

## Full Year Results for the year ended 30 April 2015

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**For Immediate Release**

**15 September 2015**

**Gateley (Holdings) Plc**  
**("Gateley" or the "Group")**

### **Full Year Results for the year ended 30 April 2015**

Gateley, (AIM:GTLY), a leading national full-service commercial law firm, reports its results for the year ended 30 April 2015, being the final year of the business as an LLP and prior to admission of the Group to trading on AIM on 8 June 2015. The results set out below represent the pro-forma Plc results for the year ended 30 April 2015 based upon the audited results of the LLP for the same period.

#### **Financial highlights**

- Revenue up 11.5% to £60.9m (2014: £54.6m)
  - Adjusted pro-forma EBITDA\* up 28.4% to £11.3m (2014: £8.8m)
  - Adjusted pro-forma pre-tax profit up 32.4% to £9.8m (2014: £7.4m)
  - Pro-forma basic EPS up 37% to 7.4p (2014: 5.4p)
  - Pro-forma total dividend yield up 35% to 5.4% (2014: 4%)
- \* Adjusted pro-forma EBITDA excludes income or expenses that relate to non-underlying items

#### **Operational highlights**

- Advised on more than 250 corporate deals with an aggregate value in excess of £1.5bn
- Fee generating staff increased to 366 from 355
- Utilisation of fee generating staff at 85% (2014: 84%)
- Successful IPO raised £30m in June 2015

#### **Nigel Payne, Chairman of Gateley, commented:**

"In an evolving and still challenging legal marketplace the Group has delivered a pleasing set of results for the year ended 30 April 2015 which provide a solid platform for the business as we embark upon delivering on our goals and objectives as a Plc.

The Board is focused on ensuring that Gateley is ideally positioned to maximise the opportunities from the changing marketplace in which we operate as well as from our new and more flexible Plc status. The growth strategy of the Group is based on three key pillars, which we outlined to investors at the time of the IPO. These are to, Differentiate (through our Plc status, comprehensive service offering and service ethic), where sensible Diversify (through additional complementary non-legal businesses and acquiring legal firms or teams offering sector specialism or geographic expansion), and, very importantly, Incentivise (offering wider and earlier equity to staff.)

These results, together with the successful IPO and the solid start the business has made in its journey from LLP to Plc has without doubt helped raise our profile, differentiate us from our direct competitors and attract quality staff who are interested in benefiting from the opportunities provided by a structure which is far better suited to the legal landscape of today in what is an improving but nonetheless still challenging market. As such, the Board looks forward to its first year as a Plc with confidence."

#### **Michael Ward, CEO of Gateley, commented:**

"I'm delighted to present our final year results for Gateley prior to the business becoming a listed company. Gateley's performance in the year ended April 2015 and its admission to AIM in June 2015 has created a solid foundation from which to build the business and strengthens our ability to execute our longer term growth strategy.

It would be remiss of me not to thank all the management and staff at Gateley for their continued support and commitment, particularly during a period of considerable change. It is testament to the quality of our people that the financial results for last year are as good as they are."

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## CEO Business Overview

### Introduction

For our final year as a partnership I am pleased to report a good financial performance in an improving but nonetheless challenging marketplace with increases against last year in both revenue (11.5%) and adjusted EBITDA (28.4%). The results were particularly pleasing in light of the commitment by the senior management team to the admission to AIM process which successfully concluded on 8 June 2015.

### Operational Review

The firm benefitted throughout the year from improving market conditions. Clients began to feel cautiously optimistic about the future and therefore sought our services to implement and aid their growth plans. Revenues from Banking and Financial Services were up by 12.8% on the previous year driven by an increasing number of banking transactions taking place and notable successes in recovering monies obtained through fraudulent or deceitful transactions. Corporate deal flow increased in the year and revenues from this division improved by 14.1% over 2014. The Property division increased its revenues by 16.1% due to improvements in the marketplace for both commercial and residential property development.

The strong performance from the Corporate team was endorsed by achievement of a third position nationally for deal volume in the 2014 Experian Corporate Finance / M&A Adviser League Table and a first place in the Midlands. The team advised on more than 250 corporate deals with an aggregate value in excess of £1.5 billion.

