Fuelling growth through *continuing investment*

Gateley

Annual Report
for the year ended 30 April 2024

Forward thinking Straight talking

Why we do what we do

Our purpose is to deliver results that delight our clients, inspire our people and support our communities.

How we do this

We do this by:

- being forward thinking about the services that we deliver to our clients and the working environment we provide for our people;
- being straight talking about what matters, inside and outside of our business; and
- thinking differently about what we do and how we do it.

What we do

We deliver professional services which enable our clients to solve the challenges that they are facing or to maximise the opportunities they are pursuing, without ever losing sight of what makes us Gateley: our Gateley Team Spirit values.

"This year has been another strong one for Gateley. Our people have excelled in client delivery, they have continued to overcome every challenge presented to them, and have delivered further strategic progress for the business, combining to generate an excellent set of results."

Nigel Payne,
Gateley Chairman

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Fuelling growth
through continuing investment

“

Rod Waldie, Chief Executive Officer of Gateley, said:

I am pleased with our FY24 outturn given our cautious view of market conditions during the Period, particularly around the turn of the calendar year in H2. Our people have worked hard to deliver another year of growth via our increasingly diverse and resilient business model, combining complementary legal and consultancy services.

During the Period we continued to make organic and acquisitive investments in both our legal and consultancy services and in related systems. RJA Consultants was acquired onto our Property Platform in July 2023, adding further expertise and capacity to our quantity surveying and project management offering. It is already performing ahead of the board’s expectation.

Our legal services class actions team, established in May 2023, launched its first case in late February 2024. Our investment in this team is a high-profile example of the type of investment that we are looking to make to enhance our returns over the medium to longer-term. Our M&A and lateral hire pipeline remains encouraging and we are committed to further enhancing each of our Platforms as suitable opportunities arise, aided by our net cash position and ample headroom in our banking facilities.

Looking forward, we are encouraged by strengthening transactional activity levels, which began in Q4 FY24. Our immediate outlook is best characterised as cautiously optimistic. Our resilient and financially robust foundation, allied to our unbroken track-record of growth, underpins our confidence to continue our long-term strategy of investment in people and systems. This strategy has worked well for us since IPO in 2015 and through disciplined application of it, we ensure that the Group remains well-positioned for further growth and enhanced returns for all stakeholders.”

Highlights for the year

The Group delivered a good financial performance in FY24, increasing revenue by 6.0% to £172.5m, extending Gateley’s unbroken record of revenue growth since IPO in 2015. The board continued to invest for growth in line with its stated strategy and was pleased to deliver underlying profit before tax of £23.0m (FY23: £25.1m) after reinstating the payment of employee bonuses this year of £4.5m (FY23: £nil), in recognition of our people’s contribution to a resilient outturn and our more positive outlook as we move into FY25.

The balance sheet remains strong, maintaining a net cash position. The Group has significant headroom in its banking facilities to enable further investment in organic and acquisitive opportunities.

We present below our financial performance for the Period both on an underlying and statutory basis.

Underlying	FY24	FY23	Change
Group revenue	**£172.5m**	£162.7m	6.0%
Group underlying operating profit[1]	**£20.3m**	£25.0m	(18.9)%
Group underlying profit before tax[1]	**£23.0m**	£25.1m	(8.1)%
Underlying adjusted fully diluted EPS[2]	**14.20p**	16.28p	(12.8)%
Dividend per share	**9.5p**	9.5p	-%
Net assets	**£80.3m**	£78.1m	2.8%
Net cash[3]	**£3.8m**	£4.3m	(11.6)%
Reported	**FY24**	**FY23**	**Change**
Group profit before tax	**£14.0m**	£16.2m	(13.9)%
Group profit after tax	**£10.1m**	£12.2m	(17.7)%
Basic earnings per share (‘BEPS’)	**7.74p**	9.77p	(20.8)%

1 Underlying operating profit and underlying profit before tax excludes remuneration for post-combination services, gain on bargain purchase, share-based payment charges, acquisition related amortisation and exceptional items

2 Adjusted fully diluted EPS excludes remuneration for post-combination services, gain on bargain purchase, share-based payment charges, acquisition related amortisation and exceptional items. It also adjusts for the future weighted average number of expected unissued shares from granted but unexercised share options in issue based on a share price at the end of the financial year

3 Net cash excludes IFRS 16 liabilities

Financial highlights

- Diversified business model yielding organic revenue growth of 2.8%, comprising 0.8% in Legal and 9.1% in Consultancy services
- Consultancy revenues now 28.9% of the Group (FY23: 25.7%)
- Steadily improving activity throughout Q4 (and ongoing) resulted in utilisation of 83% for the Period, just below the Group’s operational target of 85%.
- Operating profit margin, on a pre-bonus basis, decreased 1.0% to 14.4% (FY23: 15.4%), reflecting salary and other cost inflation and ongoing organic and acquisitive investment
- Underlying operating profit margin of 11.7% (FY23: 15.4%) reflects the reinstatement of Group staff bonuses
- Net assets increased by 2.8% to £80.3m (FY23: £78.1m), including net cash of £3.8m (FY23: £4.3m)
- Proposed final dividend of 6.2p (FY23: 6.2p), taking total dividends for the Period to 9.5p per share (FY23: 9.5p)

Operational highlights

- Average headcount at 30 April 2024 increased by 6.7% to 1,536 (FY23: 1,439), including an increase in fee earning professional staff of 6.8% from 1,000 to 1,068
- Fuelling growth through investment in diversification and strategic hires, including:
  - Continued execution of M&A strategy with the July 2023 acquisition of Richard Julian and Associates Limited (”RJA”)
  - Strategic hiring onto the Business Services Platform to seed legal services class actions and international arbitration businesses and to create an intellectual property commercialisation and valuation offering in our patent and trademark attorney businesses
- Non-dilutive recirculation of internal share ownership facilitated in April 2024 with the Group’s Employee Benefit Trust purchasing shares to fulfil anticipated FY25 restricted share scheme awards

Current trading and outlook

- The Group continues to perform well against its strategy set out at IPO, being to generate growth and resilience through diversification, delivering strong returns for our stakeholders
- Ongoing investment for short-term margin stability followed by long term improvement
- FY25 has started in line with the board’s expectations, with a good pipeline of work, including steadily improving transactional services activity

Who are we?

Property Platform	***People*** Platform	***Business Services*** Platform	***Corporate*** Platform
Gateley /LEGAL	Gateley /LEGAL	Gateley /LEGAL	Gateley /LEGAL
Gateley /CAPITUS	/ENTRUST	/ADAMSON JONES part of Gateley	Gateley /GLOBAL
Gateley /HAMER	/KIDDY & PARTNERS part of Gateley	/SYMBIOSIS IP part of Gateley	
Gateley /VINDEN	/T-THREE	AUSTEN HAYS part of Gateley	
Gateley /SMITHERS PURSLOW			
Gateley /RJA			

"One of the things I think we all really value is when the advice is tailored to us and Gateley manage to show a real understanding of not just the business but also how we like to operate. Ideagen is a fast-paced business where you need to be readily adaptable to potential changes in business strategy or the marketplace, and I think that Gateley being able to get on board with that and deliver advice (particularly where potential disputes are concerned) is really useful and allows us to manage stakeholders internally in an effective way."

VP Legal Operations, Ideagen

"Gateley is a formidable legal and advisory firm, evident from its wide client base and extensive services. We were particularly impressed by Gateley's steadfast commitment to ESG initiatives, and DEI, showcasing the company's determination to make a positive impact."

Judges at Property Week RESI Awards 2024

Over ***1500*** people

£172.5m 2024 turnover

22 UK locations

At a *glance*

Our purpose is to deliver results that delight our ***clients***, inspire our ***people*** and support our ***communities***

Our business model creates a platform for scalable and sustainable growth. Our strong market reputation and the culture and Gateley Team Spirit that sits at the heart of our business enables the delivery of integrated legal and complementary business services across our four market facing Platforms.

Delivering *results*

- An unbroken track record of revenue and profit growth through multiple economic cycles.
- 6% revenue growth in FY24 to £172.5m, with net assets of £80.3m.
- Attractive income stream with 70% of adjusted post-tax profits earmarked for dividends.

Delighting our *clients*

- Rated 5 star/excellent on independent legal review platform, Review Solicitors.
- Winner of the 'Legal/Professional Team of the Year' award at Property Week's RESI Awards 2024.
- Winner UK Law Firm of the Year 2023 Insider Midlands Residential Property Awards and shortlisted in the 2024 Insider North West Residential Property Awards.
- Listed in six areas in 2024 The Times Best Law Firms.
- Shortlisted as Corporate Law Firm of the Year at the 2024 Dealmakers Awards in the Midlands.
- Shortlisted for residential property and dispute resolution in the 2023 Yorkshire Legal Awards.
- Shortlisted as Regional Law Firm of the Year in the 2023 Real Deals Private Equity Awards.
- Recognised in 47 areas by Legal 500 2024 and 28 areas by Chambers & Partners 2024.

Inspiring our *people*

- 1536 employees, of which over 1000 are fee earners.
- 159 internal promotions during FY24.
- The only UK legal business to be ranked in the Glassdoor top 25 best companies for senior leadership.
- 70% of employees are share or option holders.
- 5 employee community groups to support diversity, inclusion and belonging.
- Investors in People accredited.
- In 2023 our CEO was recognised in The Lawyer's Hot 100 for business leadership and setting the benchmark for listed law firms.
- Winner of the 2024 Birmingham Law Society 'Equality, Diversity and Inclusion' award.

Supporting our *communities*

- A commitment to achieving net zero by 2040 and with a carbon reduction plan to reduce emissions by 50% by 2030.
- Sustainability Task Force reports progress to the Strategic Board on a monthly basis identifying risks, opportunities and progress made.
- Strong sustainability governance framework with Strategic Board accountability which ensures that climate-related risks are managed in line with our Group-wide risk management framework.
- Taskforce on Climate Related Financial Disclosures ("TCFD") included within our FY24 Annual Report.
- An active CSR programme through our Gateley Gives committees in each office which fundraised over £100,000 last year.

Our story

Our story starts in Victorian Birmingham – the then workshop of the world. Solicitors Stephen Gateley & Sons was founded to help forward thinking Victorians prosper.

Two centuries later, and our approach is still about thinking ahead. Looking to the future to ensure the success of our clients, our business and our people.

2015

We entered a new chapter with a UK law firm first, putting aside the traditional equity partnership model to go Plc

2016

Acquired Capitus Ltd and Hamer Associates forming Gateley Capitus and Gateley Hamer

2018

Acquired GCL Solicitors, Kiddy & Partners and International Investment Services (now Gateley Global)

2019

Acquired Persona Associates (now part of Gateley Hamer) and t-three

2020

Acquired Tweed Law and The Vinden Partnership (now Gateley Vinden)

2021

Acquired Tozer Gallagher which now sits within Gateley Vinden

2022

Acquired Adamson Jones, Symbiosis IP and Smithers Purslow forming Gateley Smithers Purslow

2023

Acquired RJA Associates now Gateley RJA

2024

Established our class actions practice, Austen Hays, and launched our first claim in February 2024.

