses have been fully integrated into our operations and are trading profitably in line with our expectations. We also invested in our London office during the year, with the team moving to new offices in Canary Wharf. Subsequent to the year end we launched BTG Global Advisory, our new international alliance of independent insolvency, restructuring and financial advisory firms operating in key global jurisdictions.

OPERATING REVIEW

Insolvency and restructuring

Begbies Traynor is the UK's leading independent business recovery practice, providing a partner-led service to stakeholders in troubled businesses.

Segmental profits* in the year decreased to £8.5m (2014: £10.9m), as a result of a reduction in revenue to £40.9m (2014: £44.1m).

The reduced level of market activity led to lower insolvency appointments for the group, which combined with the on-going pressure on fee rates, caused the reduced revenue levels in the year. There has also been a change in the means of generating SME insolvency cases in recent years with the increasing use of internet-based rather than traditional marketing techniques. We invested in this area initially through the acquisition of Cooper Williamson in October 2013 and have continued to invest in these marketing initiatives.

These factors have impacted on the business and as a result we have streamlined our cost base and office network in the year. The number of people employed in the division has decreased to 354 as at 30 April 2015 from 391 at the start of the financial year, having integrated 17 from acquired businesses over the year. Segmental costs were £32.4m (2014: £33.2m), an increase of £0.8m from acquisitions offset by in-year reductions of £1.6m. As a result of actions completed this year the cost base will reduce by an additional £1.5m in the new financial year. Exceptional costs relating to the restructuring were £2.6m. Operating margins were 20.8% (2014: 24.6%).

We remain the market leader in UK mid-market insolvency and we believe that the combination of our full national coverage, strong relationships with all major UK banks and excellent referral networks from other professional services organisations leaves the business well-placed to take full advantage of this cyclical market.

We will continue to develop this division through a combination of senior recruitment, selective acquisitions and staff development, with the intention of progressively increasing our market share. Further development over the medium term could come from winning higher value, more complex instructions from existing clients and prospects, by demonstrating our capabilities and credentials.

** See note 2*

Property consultancy

Eddisons is a national firm of chartered surveyors, providing its services to banks, insolvency practitioners, and owners and occupiers of commercial property.

The business was acquired on 17 December 2014 and generated segmental revenues of £4.5m and profits of £0.7m for the post-acquisition period, in line with our expectations.

The integration of the business into the group is proceeding well with all key personnel being retained. The Eddisons team is being appointed on a number of the group's insolvency cases. In addition, operating synergies, through shared property and other overhead costs, are being realised in line with our plans.

The number of people employed in the division was 134 on 30 April 2015.

We will develop this division through a combination of senior recruitment and selective acquisitions with the intention of developing its service offering and geographical coverage.

** See note 2*

Partners and employees

As at 30 April 2015, the group employed a total of 549 partners and staff (2014: 438), an increase of 25% compared with a year ago; this comprises 384 fee earners and 165 support staff. This includes 165 employees who joined the group following acquisitions in the year.

We continue to invest in training and developing our people and we are pleased to have promoted four fee earners to partner, three subsequent to the year end.

FINANCE REVIEW

	2015 £m	2014 £m
Revenue from continuing operations	**45.4**	44.1
EBITA (pre-exceptional items)	**4.7**	6.5
Finance costs	**(1.1)**	(1.1)
Adjusted profit before tax	**3.6**	5.4
Exceptional and acquisition-related items	**(2.9)**	(0.8)
Amortisation of intangible assets arising on acquisitions	**(1.4)**	(0.3)
(Loss) profit before tax	**(0.7)**	4.3
Tax	**0.1**	(0.9)
(Loss) profit for the year from continuing operations	**(0.6)**	3.4

Revenue

Trading performance was affected by the challenging trading conditions in the year. Revenue increased to £45.4m (2014: £44.1m) as a result of revenue from in-year acquisitions of £5.6m, which was partially offset by reduced revenue of £4.3m in the insolvency division, following the reduction in national insolvency appointments.

EBITA (pre-exceptional items)

Operating costs increased to £40.7m (2014: £37.6m). The impact of the Eddisons acquisition in the current year was £4.0m. Costs reduced by £1.7m as a result of restructuring the cost base in response to the drop in insolvency market volumes, partially offset by £0.8m of costs from acquired businesses.

EBITA (pre-exceptional items) reduced to £4.7m (2014: £6.5m) with margins of 10.3% (2014: 14.8%).

Finance costs

Finance costs totalled £1.1m (2014: £1.1m).

Amortisation

Amortisation costs increased to £1.4m (2014: £0.3m), due to the amortisation of intangible assets arising on in-year acquisitions.