The residential development team achieved its goal of acting for all of the top ten house builders in the UK. With a team of 72 staff nationally, our residential development unit is one of the largest stand-alone teams of its kind in the UK. To add to this a new residential development offering has been set up in London with the movement of one partner from Birmingham to the London office and the recruitment externally of a senior associate. This will help us build on our reputation in this sector and attract more work from the offices of our existing clients located in the South East.

In terms of infrastructure, the business has continued to invest in its people and its offices. Twelve new law graduates entered training contracts with Gateley during the year and ten qualified as solicitors following completion of their two year training contracts and have been retained. Seven new partners have been hired across a number of practice areas. A new Client and Market Development Director has also been appointed to focus on developing new business and sales opportunities as well as driving the firm's "go to market" strategy. Office moves to increase capacity were completed in Nottingham and Leeds and bonuses earned by all employees increased to 6.13% of staff payroll costs (5.6% for 2014). We continue to explore acquisitions in businesses providing complementary commercial services as well as securing lateral hires of individuals and teams.

We are delighted that all employees received shares in Gateley (Holdings) Plc (the "Company") following admission to trading on AIM and the firm is in the process of implementing an all staff share ownership scheme. The aim of encouraging widespread equity ownership is to attract, retain and motivate talent and to ensure all staff can benefit from the firm's longer term growth.

### Financial Review

For clarity of understanding and ease of future comparison, we have prepared pro-forma financial information for the year ended 30 April 2015, as if the Plc structure of the Group formed in order to achieve its AIM listing was already in place at the end of the financial year being reported. A summary of the corporate structure changes effected in order to move from an LLP to a Plc is included in Note 1 below.

During the year ended 30 April 2015, the Group expanded its client base which yielded revenue growth of 11.5% to £60.9m (2014: £54.6m). This strong revenue growth, together with efficient operating controls which delivered an increase in the utilisation of fee generating staff to 85% (2014: 84%), combined to deliver growth in adjusted pro-forma EBITDA of 28.4% to £11.3m (2014: £8.8m).

Personnel costs increased by 9.9% to £35.6m (2014: £32.4m) as management increased the number of fee generating staff in order to service its expanding client base and to broaden the Group's geographical coverage. Pro-forma Other Operating Costs increased by 6.3% to £15.1m (2014: £14.2m). This increase in costs reflects planned investment in the infrastructure of the business designed to service actual and future growth such as office relocations in Leeds and Nottingham and enhanced IT systems.

Adjusted Pro-forma Pre-tax Profit was up 32.4% to £9.8m (2014: £7.4m). Adjusted pro-forma numbers are stated after excluding income or expenses that relate to non-underlying items. Non-underlying items include one-off professional costs in respect of the Group's future strategy, on-going property lease restructuring costs and additional costs resulting from the release of operating lease incentives in accordance with IFRS, whereby lease incentives are now recognised over the full term of the lease.

The pro-forma net asset position of the Group balance sheet has improved from nil, as is typical within an LLP structure, to £3.8m on admission on 8 June 2015.

Cash generated from operating activities before transactions with members yielded an actual cash balance at the year-end of £2.7m. On a pro-forma basis, closing cash totalled £9.8m arising from the change in funding structure depicted in the pro-forma adjustments to net debt. The Group's pro-forma net debt position as at 30 April 2015 has changed as a result of the replacement of individual members' capital classified as a liability, otherwise known as "fixed capital", with term bank debt, along with the injection of new money from the issue of new share capital totalling £5m. The total injection of £15m of new cash into the Group balance sheet on admission will be used firstly to repay in full all members' fixed capital and thereafter to assist in the on-going working capital funding of the Group.

### Net Debt

	2015 £m	2014 £m
Cash and cash equivalents	9.8	2.0
Fixed capital	-	(6.0)
Term loans	(10.0)	-
	<u>(0.2)</u>	<u>(4.0)</u>

### Current trading and outlook

Trading in the first few months of the new financial year has been encouraging and whilst business confidence continues to improve it remains a challenging market. It has been pleasing to see that our new Plc status has raised our profile and attracted interest from potential acquisition targets and lateral hires, as well as the media. We remain focussed on delivering another year of growth and the Board looks forward to the first year of Gateley as a Plc with confidence.