Business overview

Our advisers deliver professional services to incredible clients every day to enable them to compete in an ever-changing and competitive business environment, helping them to face tough challenges, to seize opportunities and to create profitable, resilient and purpose-led businesses.

Our purpose

To deliver results that delight our clients, inspire our people and support our communities.

Strategic ambitions

To diversify, differentiate and incentivise by being forward thinking about the services we deliver to our clients, the working environment we provide for our people and by being straight talking about what matters, inside and out of the business.

How we operate

Business Model

Our business model creates a platform for scalable and sustainable growth. Our strong market reputation and the culture and Gateley Team Spirit that sits at the heart of our business enables the delivery of integrated legal and complementary business services across our four market facing Platforms.

Business Services

Dealing with disputes that arise during everyday operations or change programmes, or managing unexpected crisis scenarios, needs a decisive response. Our business services experts help to address risks effectively, to assess the options, protect reputations and ensure financial and team stability.

The Platform combines the considerable commercial expertise of our IP and dispute resolution lawyers with that of Patent and Trade Mark Attorneys within Adamson Jones and Symbiosis IP. During the last year we established our legal services class actions practice, Austen Hays who have since launched their first case.

Corporate

Brings together the skills of corporate and banking and finance, tax and restructuring lawyers in Gateley Legal with the inward investment experience of consultants within Gateley Global.

With corporate activity at the heart of our business, we advise private and public companies, owner-managed businesses, and entrepreneurs at every stage of their corporate lifecycle from start up to exit, dealing with all aspects of managing financial and governance responsibilities along the way.

People

Connecting the advisory skills of our leadership and development consultancies t-three and Kiddy & Partners with the expertise of our employment and pensions lawyers within Gateley Legal and the independent pension trustees within Entrust.

The People Platform also includes a strong private client team with experts in private wealth matters for individuals based in England and internationally, private wealth disputes and family issues.

With a team of people development consultants, pensions advisers and lawyers, we help employers fix the people issues that arise within organisations in everyday operations and change projects. We enable businesses to become fitter for the future, flexing the implemented solutions in response to changing economic and social contexts.

Property

Within this Platform, Gateley Legal lawyers advise on construction, planning, residential development, real estate finance, development and disputes and investment. Our property tax specialists within Gateley Capitus combine with the built environment consultants in Gateley Vinden (incorporating Tozer Gallagher) and Gateley Hamer to offer a one stop shop for all real estate needs. Our Property Platform is further complemented by Gateley Smithers Purslow and Gateley RJA, specialist providers of surveying services, principally to the insurance industry and the affordable housing market.

Our team of surveyors, property tax consultants and lawyers work with property investors, owners, occupiers and developers at every stage of the property lifecycle, from opportunity identification through to the use and commercialisation of property assets.

Growth drivers

Organically

Enhanced opportunity to grow Gateley organically, including lateral hires of individuals or teams.

Diversification

Making selective acquisitions including (i) other legal firms which offer geographical expansion or additional specialist services (ii) professional consultancy service businesses offering complementary services.

Platforms

Building out the Group's four Platforms which comprise clusters of complementary Group services presenting a broader and more compelling offering to our clients.

Incentivisation

Alignment through share participation of the interests of shareholders (including employee shareholders) with those of the business, aiding retention of staff and widening our recruitment appeal.

Delivering results for long term success

Our clients

Delivering results that delight our clients by being forward thinking, straight talking, working in collaboration and being ambitious for their success.

Our colleagues

Inspiring our people, incentivising their hard work and providing a diverse and inclusive working environment that gives them room to breathe and opportunity to develop.

Our communities

Supporting the communities in which we work and measuring our social impact so we can provide the right support and make progress in the future.

Our investors

Delivering excellent returns and demonstrating that our shareholders' investments are in safe hands.

Our suppliers

Building mutually beneficial relationships and long-term, sustainable partnerships.

Our environment

Taking ownership for the things we can do as a business and individuals to protect and repair our planet now and for future generations.

Continued investment in ***our Platform strategy***

Since IPO we have funded a progressive investment strategy to fuel our future growth. This year we have continued to invest in people and systems to progress our strategy of building a diverse and resilient professional services business, delivered through each of our four Platforms of Business Services, Corporate, People and Property.

Our ongoing M&A strategy saw us acquire RJA Consultants onto our Property Platform in July 2023 adding further expertise and capacity to our quantity surveying and project management offering. It is already performing ahead of the board's expectations.

Our legal services class actions team, established as law firm, Austen Hays in May 2023, launched its first case in late February 2024. Our investment in this team is a high-profile example of the type of investment that we are looking to make to enhance our returns over the medium to longer-term. We also invested in an international arbitration team by making a couple of significant lateral hires from a Magic Circle firm, another example of new specialist services, which are beginning to deliver complex long-term mandates.

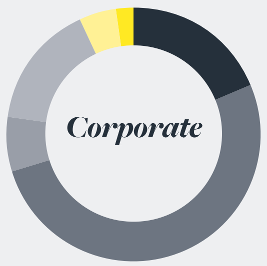
Once again, our outturn for this year was underpinned by the range and quality of legal and consultancy services offered through our Platforms. Our stated strategic plan at IPO was to create resilience by diversifying our revenue streams. Nine years and 14 acquisitions later, the diversity of services we can offer helped us weather the impact of reduced transactional services activity throughout most of the year, enabling us to maintain our unbroken record of year-on-year revenue growth.

Our proposition remains unique; the ability to deliver complementary legal and consultancy services to clients in our chosen markets. We continue to appraise acquisition opportunities on each of our Platforms.

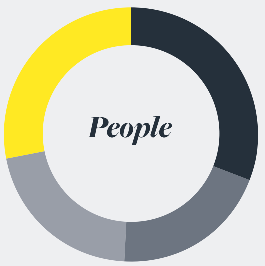
FY24 Platform highlights - Platform Mix

Real Estate	16%
Housebuilding	26%
Construction	13%
Planning	3%
Disputes	2%
Consultancy	40%

Commercial Litigation	43%
Complex and International Dispute Resolution	15%
Regulatory	8%
IPCT	8%
Consultancy	26%



Banking	19%
Corporate	52%
Commercial	7%
Restructuring	16%
Tax	5%
Consultancy	2%



Employment	31%
Pensions	20%
Private Client	21%
Consultancy	28%

"Our stated strategic plan at IPO was to create resilience by diversifying our revenue streams. Nine years and 14 acquisitions later the diversity of services we can offer has helped to maintain our unbroken record of year-on-year revenue growth."

Business Services Platform

Richard Healey

Partner and Business Services Platform Head

Revenue on this Platform grew by 14.0% to £24.9m, underpinned by consistently good activity throughout the Period across the Platform's legal services dispute resolution teams, allied to strong performance from the Platform's patent and trademark attorney businesses.

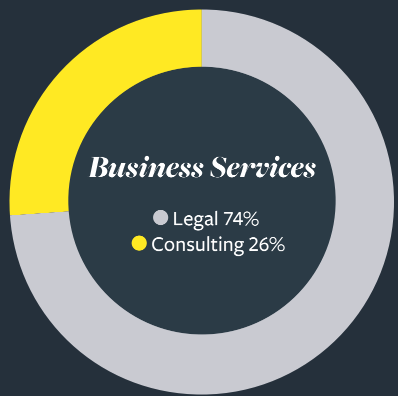
In legal services, our regulatory and business defence team had a record year, which is reflective of clients' needs for specialist advice in an increasingly regulated environment across all sectors. In addition, the dispute resolution teams saw an increase in demand from both UK and overseas clients. Projects from overseas clients include a return of some activity in Central Europe alongside new mandates from clients in the Middle East and Africa. These are representative of new, strategically agile, steps to win specialist work in new regions.

Buoyed by recent success in growing dispute resolution services, we continue to make strategic investment in specialist service lines, predominantly in competition litigation, class actions and international arbitration where, in all cases, we see huge opportunity.

Our recently recruited and highly regarded senior experts in international arbitration are winning new work and forging strong credentials for us. Alongside this, our recently formed specialist class actions team has now launched its first case.

In consultancy services, activity in our growing patent and trademark attorney business was strong throughout the Period. Its outturn was enhanced by the first full year contribution from Symbiosis, specialising in the life sciences industry and adding to Adamson Jones' expertise in engineering, medical devices, pharmaceuticals and biotechnology. Both businesses are working well together and with related legal services across the Group and on shared opportunities. We will continue to build critical mass in these services where typical projects are long-dated and our expertise is highly valued by clients whose businesses are founded upon ideas and inventions that need to be protected to preserve value. More UK and international client opportunities exist here and will be realised as we progress our strategy to grow our business in this space.

In aggregate, consultancy revenue now represents 26.0% (FY23: 22.9%) of Business Services Platform revenue.



TOTAL REVENUE

£24.9m

+14.0%

Legal +9.5% / Consulting +29.3%

Corporate Platform

Our Corporate Platform focuses on the corporate, financial services and restructuring markets in both transaction and business support services.

Currently, this Platform is dominated by legal services, some of which were challenged by lower volumes of transactional activity during most of FY24. As a result, the Platform's revenue decreased by 4.4% to £37.1m. However, it delivered a strong contribution margin.

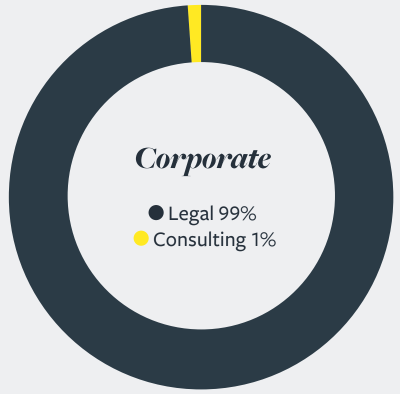
It is likely that the Corporate Platform will always be legal services dominated, with the transactional teams on the Platform drawing support, particular to each transaction, from legal and consultancy services on other Platforms.

Whilst constrained for most of FY24, corporate transactional activity started to return strongly in Q4, particularly with our private equity clients and in wider M&A. The corporate team generated a pipeline in that period comprising an impressive list of complex, high-value transactions across a wide range of sectors, which utilised additional legal and consultancy services across the Group. Ultimately, the team had another good year and the corporate unit remains our biggest internal referrer of business, with most, if not all, other teams benefitting in some way. The pipeline into FY25 is good.

This pattern is also reflected in our banking team, which had a stronger Q4 following a subdued period due to reduced corporate transactions and bank lending. There was some offset in the form of an increase in loan covenant reset and refinancing work, which enabled the team to maintain revenue levels in Period in line with FY23. This is an excellent example of pro and counter-cyclical revenue opportunities which exist in almost all of our legal service lines.