Exceptional and acquisition-related items

Exceptional and acquisition-related items in the year of £2.9m (2014: £0.8m associated with the relocation of the group's London offices) comprise:

- restructuring costs of £2.6m, comprising £1.5m case closure provision, £0.9m redundancy costs and £0.2m onerous lease costs, of which £0.3m is included within provisions at 30 April 2015. This has reduced the group's operating cost base realising cost savings of £1.7m in the last financial year with further committed reductions to be realised in the new financial year of £1.5m;
- business integration costs following the Eddisons acquisition of £0.5m, of which £0.5m is included within provisions at 30 April 2015;
- acquisition-related credit of £0.2m comprising: acquisition costs £0.5m; deemed remuneration charges of £0.4m; offset by a gain on acquisition of £1.1m.

Tax

The tax charge for the year (prior to credit resulting from exceptional costs) was £0.6m (2014: £1.0m) representing an effective tax rate of 26% (2014: 20% which reflects a reduction in deferred tax liabilities due to the reduction in the corporation tax rate to 20%). The tax credit resulting from exceptional and acquisition-related items was £0.7m (2014: £0.1m). Tax credit for the year of £0.1m (2014: charge £0.9m).

Earnings per share ('EPS')

EPS*, adjusted for the net of tax impact of the amortisation of intangible assets arising on acquisitions, exceptional and net acquisition-related items, were 2.9p (2014: 4.7p).

Basic and diluted loss per share of 0.6p (2014: earnings per share 3.7p).

** See reconciliation in note 6*

Acquisitions

The group completed three acquisitions during the financial year as follows:

Ian Franses

On 13 June 2014, the group completed the acquisition of the trade and assets of Ian Franses Associates Limited, a London-based insolvency practice. The maximum acquisition consideration of £2.0m is as follows: initial consideration of £0.6m in cash, together with contingent consideration based on financial performance over the three years from completion of £1.4m, payable in cash.

Eddisons

On 17 December 2014, the group completed the acquisition of the entire issued share capital of Eddisons Commercial (Holdings) Limited, a national firm of chartered surveyors. The maximum acquisition consideration of £8.5m (net of £1.25m cash payment in relation to the level of working capital at completion) is as follows: initial consideration of £5.0m in cash funded by a vendor placing, together with contingent consideration based on financial performance as follows: £1.5m cash payable on account over four years, with historic payments subject to claw back in the event of subsequent underperformance; £1.5m cash or equity bullet payable after four years, based on cumulative performance over the four years; and £0.5m cash or equity payable between five and eight years.

Broadbents

On 31 March 2015, the group completed the acquisition of the trade and assets of Broadbents Business Recovery Services Limited, a Yorkshire based insolvency practice. The maximum acquisition consideration of £0.55m is as follows: initial consideration of £0.2m in cash, together with contingent consideration based on financial performance over the two years from completion of £0.35m, payable in cash.

Accounting treatment

The maximum consideration payable for these acquisitions includes amounts which require post-acquisition service obligations to be performed by the selling shareholders. In accordance with the IFRS Interpretation Committee's interpretation of paragraph B55 of IFRS3, regarding such payments, these amounts are treated as deemed remuneration and will be charged to the consolidated statement of comprehensive income over the period of the obligation. The charge in the year for deemed remuneration was £0.4m. As a result of this accounting guidance, the value of net assets acquired (£7.6m) exceeds the accounting value of the consideration (£6.5m) and consequently a gain of £1.1m has been recognised as an exceptional item in the year. Acquisition costs of £0.5m have been charged to the statement of comprehensive income as an exceptional cost.

Share placing

On 17 December 2014, the group completed a share placing of 13,094,982 new ordinary shares at a price of 40.5p per share to raise £5.3m (before costs) in connection with the Eddisons acquisition: £5.0m via a vendor placing to satisfy the initial consideration; and £0.3m via a cash placing for transaction costs.

Cash flows

Cash generated by operations (before interest and tax payments) in the year was £6.0m (2014: £7.4m). Tax payments in the year were £1.3m (2014: £1.0m). Interest payments were £1.0m (2014: £0.9m).

Cash outflows from investing activities were £5.2m (2014: £0.9m). Capital expenditure was £1.3m (2014: £0.4m), principally relating to our new London office. Deferred payments relating to prior year acquisitions were £0.2m (2014: £0.1m). Acquisition payments were £3.7m (2014: £0.5m), net of cash acquired of £3.3m.