## Consolidated income statement

For the year ended 30 April 2015

### Note

Audited LLP 2015 £000	Proforma change 2015 £000	Unaudited Proforma 2015 £000	Unaudited Proforma 2014 £000
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Revenue	2	60,871	-	60,871	54,616
Other operating income	4	386	-	386	418
Personnel costs	6	(21,743)	(13,841)	(35,584)	(32,411)
Depreciation and Amortisation	8	(822)	-	(822)	(976)
Other operating expenses		(15,061)	-	(15,061)	(14,201)
<b>Operating profit</b>		23,631	(13,841)	9,790	7,446
Operating profit before non-underlying items		24,285	(13,841)	10,444	7,819
Non-underlying items and IFRS transition adjustments		(654)	-	(654)	(373)
Financial income	7	198	-	198	184
Financial expenses	7	(151)	-	(151)	(203)
<b>Net financing income/(expense)</b>		47	-	47	(19)
<b>Profit before tax</b>		23,678	(13,841)	9,837	7,427
Pro-forma taxation		-	(2,093)	(2,093)	(1,708)
<b>Profit for the year</b>		23,678	(15,934)	7,744	5,719

#### Pro-forma Earnings per ordinary share:

Pro-forma basic (pence)	7.4	5.4
Pro-forma total dividend yield	5.4%	4%

The results for the periods presented above are derived from continuing operations.

Non-underlying items include one-off professional costs in respect of the Group's future strategy, on-going property lease restructuring costs and additional costs resulting from the release of operating lease incentives in accordance with IFRS, whereby lease incentives are now recognised over the full term of the lease.

Dividend yield based on 70% of profit after tax being available for distribution and £100m market capitalisation.

### Consolidated statement of financial position at 30 April 2015

	Note	Audited LLP 2015 £000	Pro-forma change 2015 £000	Unaudited Pro-forma 1 May 2015 £000	Audited LLP 2014 £000
<b>Non-current assets</b>					
Property, plant and equipment	8	1,499	-	1,499	1,552
Investment property	9	164	-	164	164
Investments	10	70	-	70	30
Total non-current assets		1,733	-	1,733	1,746
<b>Current assets</b>					
Trade and other receivables	11	31,695	-	31,695	28,948
Cash and cash equivalents		2,719	7,083	9,802	1,994
Total current assets		34,414	7,083	41,497	30,942
<b>Total assets</b>		36,147	7,083	43,230	32,688
<b>Current liabilities</b>					
Other interest-bearing loans and borrowings	12	-	(1,000)	(1,000)	(333)
Trade and other payables	13	(13,482)	-	(13,482)	(13,589)
Provisions	14	(160)	-	(160)	(139)
Individual members' capital classified as a liability	15	(6,717)	6,717	-	(6,044)
Amounts due to members	15	(15,257)	-	(15,257)	(12,884)
Total current liabilities		(35,616)	5,717	(29,899)	(32,989)
<b>Non-current liabilities</b>					
Other interest-bearing loans and borrowings	12	-	(9,000)	(9,000)	-
Other payables	13	(154)	-	(154)	(304)
Provisions	14	(377)	-	(377)	(328)
Total non-current liabilities		(531)	(9,000)	(9,531)	(632)
<b>Total liabilities</b>		(36,147)	(3,283)	(39,430)	(33,621)
<b>Net assets/(liabilities)</b>		-	3,800	3,800	(933)

The pro-forma changes reflect the drawdown of £10 million under new 5 year term loan agreements on admission to AIM. The proceeds of which were used to repay individual members' fixed capital and support the working capital transition after admission. Also included within the pro-forma changes is the receipt by the Group of net proceeds from the Placing of £3.8m.