Our restructuring and recovery teams are a natural counterweight to traditional transactional activity and following a sustained period of quiet trading conditions for some years now, revenue levels rose by 20.8% in FY24, as government pandemic support for companies unwound and inflationary pressures and interest rate increases impacted UK businesses. Activity remains strong in these teams. Mandates have been generated both in-market and internally, including working alongside experts in Gateley Vinden and our legal services construction unit in delivery of market-leading services to insurers who have bonded construction projects that have become distressed.

In consultancy services, the team at Gateley Global closed out a significant contract providing services to help public and private sector global clients realise their international expansion plans, inward and outward of the UK. In addition, the team is a consistent cross-referrer of revenue to other parts of the Group as clients require mixed services to implement expansion.



TOTAL REVENUE

£37.0m

(4.4)%

Legal (3.1)% / Consulting (49.4)%

Charles Glaskie

Partner and Corporate Platform Head

People Platform

Our People Platform supports clients in dealing with and developing people and in administering individuals' personal affairs. The team help employers fix the people issues that arise within organisations in everyday operations and change projects.

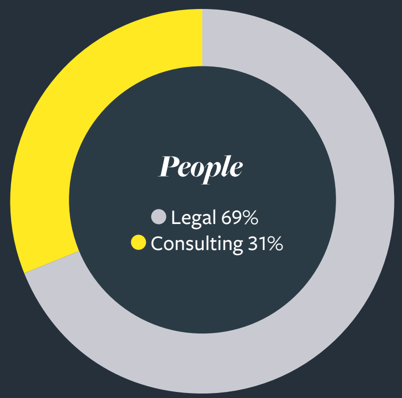
Revenue on this Platform contracted by 4.3% due, in part, to a reduction in headcount and reorganisation of our legal services private client team and a drop-off in required support to transactional teams from our legal services employment team.

We saw strong off-set to the above from our legal services pension team and our pension trustee business Entrust which, together, grew revenue by 30.7%.

These relatively predictable revenue streams are a further example of deliberately designed resilience in our model. This is a sector where we are keen to make further investment to service the increase in the number of pension schemes looking to complete all liability buy-outs, and/or out-source management of their pension schemes, working with Entrust.

t-three and Kiddy & Partners, our talent assessment, development and cultural change businesses, continue to attract significantly sized clients buying dual services, with particular focus on scalable products to high growth clients. They were pleased to maintain revenue at £6.0m (FY23: £6.2m) alongside a strong pipeline as organisations continue to develop their people and/or transform in some way.

In aggregate, consultancy revenue now represents 30.8% of People Platform revenue.



TOTAL REVENUE

£19.6m

(4.3)%

Legal (5.2)% / Consulting (2.2)%

Andrew Macmillan

Partner and People Platform Head

Property Platform

Callum Nuttall

Partner and Property Platform Head

Our Property Platform focuses on clients' activities in real estate development and investment and in the built environment in the widest sense.

This remains our most diverse and mature Platform and we maintain our view that the range of expertise now housed on this Platform puts us in a position to compete with well-established, multi-disciplinary property consultancies in the wider market. Despite a very challenging back drop for the property sector, revenue on our Property Platform grew by 11.4% to £91.0m during FY24 (FY23: £81.6m).

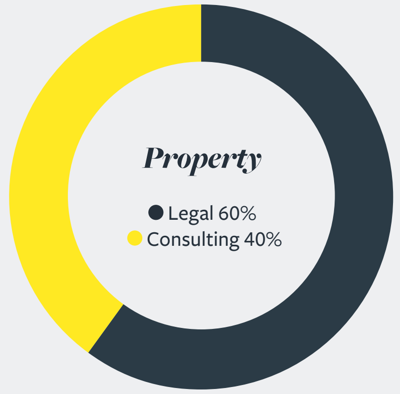
Whilst activity in the wider commercial property market eased in FY23 (and continued to be subdued throughout most of FY24), we saw and continue to see an increase in non-transactional advisory and dispute resolution services. This includes helping our wide range of residential development clients navigate regulation under the high-profile Building Safety Act (post-Grenfell) and advising on related remediation projects. This is long-dated, specialist work in which we continue to invest. Our construction team had a record year and continues to be very busy. Our real estate development team - a market leader in the warehousing and logistics sector had a slower start to the year before returning strongly to growth. Elsewhere, prevailing market conditions have resulted in an increase in work helping or opposing organisations seeking to exit commercially onerous contracts.

In our market-leading house-builder team, we continue to act for all of the top developers, many of whom have significantly reduced their panel of advisors in favour of larger providers who cover all bases, which describes Gateley both geographically and in service lines, and this should result in more work for the team. Our clients need to continue to build and sell and have other areas for which they require our services. This includes shared ownership framework agreements, bulk sales to housing associations and build-to-rent investors and housing-led urban regeneration. We act for all of the leading developers in this space and offer a unique combination of legal and consultancy services covering whole project life cycles.

In consultancy services, Gateley Smithers Purslow ("GSP"), who deliver specialist services to the property insurance complex claims market, contributed revenue of £17.6m (FY23: £13.7m), representing annualised growth for that business of 28.5%. We also saw strong revenue growth of 14.7% from Gateley Vinden's broad range of specialist services.

Our acquisition of surveyors Richard Julian and Associates Limited ("RJA") in July 2023 extends our reach to organisations that deliver affordable housing, a resilient sector underpinned by high levels of grant to support delivery of the Government's housing targets. The team also has specialists in major loss property claims, which enhances related expertise in both GSP and Gateley Vinden. RJA has had an excellent start in Group, exceeding expectation.

FY24 consultancy revenue represented 40.5% (FY23: 38.1%) of Property Platform revenue.



TOTAL REVENUE

£91.0m

+11.4%

Legal +2.4% / Consulting +13.4%

Investment *in our people*

Our business continues its unbroken track record of growth because we have determined, productive and adaptable people on our side. We do not underestimate this and understand that it is one of the reasons we have been well placed to meet the challenges of the macro business environment of the last few years.

The investment we make in attracting, developing and motivating our people remains a priority and is key to ensuring our culture evolves in the right way and that we can continue to innovate and realise our growth ambitions.

A culture and working environment to be proud of

Creating a sense of belonging and a culture where everyone can be themselves has always been part of our purpose and how we inspire our people. Our five internal community groups, Pride; Ability; Inspire; Thrive and Unity are an example of how we achieve this. These internal communities ensure we have a place of debate where our people can learn from each other, educate one another and celebrate differences.

Winners of the 2024 Birmingham Law Society 'Equality, Diversity and Inclusion' award, we appreciate and support the contribution that people from diverse backgrounds bring to our organisation and we are proud that Glassdoor recognised us as the only UK legal business to be ranked in the top 25 best companies for senior leadership.

We are also proud to have placed in the top 100 employers nationally in this year's Stonewall Workplace Equality Index. The index shows our progress in the legal table as we climb 50 places compared to last year. As a top 100 employer we join several top legal, construction, health, finance and education organisations who have been praised for creating a welcoming workplace where LGBTQ+ employees can bring their full selves to work.

Every October we recognise people from across the business who have been nominated by their colleagues for our annual Gateley Team Spirit Awards. A number of finalists are selected by a judging panel to attend the annual award ceremony, hosted by our CEO and winners are presented with their trophies and a prize as acknowledgment of their achievements under our Gateley Team Spirit values. These values are working together, being ambitious for success, giving colleagues room to breathe, being forward thinking and being trusted to do. We also recognise excellence in leadership and colleagues who are delivering stellar results across our four Platforms.

In addition, our landmark annual internal conferences are a key component in arming our leadership and senior managers with the tools needed to develop and help our business to grow while ensuring they are supporting their teams to do the same.

This year's theme was 'Ambitious for Success: Gateley 2027' where we considered our growth ambitions and targets for the next three years and how we are going to work together to realise those ambitions.

Stonewall LGBTQ+ INCLUSIVE EMPLOYER GOLD AWARD 2024

Mindful Business Charter

INVESTORS IN PEOPLE

Supporting career aspirations

The career paths at Gateley and the way we incentivise our people as part of that are different to many traditional professional services businesses and the broad range of career opportunities we offer is attractive. We continue to evolve our people strategies to drive a stimulating, purposeful and rewarding environment in which our people can work towards achieving their career aspirations. During the summer we announced a total of 159 internal promotions for our fee earner and business support teams and celebrated this right across the Group.

Recognising our people's career aspirations with 159 promotions across the business.

A transparent equity journey

Part of our strategy set out at IPO focuses on our ability to be able to incentivise our people in a way that creates an attractive alternative to the competing LLP model.

During FY24 we issued circa 3.4m shares to participants across our various share schemes. All of this is in line with our strategy of creating wider equity participation for more of our people. Nine years post IPO, 70 per cent of our people are either share or option holders.

We compete in a sector in which potential overall reward for the best emerging and senior people is high but we operate a model that enables us to reward our people with equity at an earlier stage on the career path and to spread that reward more widely than might be the case in a tightly held equity partnership structure.

Our Restricted Share Award Plan is pointed at senior leaders in the business (meaning partners and partner equivalents). The plan gives recipients immediate economic interest in the awarded shares, subject only to a five year retention and non-dealing restriction. The plan has been well received both internally and by lateral hires. We see huge value in it as an almost unique way of attracting and retaining quality senior people. The plan makes our internal equity journey powerfully different, transparent and meaningful.

Investment *for growth*

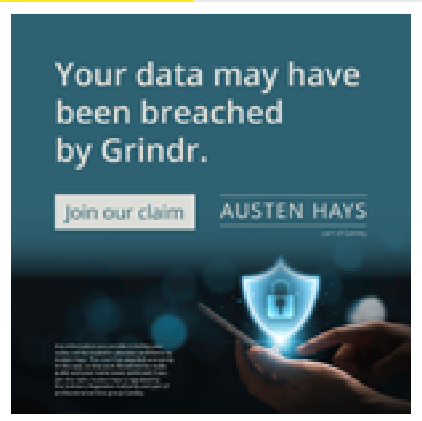
Our investment in organic and acquisitive growth this year has been focused on supporting capacity in services that have proven resilience and seeding or enhancing new specialist services and those where we have deep sector expertise.

Our investments are for long-term returns and are exampled this year by our acquisition of RJA Consultants, giving us deeper specialist reach into the UK property market and through our investment in class actions and international arbitration.

AI is at the top of our agenda and is a priority area for capital allocation, alongside investment in acquisitions and people. We are very aware that investment in suitably developed product will positively enhance the delivery of some of our services and realise efficiencies which help us improve our profitability. We have a cross-disciplinary steering group reporting directly to the board on product assessment, procurement and integration. Our investment this year has included recruitment of a specialist in-house AI development team to create bespoke applications for both service delivery and internal uses.

Our development program will provide applications for use on each of our client-facing Platforms and for our business support functions. The first of our internally designed applications has just been launched for use by the residential development team on our Property Platform. It significantly improves turnaround of the process that it is designed for and is verificatory of the value of the ongoing investment that we will continue to make in AI driven product.