Financing cash inflows were £3.1m (2014: outflow of £2.0m). The share placing in the year in connection with the Eddisons acquisition raised £5.0m net of costs, with proceeds from other share issues of £0.1m (2014: £0.1m). Dividend payments were £2.0m (2014: £2.0m). During the prior year there was a repayment of asset finance obligations of £0.1m.

Financing

Net borrowings reduced by £1.7m to £12.8m at 30 April 2015 (2014: £14.5m), with a reduction in gearing to 21% (2014: 24%) and significant headroom within the committed banking facilities of £30m. During the year, all bank covenants were comfortably met and the group remains in a strong financial position.

The group's principal unsecured, committed facilities of £30m provide the group with medium and long-term financing with maturity dates from 2017 to 2021.

Net assets

At 30 April 2015 net assets were £61.0m (2014: £59.4m), equivalent to net assets per share of 63p (2014: 65p).

Non-current assets increased to £60.3m (2014: £53.3m) due to intangible assets recognised on acquisitions and capital expenditure in the year.

Trade and other receivables decreased to £34.9m (2014: £36.6m), principally due to an organic reduction in working capital of £4.2m partially offset by an increase from acquisitions of £2.5m.

Net borrowings reduced to £12.8m (2014: £14.5m).

Trade and other payables increased to £12.8m (2014: £8.2m), principally due to acquisitions. The balance includes trade creditors and accruals of £8.6m (2014: £5.9m), tax and social security creditors of £2.1m (2014: £1.7m) and deferred consideration liabilities of £2.1m (2014: £0.6m) of which £0.7m (2014: £0.3m) is payable within one year.

Provisions for property costs, restructuring costs and post-disposal obligations total £2.3m (2014: £2.1m) of which £1.6m is payable within one year.

Current tax receivables were £0.1m (2014: liabilities of £0.7m). Deferred tax liabilities were £6.4m (2014: £5.0m).

Discontinued operations

During the year the global risk partners segment was discontinued. In accordance with IFRS 5, the results of these activities have been separately disclosed and the comparative results re-presented on this basis.

During the year the discontinued activities generated revenue of £0.5m (2014: £1.7m) and a post-tax loss of £1.0m (2014: £0.4m), including a loss on disposal of £0.6m. At the period end the group had deferred contingent consideration receivable of £0.6m.

Going concern

The directors have reviewed the financial resources available to the group and have concluded that the group will be able to operate within the level of its borrowing facilities and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This conclusion is based, amongst other matters, on the group's existing borrowing facilities and a review of financial forecasts for a period exceeding 12 months from the date of this announcement. Accordingly, the financial information in this announcement is prepared on the going concern basis.

Ric Traynor
Executive chairman
14 July 2015

Nick Taylor
Group finance director
14 July 2015

Consolidated statement of comprehensive income

	2015 £'000	2014 £'000
Continuing operations		
Revenue	**45,360**	44,089
Direct costs	**(25,044)**	(23,782)
Gross profit	**20,316**	20,307
Other operating income	**173**	156
Administrative expenses	**(15,826)**	(13,945)
Earnings before interest, tax and amortisation prior to exceptional and acquisition-related items	**4,663**	6,518
Exceptional and acquisition-related items	**(2,918)**	(806)
Earnings before interest, tax and amortisation	**1,745**	5,712
Amortisation of intangible assets arising on acquisitions	**(1,413)**	(353)
Finance costs	**(1,055)**	(1,108)
(Loss) profit before tax	**(723)**	4,251
Tax	**122**	(869)
(Loss) profit for the year from continuing operations	**(601)**	3,382
Discontinued operations		
Loss for the year from discontinued operations	**(979)**	(357)
(Loss) profit for the year	**(1,580)**	3,025
Other comprehensive income		
Exchange differences on translation of foreign operations	**(5)**	—
Total comprehensive (loss) income for the year	**(1,585)**	3,025
(Loss) earnings per share		
From continuing operations		
Basic and diluted	**(0.6) pence**	3.7 pence
From continuing and discontinued operations		
Basic and diluted	**(1.6) pence**	3.3 pence

The (loss) profit and comprehensive income for both years is attributable to equity holders of the parent.

The income statement for the year ended 30 April 2014 has been represented to reflect the classification of the global risk partners business as discontinued operations in accordance with IFRS 5.