**Consolidated cash flow Statement**  
for the year ended 30 April 2015

	Audited LLP 2015 £000	Pro-forma change 2015 £000	Unaudited Pro-forma 1 May 2015 £000	Audited LLP 2014 £000
<b>Cash flows from operating activities</b>				
Profit for the year	23,678	(13,841)	<b>9,837</b>	7,427
<i>Adjustments for:</i>				
Depreciation and amortisation	822	-	<b>822</b>	976
Financial income	(198)	-	<b>(198)</b>	(184)
Financial expense	151	-	<b>151</b>	203
Profit on disposal of property, plant and equipment	(4)	-	<b>(4)</b>	(2)
	24,449	(13,841)	<b>10,608</b>	8,420
Increase in trade and other receivables	(2,747)	-	<b>(2,747)</b>	(3,074)
(Decrease)/increase in trade and other payables	(181)	-	<b>(181)</b>	1,381
Increase/(decrease) in provisions	70	-	<b>70</b>	(233)
<b>Net cash flows from operating activities before transactions with members</b>	21,591	(13,841)	<b>7,750</b>	6,494
Payments to members	(20,372)	13,841	<b>(6,531)</b>	(2,457)
<b>Net cash from operating activities</b>	1,219	-	<b>1,219</b>	4,037
<b>Cash flows from investing activities</b>				
Interest and other financial income paid	47	-	<b>47</b>	(19)
Acquisition of property, plant and equipment	(869)	-	<b>(869)</b>	(558)
Acquisition of investments	(40)	-	<b>(40)</b>	-
Proceeds from sale of property, plant and equipment	104	-	<b>104</b>	11
<b>Net cash from investing activities</b>	(758)	-	<b>(758)</b>	(566)
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares less IPO costs	-	3,800	<b>3,800</b>	-
Proceeds from new loans	-	10,000	<b>10,000</b>	1,000
Repayment of borrowings	(333)	-	<b>(333)</b>	(917)
Drawings by minority interest	-	-	-	13
Capital introduced by members	1,028	-	<b>1,028</b>	949
Capital repayments to members	(355)	(6,717)	<b>(7,072)</b>	(2,423)
Payment of finance lease liabilities	(76)	-	<b>(76)</b>	(75)
<b>Net cash from financing activities</b>	264	7,083	<b>7,347</b>	(1,453)
Net increase in cash and cash equivalents	725	7,083	<b>7,808</b>	2,018
Cash and cash equivalents at beginning of year	1,994	-	<b>1,994</b>	(24)
<b>Cash and cash equivalents at end of year</b>	2,719	7,083	<b>9,802</b>	1,994

## Notes

(forming part of the financial statements)

### 1 Basis of preparation and significant accounting policies

Gateley (Holdings) Plc was incorporated on 13 November 2014 and was dormant at the period end of 30 April 2015 having only issued nominal share capital to that point. Post period end, on 29 May 2015, the Company acquired 100 per cent of the issued share capital of Gateley Plc which had, on the same day, acquired the business assets and liabilities of Gateley (Heritage) LLP formerly the partnership of Gateley LLP. On 8 June 2015, Gateley (Holdings) Plc listed on the AIM market of London Stock Exchange Plc ("AIM"). The last day of trading of Gateley LLP was 30 April 2015.

The Audited results of the LLP relate to the financial performance of Gateley Heritage LLP and its subsidiaries ("the Group") for the year ended 30 April 2015. At that time the Group was controlled by Gateley Heritage LLP (formerly Gateley LLP) ("the partnership") which was incorporated in the United Kingdom as a Limited Liability Partnership under the Limited Liability Partnership Act 2000.

The Group financial statements consolidate those of the partnership and its subsidiaries.

The Group financial statements have been prepared and approved by the members in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The Group has prepared its financial statements in accordance with Adopted IFRSs.

The pro-forma adjustments and results, used within the consolidated income statement, have been prepared consistently with information provided on historical results in the Group's admission document upon IPO. The balance sheet, cash flow statement and related notes continue to represent those of the partnership but also include pro-forma adjustments designed to demonstrate the inclusion of partners' pay as a personnel cost, a pro-forma corporation tax charge together with the effects on net debt in the balance sheet of full repayment of partners' fixed capital.

### 2 Operating segments

The Chief Operating Decision Maker ("CODM") is the Strategic Board. The Group have the following five strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they report different specialisms from the legal teams in those divisions.

The following summary describes the operations of each reportable segment:

Reportable segment	Operations
Banking and Financial Services	Provision of legal advice in respect of asset finance, banking and corporate recovery services.
Corporate	Provision of legal advice in respect of corporate, family, private client

Business Services	and taxation services. Provision of legal advice in respect of commercial, commercial dispute resolution (litigation), regulatory, shipping, transport and insurance services.
Employees, Pensions and Benefits	Provision of legal advice in respect of employment and pension services.
Property	Provision of legal advice in respect of construction, planning, real estate and residential development services.