During the year we also acquired new systems to support the on-boarding of our class action claims through the team we have established at Austen Hays. This is specialist, long-term, high value work which requires a bespoke technology platform, in which we have invested £0.5m so far for current and future benefit.



Earlier this year our class actions business, Austen Hays filed its first claim in the High Court against Grindr in the UK. Grindr is the world's largest LGBTQ+ social networking and dating app and is accused of sharing its app users' sensitive personal data between 2018 and 2020 potentially affecting thousands of UK Grindr app users.

Responsible Gateley

Inspiring change within and beyond Gateley

Our commitment to Responsible Business is not just a part of our corporate strategy, it's also a guiding principle that influences every decision we make as a business.

We believe that business success and social progress go hand in hand and through our annual Responsible Business Report we aim to transparently share our challenges, achievements and ambitions and hope that by doing so we can continue to inspire change within and beyond our organisation.

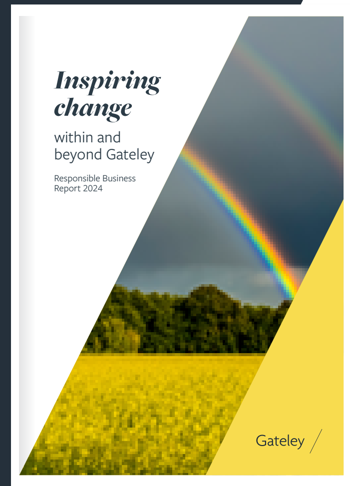
Looking ahead, we have established a new set of objectives that align with the United Nations Sustainable Development Goals (UN SDGs), with the aim to further strengthen the assistance we offer to our communities. By aligning with the UN SDGs, it provides a strategic framework to address sustainability challenges and ensures we are contributing to a universal agenda.

"Our commitment to being a Responsible Business remains a key part of how we do business. Together with our supportive colleagues, clients and stakeholders, we continue our journey in making a positive impact that resonates within and beyond our corporate walls."

Rod Waldie, Chief Executive Officer, Gateley

UN Sustainable Development Goals include:

To find out more about the UN Sustainable Development goals visit: *https://www.un.org/sustainabledevelopment/*



Our latest report outlines a new set of objectives for the current year to help us to continue to evolve and make good progress towards our ESG goals. You can view our latest report here or by visiting: *https://gateleyplc.com/about-us/ethos/a-responsible-business/*

Responsible Gateley
continued

Evaluating the value and impact of our efforts is as crucial as the actions we take, as it helps us understand where we are making a difference and how we can improve and progress over time.

Here's a summary of our progress on the goals we set ourselves during this financial year:

23/24 review of set objectives

Secure a new partnership with an environmental charity to support our sustainability action plan which is focused on taking positive climate action.	✓	We have partnered with the Heart of England Forest as a Forest Founder, which sees us play a crucial role in creating and preserving great native woodland.
Collaborate on community initiatives with clients.	✓	During the year we have collaborated with several of our clients on volunteering and D&I activities. This includes engaging with our clients' CSR teams as a knowledge sharing activity.
Increase employee engagement in community activities, doubling the number of recorded activities.	✓	We have more than doubled the number of activities with good causes from 95 in 2022 to 192 in 2023.
Embed Alzheimer's Research UK as our new charity partner focusing on World Alzheimer's Month across the Group in September.	✓	We shined a light on World Alzheimer's Month by fundraising more than £5,000 through our 'Wear it Orange' campaign and raised awareness by challenging the stigma surrounding Alzheimer's and dementia. The campaign saw our people wear orange wristbands, badges and clothing as well as undertaking a charity skydive and an all-orange charity trolley providing refreshments and games.
Introduce the menopause café to take forward our commitment to the Workplace Menopause Pledge.	✓	We launched a monthly menopause café to make sure anyone going through the perimenopause and menopause is supported. We currently have 55 colleagues signed up to take part in these sessions.
Launch a Responsible Business podcast.	✓	The Purpose Pod was launched in September 2023. Each episode shares insight from the forward thinkers we engage with as a business as we delve into what inspires them, how they support communities across the UK and how our own social values bring them together to improve society.
Partner with more schools through an outreach programme aligned to our offices to encourage more diversity of candidates applying for roles in law in the future.	✓	We partnered with more schools to support a range of students of various ages, locations and educational/social needs. We encouraged our people to volunteer their time to take part in initiatives such as mentoring, providing guidance or hosting workshops to empower young people and make a lasting impact through the power of education.
Embed our volunteering policy throughout the Group offering different types of volunteering opportunities.	✓	Over the last 12 months we have committed to embedding our volunteering policy across the Group and have offered opportunities with charities and educational institutes that we work with such as the Heart of England Forest, University Academy 92, Sedgehill Academy, RunThrough, Alzheimer's Research UK, Ahead Partnership and more.
Introduce a new fertility policy.	✓	We launched a new fertility policy in line with National Fertility Awareness Week. The policy aims to raise awareness of fertility treatment and its impact on the workplace, encourage open conversations between line managers and team members and direct employees to relevant advice and assistance including time off.
All offices to support in a giving appeal for a local charity during December.	✓	All offices took part in a giving appeal for a local charity during December which included toy drives, food bank collections and fundraising activities.
Promote and support our internal community groups in every office, encouraging local initiatives.	✓	Every office has appointed community group champions and have actively promoted local initiatives to celebrate events such as Black History Month, Neurodiversity Celebration Week, Pride Month, Mental Health Awareness Week and more.
Explore car share pilot schemes.	✓	We have explored a car share pilot scheme by seeking feedback from office representatives to understand the next steps should there be an appetite for such a scheme.
Explore carbon neutral certification for the whole Group.	✓	Our Sustainability Task Force has made a strategic shift away from carbon neutral certification, opting instead to focus on calculating carbon emissions and developing a comprehensive carbon reduction plan as this approach better aligns with our goal of achieving net zero by 2040.
Review of energy usage with input from Inspired Energy.	✓	This is detailed in our ESOS report.
Participate in sustainability volunteering opportunities as part of the volunteering policy.	✓	Our people have been involved in various volunteering opportunities such as gardening, woodland maintenance and tree planting during the year.

Collaborating with educators, charities and partner organisations

We collaborate with an incredibly diverse range of communities.

Organisations of all different sizes, in a variety of sectors, with distinct and shared challenges and ambitions. Over the last year we have collaborated to share good practices and create opportunities to listen and learn from one another. We believe that by working together towards a common goal we can continue to deliver great results.

Volunteering plays an important part of our purpose by supporting communities. Since introducing our volunteering policy, which grants our people 15 hours annually to dedicate to good causes they care about, we've worked hard over the past 12 months to embed this policy across the Group. All activities are recorded on our Social Impact Dashboard (SID) so we can measure our impact and keep a track of progress made.

Delivering impactful change

We aim to deliver impactful change within the community, fostering growth and creating a holistic approach to health and happiness.

By collaborating with local organisations and adopting innovative approaches, we have implemented initiatives that are both meaningful and sustainable. Our achievements underscore our commitment to create vibrant, supportive communities, where individuals can thrive and achieve their full potential.

ability
Supporting employees with disabilities and raising awareness around neurodiversity

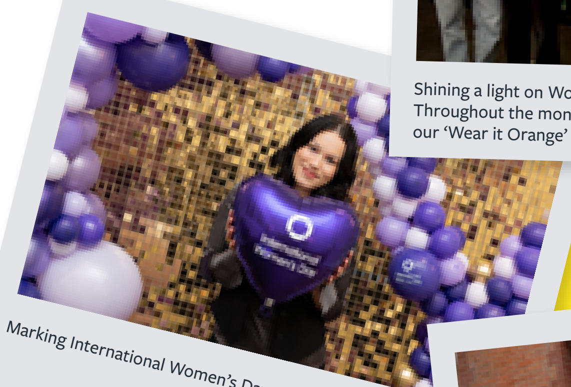
thrive
Taking care of the health and wellbeing of all our employees

unity
Recognising, celebrating and supporting people from different cultures, religions and backgrounds

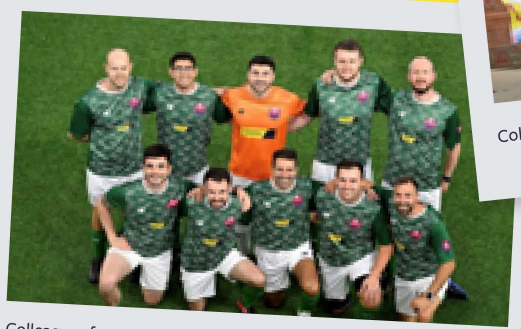
inspire
Nurturing our talent and supporting their careers

pride
Supporting our LGBTQ+ community, raising awareness across our business and collaborating with related external charities, groups and networks

Shining a light on World Alzheimer's Month in September. Throughout the month we fundraised over £5,000 through our 'Wear it Orange' campaign.


Marking International Women's Day.


Colleagues ready to join in this year's Birmingham Pride parade.


Colleagues from our Nottingham and Birmingham offices took part in the Copa Del Leukaemia football tournament at St George's Park in Burton.

Responsible Gateley continued

Inspiring and celebrating our people

We are a people business. So, inspiring and celebrating our people and others is an important part of our Responsible Business ethos. We work hard to create a diverse and inclusive environment where our people can deliver their best work. This is underpinned by our values which form part of our Gateley Team Spirit.

Winners at Birmingham Law Soceity Awards 2024

In March 2024, we were proud to have been awarded the Equality, Diversity & Inclusion award at the 2024 Birmingham Law Society Awards, for demonstrating excellence in promoting EDI within our business and the wider legal community.

"An important part of our purpose as a business is making sure we create a working environment that is inclusive and promotes equality and diversity. We have shown the transformative effect this can have on a business, its people, clients and society as a whole and I could not be prouder that our efforts have been recognised with this accolade."

Rebecca Sherwin, partner in our Real Estate team and head of our Birmingham office

Winners at Property Week's RESI Awards 2024

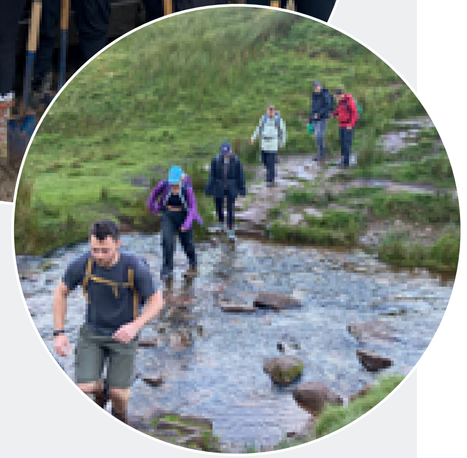
Our Property Platform celebrated success earlier this year after being awarded the accolade of 'Legal / Professional Team of the Year' at Property Week's RESI Awards 2024.

Beating off stiff competition in a category which saw seven firms shortlisted, the judges claimed:

"There were many deserving finalists but there was only one winner! Gateley is a formidable legal and advisory business, evident from its wide client base and extensive services. We were particularly impressed by Gateley's steadfast commitment to ESG initiatives, and DEI, showcasing the company's determination to make a positive impact."