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 May 2013	4,663	17,581	17,584	—	17,867	**57,695**
Total comprehensive income for the year	—	—	—	—	3,025	**3,025**
Dividends	—	—	—	—	(2,002)	**(2,002)**
Credit to equity for equity-settled share-based payments	—	—	—	—	33	**33**
Shares issued	213	439	—	—	—	**652**
At 30 April 2014	4,876	18,020	17,584	—	18,923	**59,403**
Loss for the year	—	—	—	—	(1,580)	**(1,580)**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	(5)	—	**(5)**
Total comprehensive loss for the year	—	—	—	(5)	(1,580)	**(1,585)**
Dividends	—	—	—	—	(2,012)	**(2,012)**
Credit to equity for equity-settled share-based payments	—	—	—	—	61	**61**
Shares issued	660	4,453	—	—	—	**5,113**
At 30 April 2015	**5,536**	**22,473**	**17,584**	**(5)**	**15,392**	**60,980**

The merger reserve arose on the formation of the group in 2004.

Consolidated balance sheet

	2015 £'000	2014 £'000
Non-current assets		
Intangible assets	**57,765**	51,559
Property, plant and equipment	**2,512**	1,708
	60,277	53,267
Current assets		
Trade and other receivables	**34,861**	36,630
Current tax receivable	**53**	—
Cash and cash equivalents	**9,209**	7,541
	44,123	44,171
Total assets	**104,400**	97,438
Current liabilities		
Trade and other payables	**(11,369)**	(7,849)
Current tax liabilities	—	(651)
Borrowings	—	(26)
Provisions	**(1,625)**	(1,465)
	(12,994)	(9,991)
Net current assets	**31,129**	34,180
Non-current liabilities		
Trade and other payables	**(1,391)**	(355)
Borrowings	**(22,000)**	(22,000)
Provisions	**(666)**	(678)
Deferred tax	**(6,369)**	(5,011)
	(30,426)	(28,044)
Total liabilities	**(43,420)**	(38,035)
Net assets	**60,980**	59,403
Equity		
Share capital	**5,536**	4,876
Share premium	**22,473**	18,020
Merger reserve	**17,584**	17,584
Translation reserve	**(5)**	—
Retained earnings	**15,392**	18,923
Equity attributable to owners of the company	**60,980**	59,403

Consolidated cash flow statement

	2015 £'000	2014 £'000
Cash flows from operating activities		
Cash generated by operations	**6,011**	7,377
Income taxes paid	**(1,254)**	(1,006)
Interest paid	**(981)**	(866)
Net cash from operating activities	**3,776**	5,505
Investing activities		
Purchase of property, plant and equipment	**(1,230)**	(360)
Purchase of intangible fixed assets	**(58)**	(4)
Deferred consideration payments in the year	**(177)**	(101)
Acquisition of businesses	**(3,718)**	(450)
Net cash from investing activities	**(5,183)**	(915)
Financing activities		
Dividends paid	**(2,012)**	(2,002)
Proceeds on issue of shares	**5,113**	92
Repayment of loans	**(26)**	(101)
Net cash from financing activities	**3,075**	(2,011)
Net increase in cash and cash equivalents	**1,668**	2,579
Cash and cash equivalents at beginning of year	**7,541**	4,962
Cash and cash equivalents at end of year	**9,209**	7,541

1. Basis of preparation and accounting policies

The results for the year ended 30 April 2015 have been prepared on the basis of accounting policies consistent with those set out in the annual report to shareholders of Begbies Traynor Group plc for the year ended 30 April 2014.

The group's financial statements for the year ended 30 April 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the EU. Whilst the financial information included in this announcement has been prepared in accordance with IFRS, this announcement itself does not contain sufficient information to comply with IFRS.

This financial information does not include all of the information and disclosures required for full annual financial statements and does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006.

The comparative figures for the year ended 30 April 2014 do not comprise the group's statutory accounts for that financial year. Those accounts have been reported upon by the group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors 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.

Statutory accounts for Begbies Traynor Group plc for 2015 will be delivered to the Registrar of Companies following the company's annual general meeting. The auditors have reported on these accounts; their report is unqualified and does not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under either section 498 (2) or (3) of the Companies Act 2006. The 2015 annual report will be available on the group's website: www.begbies-traynorgroup.com.

Going concern

In carrying out their duties in respect of going concern, the directors have completed a review of the group's current financial position and cash flow forecasts for a period exceeding 12 months from the date of this announcement. This review included sensitivity analysis to determine the potential impact on the group of reasonably possible downside scenarios. Under all modelled scenarios, the group's banking facilities were sufficient and all associated covenant measures were forecast to be met.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, this financial information is prepared on the going concern basis.

2. Segmental analysis by class of business

The continuing group is managed as two operating segments: insolvency and restructuring, and property. The global risk partners division is classified as discontinued.