The revenue and operating profit are attributable to the principal activities of the Group. A geographical analysis of revenue is given below:

	2015 £000	2014 £000
United Kingdom	58,063	52,072
Europe	1,165	1,164
Middle East	803	654
North and South America	583	369
Asia	179	183
Other	78	174
	<u>60,871</u>	<u>54,616</u>

### 30 April 2015

	Banking and Financial Services £000	Corporate £000	Business Services £000	Employee Pensions and Benefits £000	Property £000	Total segments £000	Other expenses and movement in unbilled revenue £000	Total £000
Segment revenue	12,296	9,992	8,872	7,144	20,073	58,377	2,494	60,871
Segment contribution (as reported internally)	7,880	5,625	5,441	4,102	12,478	35,526	2,494	38,020
Costs not allocated to segments	-	-	-	-	-	-	-	(14,389)
Net financial expense	-	-	-	-	-	-	-	47
Profit for the financial year before members' remuneration and profit shares	-	-	-	-	-	-	-	23,678

### Operating segments (continued)

#### 30 April 2014

	Banking and Financial Services £000	Corporate £000	Business Services £000	Employee Pensions and Benefits £000	Property £000	Total segments £000	Other expenses and movement in unbilled revenue £000	Total £000
Segment revenue	10,903	8,761	9,015	6,348	17,290	52,317	2,299	54,616
Segment contribution (as reported internally)	6,572	5,180	5,476	3,945	10,131	31,304	2,297	33,601
Costs not allocated to segments	-	-	-	-	-	-	-	(13,529)
Net financial expense	-	-	-	-	-	-	-	(19)
Profit for the financial year before members' remuneration and profit shares	-	-	-	-	-	-	-	20,053

No other financial information has been disclosed as it is not provided to the CODM on a regular basis.

### 3 Pro-forma Earnings per share

Pro-forma basic earnings per share, shown on the consolidated income statement is based on profit after tax divided by 105,274,159, being the total number of shares in issue at the date of admission to AIM.

### 4 Other operating income

	2015 £000	2014 £000
Rental income	329	267
Gateley (Manchester) LLP income	57	151
	<u>386</u>	<u>418</u>

### 5 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2015 £000	2014 £000
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Depreciation on owned assets	721	873
Depreciation on assets held under finance leases	101	103
Operating lease costs	323	322
Operating lease costs on property	2,526	2,549
Other operating income - rent received	(329)	(267)
Foreign exchange losses	2	13
Profit on sale of fixed assets	(4)	(2)

*Non-underlying items and IFRS transition adjustments*

	2015	2014
	£000	£000
IFRS lease adjustment	388	373
One-off professional costs	143	-
Property restructuring costs	123	-
	654	373

Non-underlying items include one-off professional costs in respect of the Group's future strategy, ongoing property lease restructuring costs and additional costs resulting from the release of operating lease incentives in accordance with IFRS, whereby lease incentives are now recognised over the full term of the lease.

**Auditor's remuneration**

	2015	2014
	£000	£000
Audit of these financial statements	53	45
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	14	14
Other auditing services pursuant to legislation	30	25
Partnership and partners' individual tax compliance fees	89	67
Taxation and business advisory services	99	14

**6 Members and employee information**

The average number of persons employed by the Group during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Members	89	92
Legal staff	297	281
Administrative staff	231	216
	617	589

The aggregate pro-forma payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	31,580	28,725
Social security costs	3,492	3,253
Pension costs	512	433
	35,584	32,411

**7 Financial income and expense**

**Recognised in profit and loss**

	2015	2014
	£000	£000
<i>Financial income</i>		
Interest income on unimpaired financial assets	198	184
<b>Total finance income</b>	198	184
<i>Financial expense</i>		
Interest expense on bank borrowings measured at amortised cost	(143)	(195)
Interest payable on finance leases	(8)	(8)
<b>Total financial expense</b>	(151)	(203)

**8 Property, plant and equipment**

Group	Leasehold improvements £000	Equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
Balance at 1 May 2013	122	5,435	3,836	9,393
Additions	-	213	344	557
Disposals	-	(124)	-	(124)
Balance at 30 April 2014	122	5,524	4,180	9,826
Balance at 1 May 2014	122	5,524	4,180	9,826
Additions	29	386	454	869
Disposals	-	(1,242)	-	(1,242)