Our sustainability agenda

We are committed to minimising our environmental impact and ensuring sustainable practices throughout our operations



We have pledged to achieve Net Zero by 2040. To help us reach this goal, we are working towards calculating our carbon footprint across all aspects of our business including business travel, waste, energy and our supply chain. This will assist to identify carbon hotspots and to help us to continue to develop our Carbon Reduction Plan and stay on track with our sustainability goals.

We have made several significant changes to support our environmental agenda already such as moving our main offices onto a green tariff, installing screens in common areas of our offices to reduce printing and increasing the focus on hotels we use as a business to ensure they have sustainability credentials.

We are also proud to partner with the Heart of England Forest as our environmental charity. During the year we participated in four volunteering days engaging in activities such as tree guard removal, coppicing, bracken clearance and tree planting to help create and manage the forest.

While we understand there is a lot more to be done and we are in the early stages of our environmental journey, we are proud of the progress we have made so far and are focused on building the momentum in this important area.

The Purpose Pod

During the year we launched a Responsible Business Podcast called The Purpose Pod. Aligned to our purpose, it looks at how we delight our clients, inspire our people, and support our communities.

Each episode shares insight from the forward thinkers we engage with as a business as we delve into what inspires them, how they support communities across the UK and how our own social values bring them together to improve society.

Click here to listen to the Purpose Pod episodes

"As we look back on this year, I am truly inspired by our collective efforts to drive positive change both within and beyond Gateley. It is clear to see that every step we take in promoting Responsible Business practices benefits everyone within our business as well as contributing to happier and healthier communities."

Andlyn White, Responsible Business Manager, Gateley

Strategic report

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This report has been prepared by the directors in accordance with the requirements of Section 414 of the Companies Act 2006.

The Chairman's Statement, Chief Executive Officer's Review and Chief Financial Officer's Review, as set out on pages 26 to 38, form an integral part of the Strategic report.

Chairman's statement

Summary of the year

I am delighted to present Gateley's audited final results for the year ended 30 April 2024, another successful year for the business and our ninth consecutive year of revenue growth since IPO in 2015.

Nigel Payne
Chairman

Group revenue increased by 6.0% to £172.5m (FY23: £162.7m) and, we generated underlying profit before tax of £23.0m (FY23: £25.1m) after reinstating the payment of employee bonuses this year of £4.5m (FY23: £nil). These results have been delivered against the unwelcome backdrop of challenging trading conditions for professional service firms allied to wage and cost inflation. The Group has again demonstrated the strength of its business model and the resilience created by its diversification strategy.

In FY23 we made the difficult decision not to make a provision for staff bonuses for that year. For a business such as ours, where staff retention and incentivisation are important considerations, this was not ideal. I am therefore delighted that, this year, we have been able to declare a bonus which reflects the contribution made by our people to delivering a strong underlying trading performance and our more positive outlook as we enter FY25. In doing so, we are moving back towards a more normalised staff bonus pool with clear intent that this remains a key component in overall reward to our employees whilst preserving a balanced return to all of our stakeholders. I would like to take this opportunity, on behalf of the board, to acknowledge and thank our staff across all levels of the Group. They have shown great adaptability to the constant changes throughout the past few years and their dedication towards the business, their colleagues and clients has been first class in what was a challenging year.

We continue our strategy to diversify the business, placing the Group in a stronger position to deliver further profitable growth in the coming years. To support our acquisition strategy, we retain a three-year revolving credit facility of up to £30m. This, combined with our strong balance sheet, places us in a good position to acquire further businesses in the future.

As we continue to grow and strengthen our business, the board remains committed to providing our people with the opportunity to own shares in the Company. We believe that employee share ownership secures a strong alignment with the Group's external shareholders, incentivises employees and is reflective of Gateley's long-established culture. We are delighted that at least 70% of current staff are existing share or option holders in the Company.

The board firmly believes that the use of equity as an incentive and means of extending share ownership through all levels of the Group, is a material point of positive differentiation for Gateley in an intensely competitive staffing environment. It is therefore an important component for our future growth ambitions. In particular, we have worked hard over the last 12 months to enhance our restricted share award scheme, principally to facilitate recirculation of internally held shares. This is our main equity incentive scheme for senior leaders in the Group. Our enhancements present an efficient means of maintaining significant equity at senior levels in the Group whilst minimising external market impacts. We believe this will help secure and enhance Gateley's position as an attractive and sought after employer.

Responsible Business

The board has made the further development of Gateley's Responsible Business commitment a key strategic priority this year.

In September 2023, we published our third annual Responsible Business report, for which we again received significant positive feedback. We were delighted to achieve all 15 of our internally set responsible business targets and are focused on reducing our CO_2 emissions by 50% by 2030 and to become net zero by 2040.

Our Responsible Business actions focus on the wellbeing of our employees, on being a force for good in society and within the communities in which we operate, and by playing our part in protecting and repairing our planet. Measuring the value and the impact we are having in all these areas is as important as acting because it enables us to evaluate where we are effecting change and how we can continue to improve over time.

We will publish our next Responsible Business Report covering objectives and activity for FY24 shortly.

I am delighted with the progress we have made and how this important initiative has been embraced across the Group. We are committed to ensuring diversity, equality and inclusion and our goal is to foster a positive work ethic, whilst remaining results and client focused, and demonstrating our commitment to doing the right thing for our people, our planet and developing potential wherever we can.

Board changes

David Wilton was appointed to the board as a non-executive director and Chairman designate on 1 February 2024. The board and David subsequently agreed not to continue with David's appointment as Chairman and David has since stood down from the board.

The nomination committee has begun a process to recruit a new Chairman. In the meantime, I have been asked, and have agreed, to continue to chair the Group until a successor is appointed.

Dividends

We have maintained dividend to investors, recognising this is a key component of shareholder return. An interim dividend of 3.3p per share (FY23: 3.3p) was paid on 21 March 2024 to shareholders on the register at the close of business on 24 February 2024. The board is pleased to propose a final dividend of 6.2p per share (FY23: 6.2p), giving a total dividend for the year of 9.5p per share (FY23: 9.5p), subject to approval at the forthcoming Annual General Meeting, which will be held on 23 September 2024. If approved, this final dividend will be paid in October to shareholders on the register at the close of business on 11 October 2024. The shares will go ex-dividend on 10 October 2024.

Summary and outlook

This year has been another strong one for Gateley. Our people have excelled in client delivery, they have continued to overcome every challenge presented to them, and have delivered further strategic progress for the business, combining to generate an excellent set of results.

As we focus on service line enhancing opportunities that meet our clients' needs and fulfil our strategy to build a broader professional services group, our acquisition pipeline remains strong, trading in the current year to date has been in line with the board's expectations and we look forward to the immediate future with cautious optimism.

Nigel Payne
Chairman

15 July 2024

Chief Executive Officer's review

"We remain positive as our increasingly resilient model continues to deliver for us and gives us confidence to continue our investment strategy for enhanced returns."

Rod Waldie, Chief Executive Officer

Rod Waldie
Chief Executive Officer

Introduction

I am pleased with the Group's performance in FY24. Our teams combined to maintain Gateley's unbroken record of year-on-year revenue growth. As always, I am grateful to our people for their hard work and commitment to delivering the best possible outcomes for our clients.

During the Period we continued to invest in people and systems to progress our strategy of building a diverse and resilient professional services business, delivered through each of our four Platforms of Business Services, Corporate, People and Property. This investment necessarily includes the need to match prevailing remuneration in a market in which there has been high pay inflation across professional services. Combined with the increase in our average headcount to 1,536 during the Period (FY23:1,439), this resulted in a 12.1% increase in personnel costs, including a resumption of staff bonus awards (£4.5m). This reflects the contribution made by our people in delivering a strong underlying trading performance and our more positive outlook as we move into FY25. In doing so, we are moving back towards a more normalised staff bonus pool with clear intent that this remains a key component in overall reward to our employees whilst preserving a balanced return to all of our stakeholders. Excluding this bonus provision, our personnel costs increased 7.4%.

Our ongoing M&A strategy saw us acquire RJA Consultants onto our Property Platform in July 2023, contributing to growth in non-legal revenue across the Group to £49.9m (FY23: £41.8m), or 28.9% (FY23: 25.7%) of Group revenue. Our proposition remains unique; the ability to deliver complementary legal and consultancy services to clients in our chosen markets. We continue to appraise acquisition opportunities on each of our Platforms. Whilst investment costs to some extent impact short-term margin as acquisition, integration and system costs are absorbed, we are confident that, in progressing our strategy, we will generate margin-enhancing returns in the long-term.

As reported in April, we were pleased to support our EBT in purchasing 1,864,622 shares at £1.26, predominately from staff who were Partners at IPO. Those shares are warehoused by the EBT to, imminently, award to certain senior staff via our restricted share award scheme. This is a deliberate step in our controlled, non-dilutive recirculation of internally held shares.

Our restricted share award scheme will become our sole equity incentive scheme for our senior leaders. We will continue to make controlled use of it, in a more meaningful way, because it is proving to be a valuable differentiator for us in attracting and retaining quality senior talent who are aligned with creating long-term value for the Group and its stakeholders.

On 15 September 2023, we published our third annual Responsible Business Report. Having achieved all 15 responsible business targets set in our prior report, our 2023/24 report, sets 15 new objectives in-line with our purpose-led agenda. We have a clear recognition that business is a key engine for change and our responsible business journey progresses with conviction. Our FY24 Responsible Business Report will be published shortly.

Finally, we are pleased to propose a final dividend of 6.2p at the Group's AGM on 23 September 2024, taking the total dividend for the Period to 9.5p (FY23: 9.5p).

Results overview

The Group performed well during FY24, building on the progress reported at the half year and delivering growth in revenue of 6.0% to £172.5m (FY23: £162.7m). Underlying profit before tax decreased by 8.1% to £23.0m (FY23: £25.1m), reflecting the board's decision, unlike last year, to make a provision of £4.5m for employee bonuses. Profit before tax decreased by 13.9% to £14.0m (FY23: £16.2m). Profit after tax decreased by 17.7% to £10.0m (FY23: £12.2m).

As a people business, our profit metrics are necessarily influenced by our personnel costs. Pay inflation across professional services, of the type in the Group, has been a continuous characteristic since the end of the pandemic. Our response has been a considered and deliberate attempt to balance the capital allocation needs of the Group with the competitive employment market in which our businesses operate. We take reasonable steps to match market pay rates as we continue to invest more widely in people and systems in line with our strategy to grow our currently unique business model. Our firm belief is that it is continual investment which will deliver and enhance our long-term objectives and returns.

Alongside the in-Period acquisition of RJA Consultants, strategic investments in new work streams, such as legal services class actions and international arbitration, are progressing well. We have also invested in AI and other new technology products, with ongoing capital allocation to maximise its use for margin improvement. Alongside all of this, and more general cost inflation, our FY24 results delivered another year of solid profitability.