	Insolvency and restructuring 2015 £'000	**Property 2015 £'000**	**Consolidated 2015 £'000**
Revenue			
Total revenue from rendering of professional services	**40,859**	**4,556**	**45,415**
Inter-segment revenue	**—**	**(55)**	**(55)**
External revenue	**40,859**	**4,501**	**45,360**
Segmental result	**8,518**	**744**	**9,262**
Shared and central costs			**(4,599)**
EBITA			**4,663**

	Insolvency and restructuring 2014 £'000
Revenue	
Total revenue from rendering of professional services	44,089
Inter-segment revenue	—
External revenue	44,089
Segmental result	10,862
Shared and central costs	(4,344)
EBITA	6,518

3. Discontinued operations

The results of the discontinued global risk partners division, which have been included in the consolidated statement of comprehensive income, were as follows:

	2015	2014
	£'000	£'000
Revenue	**524**	1,661
Direct costs	**(399)**	(1,201)
Gross profit	**125**	460
Administrative expenses	**(750)**	(916)
Loss on disposal	**(570)**	—
Loss before tax	**(1,195)**	(456)
Tax	**216**	99
Loss for the period from discontinued operations	**(979)**	(357)

4. Finance costs

	2015	2014
Continuing	**£'000**	£'000
Interest on bank overdrafts and loans	**1,033**	1,098
Unwinding of discount on deferred consideration liabilities	**22**	10
Total finance costs	**1,055**	1,108

5. Exceptional and net acquisition-related items

	2015	2014
Continuing	**£'000**	£'000
Restructuring costs (£1.5m case closure provision, £0.9m redundancy costs, £0.2m onerous lease costs)	**2,569**	—
Integration costs	**532**	—
Acquisition costs	**522**	124
Adjustment to contingent consideration	**—**	(149)
Gain on acquisition	**(1,135)**	—
Deemed remuneration	**430**	—
Property costs associated with relocation of London offices	**—**	831
	2,918	806

6. Earnings per share

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

	2015 £'000	2014 £'000
Earnings		
(Loss) profit for the year from continuing operations attributable to equity holders	**(601)**	3,382
Loss from discontinued operations attributable to equity holders	**(979)**	(357)
(Loss) profit for the year attributable to equity holders	**(1,580)**	3,025

	2015 number	2014 number
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**96,288,512**	90,877,950
Effect of dilutive potential ordinary shares:		
Share options	**880,265**	139,953
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**97,168,777**	91,017,903

	2015 pence	2014 pence
Basic earnings (loss) per share from		
Continuing operations	**(0.6)**	3.7
Discontinued operations	**(1.0)**	(0.4)
Total	**(1.6)**	3.3

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:

	2015 £'000	2014 £'000
Earnings from continuing operations		
(Loss) profit for the year attributable to equity holders	**(601)**	3,382
Amortisation of intangible assets arising on acquisitions	**1,413**	353
Unwinding of discount on deferred consideration liabilities	**22**	10
Exceptional and acquisition-related items	**2,918**	806
Tax effect of above items	**(975)**	(267)
Adjusted earnings	**2,777**	4,284

	2015 pence	2014 pence
Adjusted basic and diluted earnings per share	**2.9**	4.7

7. Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year		
Interim dividend for the year ended 30 April 2014 of 0.6p (2013: 0.6p) per share	**549**	541
Final dividend for the year ended 30 April 2014 of 1.6p (2013: 1.6p) per share	**1,463**	1,461
	2,012	2,002
Amounts proposed as distributions to equity holders		
Interim dividend for the year ended 30 April 2015 of 0.6p (2014: 0.6p) per share	**628**	549
Final dividend for the year ended 30 April 2015 of 1.6p (2014: 1.6p) per share	**1,674**	1,463
	2,302	2,012

8. Reconciliation to the cash flow statement

	2015 £'000	2014 £'000
(Loss) profit for the year	**(1,580)**	3,025
Adjustments for:		
Tax	**(338)**	770
Finance costs	**1,055**	1,108
Amortisation of intangible assets	**1,584**	525
Depreciation of property, plant and equipment	**861**	817
Non-cash exceptional costs	**1,494**	—
Deemed remuneration	**430**	—
Gain on acquisition	**(1,135)**	—
Loss on disposal of property, plant & equipment	**25**	—
Loss on disposal of discontinued operations	**570**	—
Share-based payment expense	**61**	33
Operating cash flows before movements in working capital	**3,027**	6,278
Decrease in receivables	**4,682**	4,024
Decrease in payables	**(1,846)**	(2,081)
Increase (decrease) in provisions	**148**	(844)
Cash generated by operations	**6,011**	7,377