	151	4,668	4,634	9,453
<b>Depreciation and impairment</b>				
Balance at 1 May 2013	18	4,441	2,963	7,422
Depreciation charge for the year	5	605	358	968
Disposals	-	(116)	-	(116)
Balance at 30 April 2014	23	4,930	3,321	8,274
Balance at 1 May 2014	23	4,930	3,321	8,274
Depreciation charge for the year	5	388	429	822
Disposals		(1,142)	-	(1,142)
Balance at 30 April 2015	28	4,176	3,750	7,954
<b>Net book value</b>				
At 30 April 2013 and 1 May 2013	104	994	873	1,971
At 30 April 2014	99	594	859	1,552
<b>At 30 April 2015</b>	<b>123</b>	<b>492</b>	<b>884</b>	<b>1,499</b>

At the period end, the assets held under finance lease are £Nil (2014: £101,000).

## Notes (continued)

### 9 Investment property

	2015	2014
	£000	£000
Balance at beginning of year	164	172
Fair value adjustments (unrealised)	-	(8)
Balance at end of year	164	164

### 10 Investments

Investments are held in Mantua Capital (UK) LP (via Gateley Investments Limited) and Business Collaborator Limited.

	£000
<i>Cost</i>	
Balance at beginning of year	30
Additions	40
<b>Balance at end of year</b>	<b>70</b>

### Investments in subsidiaries

The Group had effective control of the following:

	Country of incorporation	Proportion held during 2015	Nature of business
Gateley UK LLP	England and Wales	**	Legal services via a branch in Dubai
Entrust Pension Limited	England and Wales	100%	Pension trustee company
Gateley Investments Limited	England and Wales	100%	Corporate Investment company
Enscot Trustee Company Limited *	England and Wales	100%	Corporate trustee company
Gateley (Manchester) LLP	England and Wales	51%	Collection of residual assets
HCT Consultancy Limited *	England and Wales	100%	Non-trading
Gateley Secretaries Limited *	England and Wales	100%	Non-trading
Gateley Wareing Limited *	England and Wales	100%	Non-trading
Gateley Incorporations Limited *	England and Wales	100%	Non-trading
HBJ Manchester Secretaries Limited *	England and Wales	100%	Non-trading
HBJ Manchester Directors Limited *	England and Wales	100%	Non-trading
Gateley Custodian and Nominee Services Limited *	England and Wales	100%	Non-trading

\* these investments are indirectly held at the year end

\*\* the equity partners of Gateley Heritage LLP as individuals are members of this entity, although effective control is held by Gateley Heritage LLP via a trust holding arrangement.

### Non-controlling interests

	2015	2014
	£000	£000
Balance at beginning of year	-	(13)
Transferred from Gateley (Manchester) LLP	-	13
Profits owed to Gateley (Manchester) LLP only members	-	-
Balance at end of year	-	-

During the year Gateley (Manchester) LLP has generated and allocated profits of £56,733 (2014: £151,194) from which £27,799 (2014: £74,085) is owed to non-controlling interested parties.

### 11 Trade and other receivables

	2015	2014
	£000	£000
Trade receivables	21,179	19,031

Unbilled revenue	8,716	7,269
Prepayments and accrued income	1,774	2,648
Amounts owed to related parties	26	-
	<u>31,695</u>	<u>28,948</u>

All trade receivables are repayable within one year.

*Movement in the allowance for doubtful receivables*

	2015	2014
	£000	£000
Brought forward provision	(1,911)	(1,820)
Provision utilised	331	174
Charged to income	(905)	(652)
Provisions released	657	387
	<u>(1,828)</u>	<u>(1,911)</u>

*Ageing of trade receivables (net of provisions)*

	2015	2014
	£000	£000
Not past due	14,825	14,109
Past due 0-30 days	1,462	2,169
Past due 31-120 days	2,122	1,229
Past due greater than 120 days	2,770	1,524
	<u>21,179</u>	<u>19,031</u>

The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, represents the Group's maximum exposure to credit risk. Financial assets include client and other receivables and cash. The Group does not hold collateral over these balances.

**12 Other interest-bearing loans and borrowings**

The contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost are described below.