Once again, our outturn for the Period was underpinned by the range and quality of legal and consultancy services offered through our Platforms. Our stated strategic plan at IPO was to create resilience by diversifying our revenue streams. Nine years and 14 acquisitions later the diversity of services we can offer helped us weather the impact of reduced transactional services activity throughout most of the Period, enabling us to maintain our unbroken record of year-on-year revenue growth.

Looking forward, we are pleased to see a continuation of the improvement we saw in transactional services activity in Q4 FY24. Layering that improvement onto our broader service line activity, and strategic long-term investments made in the Period positions us well for FY25 and beyond.

Platform performance

Business Services Platform

This Platform supports clients in dealing with their commercial agreements, managing risks, protecting assets and resolving disputes.

Revenue on this Platform grew by 14.0% to £24.9m, underpinned by consistently good activity throughout the Period across the Platform's legal services dispute resolution teams, allied to strong performance from the Platform's patent and trademark attorney businesses.

In legal services, our regulatory and business defence team had a record year, which is reflective of clients' needs for specialist advice in an increasingly regulated environment across all sectors. In addition, the dispute resolution teams saw an increase in demand from both UK and overseas clients. Projects from overseas clients include a return of some activity in Central Europe alongside new mandates from clients in the Middle East and Africa. These are representative of new, strategically agile, steps to win specialist work in new regions.

Buoyed by recent success in growing dispute resolution services, we continue to make strategic investment in specialist service lines, predominantly in competition litigation, class actions and international arbitration where, in all cases, we see huge opportunity. Our recently recruited and highly regarded senior experts in international arbitration are winning new work and forging strong credentials for us. Alongside this, our recently formed specialist class action team has now launched its first case.

Chief Executive Officer's review continued

In consultancy services, activity in our growing patent and trademark attorney business was strong throughout the Period. Its outturn was enhanced by the first full year contribution from Symbiosis, specialising in the life sciences industry and adding to Adamson Jones' expertise in engineering, medical devices, pharmaceuticals and biotechnology. Both businesses are working well together and with related legal services across the Group and on shared opportunities. We will continue to build critical mass in these services where typical projects are long-dated and our expertise is highly valued by clients whose businesses are founded upon ideas and inventions that need to be protected to preserve value. More UK and international client opportunities exist here and will be realised as we progress our strategy to grow our business in this space.

In aggregate, consultancy revenue now represents 26.0% (FY23: 22.9%) of Business Services Platform revenue.

Corporate Platform

This Platform is focused on the corporate, financial services and restructuring markets in both transaction and business support services.

Currently, this Platform is dominated by legal services, some of which were challenged by lower volumes of transactional activity during most of FY24. As a result, the Platform's revenue decreased by 4.4% to £37.1m. However, it delivered a strong contribution margin.

It is likely that the Corporate Platform will always be legal services dominated, with the transactional teams on the Platform drawing support, particular to each transaction, from legal and consultancy services on other Platforms.

Whilst constrained for most of FY24, corporate transactional activity started to return strongly in Q4, particularly with our private equity clients and in wider M&A. The corporate team generated a pipeline in that period comprising an impressive list of complex, high-value transactions across a wide range of sectors, which utilised additional legal and consultancy services across the Group. Ultimately, the team had another good year and the corporate unit remains our biggest internal referrer of business, with most, if not all, other teams benefitting in some way. The pipeline into FY25 is good.

This pattern is also reflected in our banking team, which had a stronger Q4 following a subdued period due to reduced corporate transactions and bank lending. There was some offset in the form of an increase in loan covenant reset and refinancing work, which enabled the team to maintain revenue levels in Period in line with FY23. This is an excellent example of pro and counter-cyclical revenue opportunities which exist in almost all of our legal service lines.

Our restructuring and recovery teams are a natural counterweight to traditional transactional activity and following a sustained period of quiet trading conditions for some years now, revenue levels rose by 20.8% in FY24, as government pandemic support for companies unwound and inflationary pressures and interest rate increases impacted UK businesses. Activity remains strong in these teams. Mandates have been generated both in-market and internally, including working alongside experts in Gateley Vinden and our legal services construction unit in delivery of market-leading services to insurers who have bonded construction projects that have become distressed.

In consultancy services, the team at Gateley Global closed out a significant contract providing services to help public and private sector global clients realise their international expansion plans, inward and outward of the UK. In addition, the team is a consistent cross-referrer of revenue to other parts of the Group as clients require mixed services to implement expansion.

People Platform

This Platform supports clients in dealing with and developing people and in administering individuals' personal affairs.

Revenue on this Platform contracted by 4.3% due, in part, to a reduction in headcount and reorganisation of our legal services private client team and a drop-off in required support to transactional teams from our legal services employment team.

We saw strong offset to the above from our legal services pension team and our pension trustee business Entrust which, together, grew revenue by 30.7%. These relatively predictable revenue streams are a further example of deliberately designed resilience in our model. This is a sector where we are keen to make further investment to service the increase in the number of pension schemes looking to complete all liability buy-outs, and/or out-source management of their pension schemes, working with Entrust.

t-three and Kiddy & Partners, our talent assessment, development and cultural change businesses, continue to attract significantly sized clients buying dual services, with particular focus on scalable products to high growth clients. They were pleased to maintain revenue at £6.0m (FY23: £6.2m) alongside a strong pipeline as organisations continue to develop their people and/or transform in some way.

In aggregate, consultancy revenue now represents 30.8% of People Platform revenue.

Property Platform

This Platform is focused on clients' activities in real estate development and investment and in the built environment in the widest sense.

This remains our most diverse and mature Platform and we maintain our view that the range of expertise now housed on this Platform puts us in position to compete with well-established, multi-disciplinary property consultancies in the wider market. Despite a very challenging back drop for the property sector, revenue on our Property Platform grew by 11.4% to £91.0m during FY24 (FY23: £81.6m).

Whilst activity in the wider commercial property market eased in FY23 (and continued to be subdued throughout most of FY24), we saw and continue to see an increase in non-transactional advisory and dispute resolution services. This includes helping our wide range of residential development clients navigate regulation under the high-profile Building Safety Act (post-Grenfell) and advising on related remediation projects. This is long-dated, specialist work in which we continue to invest. Our construction team had a record year and continues to be very busy. Our real estate development team – a market leader in the warehousing and logistics sector had a slower start to the year before returning strongly to growth. Elsewhere, prevailing market conditions have resulted in an increase in work helping or opposing organisations seeking to exit commercially onerous contracts.

In our market-leading house-builder team, we continue to act for all of the top developers, many of whom have significantly reduced their panel of advisors in favour of larger providers who cover all bases, which describes Gateley both geographically and in service lines, and this should result in more work for the team. Our clients need to continue to build and sell and have other areas for which they require our services. This includes shared ownership framework agreements, bulk sales to housing associations and build-to-rent investors and housing-led urban regeneration. We act for all of the leading developers in this space and offer a unique combination of legal and consultancy services covering whole project life cycles.

In consultancy services, Gateley Smithers Purslow ("GSP"), who deliver specialist services to the property insurance complex claims market, contributed revenue of £17.6m (FY23: £13.7m), representing annualised growth for that business of 28.5%. We also saw strong revenue growth of 14.7% from Gateley Vinden's broad range of specialist services.

Our acquisition of surveyors Richard Julian and Associates Limited ("RJA") in July 2023 extends our reach to organisations that deliver affordable housing, a resilient sector underpinned by high levels of grant to support delivery of the Government's housing targets. The team also has specialists in major loss property claims, which enhances related expertise in both GSP and Gateley Vinden. RJA has had an excellent start in Group, exceeding expectation.

FY24 consultancy revenue represented 40.5% (FY23: 38.1%) of Property Platform revenue.

Operational review

Our operational focus has been aimed at current and future efficiency.

AI is at the top of our agenda and is a priority area for capital allocation, alongside investment in acquisitions and people. We are very aware that investment in suitably developed product will positively enhance the delivery of some of our services and realise efficiencies which help us improve our profitability. We have a cross-disciplinary steering group reporting directly to the board on product assessment, procurement and integration. Our investment in-Period included recruitment of a specialist in-house AI development team to create bespoke applications for both service delivery and internal uses. Our development program will provide applications for use on each of our client-facing Platforms and for our business support functions. The first of our internally designed applications has just been launched for use by the residential development team on our Property Platform. It significantly improves turnaround of the process that it is designed for and is verificatory of the value of the ongoing investment that we will continue to make in AI driven product.

In Period, we acquired new systems to support the on-boarding of a legal services team to run class action claims. This is specialist, long-term, high value work which requires a bespoke technology platform, in which we have invested £0.5m so far for current and future benefit.

We have previously reported planned rationalisation of some of our office space. This is an on-going exercise, including the post-Period surrender of our lease for office space in Leicester as part of consolidation of some of our teams in the East Midlands to our Nottingham office.

On-going integration of recently acquired businesses is proceeding as planned, including positive enhancements to our Group integration processes. In parallel, phase two of adoption of our new, market-leading business management, productivity, and financial management system (3E) has proceeded throughout FY24 and into FY25.

Chief Executive Officer's review
continued

People and Culture

Attracting, developing and motivating talent, at all levels across the Group, is a key objective every year. In FY24, overall average headcount in the Group increased by 6.7% to 1,536 (FY23: 1,439). Legal services average headcount growth was 1.2% to 1091 employees (FY23: 1,078). Average consultancy headcount increased by 25.4% to 445 (FY23: 355), primarily as a result of acquisitions and investment in GSP.

The Gateley offering remains differentiated and our broad range of career opportunities is attractive. We continue to evolve our people strategies to drive a stimulating, purposeful and rewarding environment in which our people can progress their careers. We recently announced a total of 159 internal promotions and celebrated these across the Group.

The ability for all of our people to participate in share ownership is attractive and represents a recruitment differentiator. During FY24 we issued circa 3.4m shares to participants across our various share schemes. All of this is in line with our strategy of creating wider equity participation for more of our people. Currently circa 70% of our people either hold shares or participate in share schemes.

Once again, we owe the success of our business to the quality and dedication of our people at all levels. Clients come to us for our broad specialist knowledge and experience and our determination to deliver results for them. As we extend our range of services, our strong client relationships enable more cross-selling opportunities, which remains a key focus for us in generating further organic growth.

Responsible Business

Being a Responsible Business remains an integral part of our Purpose Statement;

"Our purpose is to deliver results that delight our clients, inspire our people and support our communities."

We were pleased to achieve all 15 of our internally-set responsible business targets in 2022/2023 and, in-Period, we published our third annual Responsible Business Report outlining actions taken and setting targets for 2023/2024. Our next report will be published imminently.

Highlights from the last report include:

- A carbon reduction plan including a commitment to achieve net zero emissions by 2040, with interim targets set by 2030;
- A new strategic partnership with Alzheimer's Research UK; and
- The launch of an internal volunteering policy which provides opportunities for our people to volunteer with the charity, sustainability and education partners we work with.