	2015		2014	
	Face value	Carrying amount	Face value	Carrying amount
	£000	£000	£000	£000
<i>Current liabilities</i>				
Unsecured bank loan	-	-	333	333
Finance lease obligations	57	57	133	133
	<u>57</u>	<u>57</u>	<u>133</u>	<u>133</u>

The overdraft facilities are repayable on demand and have remained at a maximum of £6 million since 20 July 2011.

Included within trade and other payables are gross finance lease liabilities.

On 8 June 2015 Gateley Plc entered into two new loan agreements of £5m each. The total £10m of term loans are repayable quarterly over 5 years commencing on 8 November 2015. Interest is chargeable at 2.25% over LIBOR. The injection of cash from these loans is shown on the pro-forma consolidated statement of financial position.

**13 Trade and other payables**

	2015	2014
	£000	£000
<b>Current</b>		
Trade payables	4,031	4,479
Other taxation and social security payable	3,357	3,227
Other payables	405	173
Accruals and deferred income	5,632	5,577
Obligations under finance leases	57	133
	<u>13,482</u>	<u>13,589</u>
<b>Non-current</b>		
Other payables	154	304

**14 Provisions**

**Professional indemnity**

	2015	2014
	£000	£000
At beginning of year	467	700
Provisions made during the year	596	284
Provisions used during the year	(451)	(377)
Provisions reversed during the year	(75)	(140)
	<u>537</u>	<u>467</u>
<b>At end of year</b>		
Non-current	160	139
Current	377	328
	<u>537</u>	<u>467</u>



The professional indemnity provision represents amounts equal to the insurance excesses payable on outstanding claims against the LLP which are covered by the LLP's professional indemnity insurance policy.

## 15 Members' interests

Members' interests comprise other reserves, members' capital and other amounts due to/(from) members as follows:

Group	Individual members' capital classified as a liability £000	Amounts due to members £000	Other reserves £000	Total members' interests £000
At 1 May 2013	7,518	7,542	(560)	14,500
Profit for the financial year available for division among members	-	20,425	(373)	20,052
Members' capital introduced	949	-	-	949
Members' capital repaid	(2,423)	-	-	(2,423)
Drawings and distributions	-	(15,083)	-	(15,083)
<b>At 30 April 2014</b>	<b>6,044</b>	<b>12,884</b>	<b>(933)</b>	<b>17,995</b>
At 1 May 2014	6,044	12,884	(933)	17,995
Profit for the financial year available for division among members	-	22,745	933	23,678
Members' capital introduced	1,028	-	-	1,028
Members' capital repaid	(355)	-	-	(355)
Drawings and distributions	-	(20,372)	-	(20,372)
<b>At 30 April 2015</b>	<b>6,717</b>	<b>15,257</b>	<b>-</b>	<b>21,974</b>

## 16 Post balance sheet events

Post year end, on the 8 June 2015, Gateley (Holdings) Plc listed on the AIM Market of London Stock Exchange Plc ("AIM"). Gateley (Holdings) Plc is now the ultimate parent company of Gateley Heritage LLP. Gateley Plc is the immediate parent undertaking of Gateley Heritage LLP.

A Group reorganisation occurred on 29 May 2015 that became effective upon admission of the new Gateley Group. The reorganisation involved the sale of all of the business assets and liabilities of Gateley Heritage LLP to Gateley Plc, with effect from an economic date for accounting purposes of 1 May 2015, in consideration for the issue of ordinary shares in the capital of Gateley Plc. The shares in Gateley Plc were distributed to the members of Gateley Heritage LLP by way of a capital profit distribution. These shares were then subject to a share for share exchange with shares in the newly formed Gateley (Holdings) Plc prior to admission. All members in Gateley Heritage LLP then subsequently resigned. Gateley Plc became the sole corporate member of Gateley Heritage LLP. Gateley Heritage LLP is now therefore, following admission, a dormant subsidiary of Gateley Plc.

As part of the reorganisation detailed above, Gateley Heritage LLP transferred its investment in Entrust Pension Limited (that interest being its 100% shareholding of Entrust Pension Limited) together with its membership interest in Gateley UK LLP (which it held on trust for the members of Gateley Heritage LLP) to Gateley (Holdings) Plc.

On 29 May 2015, Gateley LLP changed its name to Gateley Heritage LLP.

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