We are proud of the progress that we have made since publishing our Responsible Business Strategy in October 2021. We will continue to evaluate where we are effecting change and how we can improve and progress over time. Our journey continues with conviction.

Current trading and outlook

Looking forward, we are encouraged by strengthening levels of activity across our transactional services teams, which began during the Spring. This is matched by improving pipelines for those teams. Alongside this, we continue to see good non-transactional and consultancy business activity. Therefore, our immediate outlook is cautiously optimistic at the beginning of a new political dawn for the UK.

From a long-term perspective, we remain positive as our increasingly resilient model continues to deliver for us and gives us confidence to continue our investment strategy for enhanced returns.

The group enters FY25 with a positive mindset and belief in strategy.

R. R. Waldie

Roderick Waldie
Chief Executive Officer

15 July 2024

"We owe the success of our business to the quality and dedication of our people at all levels. Clients come to us for our broad specialist knowledge and experience and our determination to deliver results for them. As we extend our range of services, our strong client relationships enable more cross-selling opportunities, which remains a key focus for us in generating further organic growth."

Rod Waldie, Chief Executive Officer

Chief Financial Officer's review

Neil Smith
Chief Financial Officer

Financial overview

The Group has again grown revenue both organically and through acquisition, despite the challenging economic backdrop of FY24 that resulted in decreasing activity levels throughout the year until Q4.

This year's increase in costs, driven through a combination of inflation and investment, alongside a return of bonuses, have checked our progression on both profit and margin. Following strong activity levels in transactional areas in Q4 alongside the reorganisation of specific areas of the Group, we enter FY25 feeling confident of improving profitability in FY25.

Our dividend yield is 6.4% using the average share price across FY24 and, even in an environment of higher interest rates, remains at a level which we believe is attractive for all shareholders.

Our revolving credit facility has significant headroom and with a closing net cash position of £3.8 million we are well-placed to capitalise on current market conditions, as we have done previously, to enable further expansion and growth.

Revenue and activity levels

Group total revenue grew by 6.0% (FY23: 18.6%) to £172.5m (FY23: £162.7m), including 2.8% organically. Revenue from core legal service lines grew organically by 0.8% (FY23: 4.9%), while organic revenue growth from consultancy businesses was 9.1% (FY23: 15.2%). Consultancy revenues of £49.9m (FY23: £41.8m) now represent 28.9% (FY23: 25.7%) of total revenue, demonstrating our strategy to build and diversify into a broader professional services group, and further enhance our unique offering to clients.

Fee earner utilisation levels during FY24 returned to FY22 levels at 83%, after FY23's increase to 89%. Alongside a static conversion of time into fees, this has contributed to the Group's decrease in profitability. Activity in Q4 of FY24 was 92% compared to an average of 81% in the first three quarters. This Q4 FY24 utilisation average was 1% higher than Q4 in FY23. We fully expect this improvement to continue as we experience increased instructions from new areas of investments and transactional activity continuing to build ahead of the recent UK general election.

During this period of reduced activity levels, a number of key areas of the Group have been unable to pass on the recent market-driven staff cost increases of the last few years, whilst lead generation has remained extremely competitive. As activity levels improve and the mix of work changes towards recent new areas of investment, we are starting to see rate increases work through into improved recoveries.

However, activity in a number of our consultancy businesses is driven by alternative factors. Gateley Smithers Purslow ("GSP") and Gateley RJA are examples of two such areas of the Group that have seen activity increase significantly as a result of the rise in adverse economic climate change and government policy in social/affordable housing, respectively. Both businesses have experienced impressive organic growth since joining the Group of 28.3% and 26.0% respectively.

Costs and margins

The bridge in personnel costs from £96.8m in FY23 to £108.5m in FY24 of £11.7m arises due to a £4.5m bonus, growth in head count and wage inflation of £4.4m, £2.4m of new payroll costs following the July 2023 acquisition of RJA and £0.4m of full year Symbiosis costs acquired in October 2022, both of which were covered by revenue introduced. Average staff headcount has increased by 6.7% from 1,439 to 1,536 total staff. Average professional staff within this period have increased by 6.8% from 1,000 to 1,068.

Personnel costs (before bonus) to revenue in FY24 increased to 60.3% (FY23: 59.5%) which rises to 62.9%, as a result of the Group awarding £4.5m of bonuses for exceptional performers during FY24. We continue to sensibly manage this key metric as market conditions improve. The reinstatement of a bonus and the increase in investment income from trade related interest have both impacted our adjusted profit before tax margin this year, which has decreased to 13.4% (FY23: 15.4%). The bonus reinstatement has reduced margin by 2.6%, whilst the additional £2.7m of net interest income has increased this margin by 1.6%.

Operating expenses have increased by £2.7m or 7.6% to £38.8m (FY23: £36.1m) due mainly to the investment in new IT systems (£0.5m) supporting new areas of work such as Class Actions, and the additional cost of the acquisition of RJA (£0.6m). Overall, operating overheads have increased slightly as a percentage of revenue from 22.2% in FY23 to 22.5% in FY24 as predicted.

The table below represents Platform performance over the last two reported years along with each Platform's direct contribution towards our Group's performance.

FY24	Business Services £m	Corporate £m	People £m	Property £m	Total £m
Revenue	24.9	37.0	19.6	91.0	**172.5**
Segmental contribution	7.5	14.0	5.8	33.2	**60.5**
Contribution margin	30.2%	37.7%	29.5%	36.5%	**35.1%**
FY23					
Revenue	21.8	38.8	20.4	81.7	**162.7**
Segmental contributions	5.3	13.9	6.0	31.1	**56.3**
Contribution margin	24.4%	36.0%	29.3%	38.1%	**34.6%**
Revenue movement (%)	14.0%	(4.4%)	(4.3%)	11.4%	**6.0%**
Contribution margin change (%)	23.8%	4.7%	0.1%	(4.2)%	**1.4%**

Chief Financial Officer's review
continued

Underlying operating profit before tax

The Group has recorded £20.3m of underlying operating profit before tax (FY23: £25.0m). Whilst we have continued to strategically invest across the business in our legal and consultancy teams, a particular focus has been on headcount investment in GSP to meet significant demand. The reinstatement of a Group bonus (£4.5m) is the key difference between the two years.

Our underlying trading margins have decreased to 11.7% (FY23: 15.4%) as a factor of continued investment for growth and ongoing inflationary pressure in our people costs despite decreased levels of activity in certain parts of the Group due to macro-economic factors. Nevertheless, we are confident that our strategy of ongoing investment made by us will result in short term margin stability followed by long-term improvement.

Underlying operating profit before tax excludes amortisation of acquisition related intangibles, all share-based charges and exceptional acquisition related items, including the acquisition accounting treatment of consideration payments on acquisitions being reclassified as employment costs in the income statement, as well as gains on bargain purchases arising from the related acquisition accounting. Underlying operating profit before tax has been calculated as an alternative performance measure in order to provide a more meaningful measure and year-on-year comparison of the profitability of the underlying business.

Extract of UK statement of comprehensive income	**2024 £'000**	**2023 £'000**
Revenue	**172,492**	162,683
Operating profit	**11,177**	16,122
Operating profit margin (%)	**6.48**	9.91
Reconciliation to alternative performance measure: underlying operating profit before tax		
Operating profit	**11,177**	16,122
Non-underlying items		
Amortisation of intangible assets	**2,483**	2,073
Share based payment charge – Gateley Plc	**1,625**	1,984
Share based payment charge – Gateley RJA Limited	**61**	-
Contingent consideration treated as remuneration	**6,956**	6,190
Gain on bargain purchase	**(3,609)**	(1,389)
Acquisitions costs	**37**	-
Reorganisation costs	**1,159**	-
One off remuneration charge – Gateley RJA Limited	**367**	-
Underlying operating profit before tax	**20,256**	24,980
Adjusted underlying operating profit margin (%)	**11.74**	15.36

Earnings Per Share (EPS)

Basic EPS decreased by 20.8% to 7.74p (FY23: 49.5% to 9.77p). Basic EPS before non-underlying and exceptional items decreased by 13.7% to 14.42p (FY23: increased by 12.1% to 16.71p). Diluted EPS decreased by 19.9% to 7.63p (FY23: increased by 49.6% to 9.52p). Diluted EPS before non-underlying and exceptional items decreased by 12.8% to 14.20p (FY23: increased by 12.0% to 16.28p).

Share option schemes

Over 70% of our people are existing share or option holders in the Group. The board remains committed to providing its people with the opportunity to own shares in the Company primarily through the continued issuance of restricted shares awards (RSAs) across senior leaders within the Group and our Save As You Earn ("SAYE") all staff share scheme. Such share ownership promotes strong alignment with the Group's external shareholders, improves our attraction to like-minded recruits and is reflective of Gateley's culture of long-term ownership. The RSAs, which vest on receipt, are subject to a five-year non-dealing restriction and are forfeited should employment cease within that period.

On 14 September 2023, Long-Term Incentive Plan awards ("LTIP") over 727,790 Ordinary Shares vested and were exercised on 21 September 2023 by 77 partners and persons discharging managerial responsibilities ('PDMR's') following the conclusion of LTIP awards vested at the end of a three-year period, with vesting and exercise dependent upon the achievement of profit related performance conditions and continuous employment. Profit performance during the conditional period resulted in 68% of the total award being made.

Profits used to calculate underlying EPS each year are disclosed below:

	2024 £'000	**2023 £'000**	**2022 £'000**	**2021 £'000**
Reported profit after tax	**10,074**	12,240	23,023	13,157
Adjustments for non-underlying and exceptional items:				
– Amortisation of acquired intangible assets	**2,483**	2,073	1,581	2,073
– Share-based payment adjustments	**1,686**	1,984	1,213	956
– Contingent consideration treated as remuneration	**6,956**	6,190	3,509	-
– Gain on bargain purchase	**(3,609)**	(1,389)	(12,380)	-
– Reorganisation costs	**1,159**			
– One off remuneration costs	**367**	-	-	-
– Acquisition-related costs	**37**	-	870	-
– Tax impact of above	**(391)**	(168)	(94)	-
Underlying profit after tax	**18,762**	20,930	17,722	16,186
Weighted average number of ordinary shares for calculating diluted earnings per share	**132,107,953**	128,527,341	121,893,238	118,508,833
Underlying adjusted fully diluted EPS	**14.20p**	16.28p	14.54p	13.66p

Taxation

The Group's tax charge for the Period was £3.9m (FY23: £4.0m) which comprised a corporation tax charge of £4.4m (FY23: £5.0m) and a deferred tax credit of £0.5m (FY23: credit of £1.0m).

The deferred tax charge arises due to a combination of credits in respect of the share schemes that have vested in past years and the release of deferred tax on brands. The total effective rate of tax is 27.8% (FY23: 24.5%) based on reported profits before tax. The increase in the effective rate of tax is as a result of the increase in UK corporation tax rates and change in earn-out related consideration remuneration charges and gains on bargain purchase from FY23 to FY24, the net effect of which is not allowable for corporation tax purposes.

The net deferred taxation liability has increased to £2.6m (FY23: £2.1m) as a result of the decreased deferred tax asset recognised on share-based payment schemes yet to vest driven by a decrease in the Group's share price.

Dividend

The Group paid an interim dividend of 3.3p per share on 21 March 2024 and proposes a final dividend at the Company's Annual General Meeting on 23 September 2024 of 6.2p (FY23: 6.2p) per share, which if approved, will be paid in October to shareholders on the register at the close of business on 11 October 2024. The shares will go ex-dividend on 10 October 2024.

Chief Financial Officer's review
continued

Balance sheet

The Group's net asset position has increased by £2.2m (FY23: £3.0m) to £80.3m (FY23: £78.1m), due to the following movements:

There was a £17.9m increase in total current assets, resulting from £4.7m additional trade and other receivables through acquired businesses and the strong organic growth of the Group. Contract assets ("unbilled revenue") increased by £3.2m and cash at bank increased by £5.6m as improvements were made in the collection of cash during this year.

Non-current assets decreased by £3.5m, resulting predominantly from a decrease of £3.5m from a change in property use and right of use asset values as no new leases were entered into during FY24 as amortisation of right of use assets were the only key movements.

The board has carefully considered the impact of macro-economic uncertainties, on the future forecasts used in assessing the value in use of the cash generating units to which the goodwill and intangibles relate and determined that, despite short term reductions, such forecasts are more than sufficient to justify the carrying value of goodwill. Therefore, as at 30 April 2024, the board concluded that the goodwill and intangible assets do not require impairment.

Total liabilities increased by £12.3m, due to the reintroduction of accrued bonuses together with increased lending from the Group's Revolving Credit Facility following the acquisition of RJA and the payment of earn out consideration to the vendors of GSP, offset by a reduction of £3.4m in lease liabilities.

Cash flow

During the year, the Group increased its usage of its Revolving Credit Facility from £6.8m to £12.9m. The facility provides total committed funding of £30m until April 2025 (supported by a letter of comfort for its extension to Oct 2025), split equally between Bank of Scotland and HSBC UK, that is specifically earmarked to fund growth and expansion via acquisition. Interest is payable on the loan at a margin of 1.95% above the SONIA reference rate.

The Group also has in place a litigation funding facility for an initial £20m of funding towards significant litigation cases, which has the ability to increase to £50m if required. To date the Group has not yet utilised this facility but has a number of large assignments currently being assessed for consideration in FY25.

Cash generation remained strong with net cash inflows from operating activities increasing to £14.0m (from £9.7m in FY23) representing 138.8% (FY23: 79.6%) of profit after tax. The Group ended the year with net cash of £3.8m (FY23: £4.3m), as less cash was consumed during the financial year on creditors together with management's sustained focus on debt collection resulting in an improvement in debtor days.

Adjusted free cashflow during the year from operations (after adjusting for IFRS 16 and IFRS 3 specific items noted in the table below) was £17.7m (FY23: £6.0m), which represents an increase to 175.9% (FY23: 48.6%) of reported profit after taxation ("PAT") and an increase to 92.5% (FY23: 28.2%) of underlying PAT due to improved operational cash collection, significant increases in interest income and the adjustments from acquisition related activity this year being more significant.

	2024 £'000	2023 £'000
Net cash generated from operations	**18,887**	14,065
Tax paid	**(4,902)**	(4,320)
Net interest received	**4,043**	1,364
Cash outflow from IFRS 16 leases (rental payments excluded from operating cash flows under IFRS 16)	**(5,091)**	(4,579)
Cash outflow paid on acquisitions	**5,825**	1,518
Purchase of property, plant and equipment	**(1,045)**	(1,312)
Purchase of other intangible assets	**-**	(787)
Free cash flow	**17,717**	5,949
Profit after tax	**10,074**	12,240
Free cash flow (%)	**175.9%**	48.6%
Adjusted free cash flow		
Profit after tax	**10,074**	12,240
Non-underlying operating items	**7,516**	8,858
Exceptional items	**1,563**	-
Underlying profit after tax	**19,153**	21,098
Free cash flow	**92.5%**	28.2%

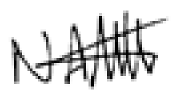
Overall, working capital levels have increased on the previous year, as unbilled revenue represented 61 days of pro-forma net revenue compared to 53 days last year, and Group debtor days have decreased to 111 days of pro-forma net revenue from 113 days last year, which includes revenue from acquisitions on a full year pro-forma basis. I am pleased we have made good progress in debt collection with a strong finish to the year that resulted in a pleasing net cash position. We have made a good start to collections in FY25. Unbilled revenue recognised in the Group's statutory accounts, from time recorded on non-contingent work, remains low as a percentage of revenue and totalled just £23.5m or 13.6% of revenue recognised over the year (FY23: £20.4m or 12.5%).

Summary

FY24 continued our unbroken record of revenue growth since IPO in 2015. Our recent acquisitions have settled into the Group well and activity levels that were subdued at the start of the Period, recovered strongly in Q4 and into FY25. There is no doubt that reduced activity at a time of continued inflation has remained a challenge to our trading margin but I am pleased to return a bonus to staff for exceptional performance this year alongside £23.0m of underlying profit before tax and a 9.5p dividend to shareholders.

We remain confident that the investments we have made, alongside an improving market, will support our medium to longer-term growth strategy and a margin improvement. We have maintained rigid control of costs and improved our working capital position that supports the Group's growth ambitions and its healthy net cash position within a strong balance sheet with significant bank facility headroom.

Share ownership rewards for our staff continue to play a significant part in our vision of wider, long-term connectivity across the Group and will deliver a significant opportunity to all staff in FY25 and beyond.



Neil Smith
Chief Financial Officer
15 July 2024

Principal activity, objectives, strategy and outlook

The principal activity of the Gateley Group during the year was the provision of commercial legal services together with complementary professional consultancy services. The Group sells its services through 26 business lines, grouped into four operating segments, known as Platforms. Dependent on a client's requirements, any given instruction or assignment can involve more than one business line with fee earning staff being provided across one or more geographical office location.

The Group's services are tailored to those required by local, regional and national clients and are provided from twenty-one offices across the UK, as well as an office in Dubai. Gateley also maintains informal, non-exclusive, relationships with a number of law firms (30+) around the world, enabling it to provide clients access to a global legal solution.

Gateley became an Alternative Business Structure ("ABS") with effect from 1 January 2014. Non-lawyers are permitted to own and invest in ABS law firms. The board believes a combination of the ABS structure and admission to trading on AIM provides a platform for the continued profitable growth and future diversified development of the business. It enables the business to differentiate itself from its competition through an enhanced service-offering and unique career opportunity, to diversify its revenue streams through the acquisition of additional complementary legal and professional consultancy service businesses and finally to incentivise its people offering wider and earlier ownership to staff of a more modern, dynamic business.

The Group's current areas of focus are:

- **Enhanced opportunities to grow Gateley organically** – including lateral hires of individuals or teams
- **Making selective acquisitions,** including (i) other legal firms which offer geographical expansion or additional specialist services and (ii) professional consultancy service businesses offering complementary services
- **Building out the Group's Platforms** which comprise clusters of complementary group services presenting a broader and more compelling offering
- **Alignment through share participation, of the interests of shareholders** (including employee shareholders) with those of the business, aiding retention of staff and enhancing Gateley's recruitment appeal.

Organic growth strategy

The UK legal services market continues to exhibit growth and clear opportunities exist for Gateley to continue to differentiate its service offering and grow organically, in particular from:

- The retention of existing employees, working together to deliver 100% client satisfaction by looking after our clients' businesses as if they were our own
- Attracting new talent wishing to be a part of a pioneering law led professional services group
- We will continue to provide enhanced cross-selling opportunities through collaborative working via our Group wide Platforms
- Continued strengthening of our national network, offering a quality, value-for-money legal service to mid-market clients at home, in the markets in which they trade
- Continue to build upon our straight-talking mid-market corporate service offering
- Maintaining and building upon Gateley's bank panel representation and "own account" work for banks
- Extending Gateley's relationships with the UK's leading house builders and in particular in those divisions and regions where Gateley does not currently act

Acquisitive growth

Gateley believes that it can strengthen its business by broadening its service offering through the acquisition of complementary legal and consultancy service businesses. A broader set of services create additional channels to market, increase cross-sales potential, facilitate a more flexible sales model and enhance client retention. To owners of target complementary professional services businesses Gateley offers a platform for their continued growth, drawing upon Gateley's established national office network and supporting back-office infrastructure and access, via Gateley's existing "sales force" of partners and other lawyers, to Gateley's existing client-base. Gateley will expand by:

- being well positioned, as a result of its more flexible corporate structure, to take advantage of anticipated consolidation within the UK legal services industry
- acquiring legal teams or firms offering new niche services, sector specialism, or an opportunity to enter new geographic markets deemed strategic
- acquiring complementary professional services businesses (facilitated by the Group's alternative business structure)

Incentivisation

Gateley operates a range of employee share schemes that ensure all staff can acquire shares and participate in the financial success of our business.

The aim of encouraging earlier and widespread equity ownership in the business is to attract, retain and motivate talent and to ensure all employees can benefit from the Group's longer-term success.

Overview for the year

See Chief Financial Officer's report on pages 34 to 39 for a summary of key financial highlights during the year.

Management uses a number of financial and non-GAAP alternative performance measures to assess the performance of the Group which are detailed below.

Financial Measures:

- Revenue up 6.0% (2023: 18.6%) to £172.5m (2023: £162.7m)
- Underlying profit before tax down 8.1% (2023: up 16.2%) to £23.0m (2023: £25.1m)
- Profit after tax down 17.7% (2023: down 47.0%) to £10.1m (2023: £12.2m)
- Operating profit margin 6.5% (2023: 9.9%) – Operating profit as a percentage of revenue
- Basic Earnings per share (EPS) down 20.8% (2023: down 49.5%) to 7.74p (2023: 9.77p)
- Total dividend declared remains at 9.5p (2023: 9.5p)

Alternative Performance Measures (APMs):

- Operating profit before non-underlying charges down 18.9% to £20.3m (2023: £25.0m). Operating profit before non-underlying charges excludes income or expenses that relate to remuneration for post-combination services, gain on bargain purchase, acquisition related amortisation, share based payment charges and non-underlying and exceptional items, see reconciliation on page 38. This measure is used as it removes the impact of non-cash items charged to the income statement, giving a more representative view of the Group's performance for the year.
- Operating profit margin before non-underlying and exceptional charges 11.7% (2023: 15.4%) – operating profit before non-underlying and exceptional charges as a percentage of revenue.
- Revenue per pound of salary cost £1.59 (2023: £1.68): Employees are the driving force behind revenue earned and also the largest operating expense within the Group. Therefore this measure monitors the ratio between the two.

Principal activity, objectives, strategy and outlook continued

- Revenue days 111 (2023: 113): This measure expresses year end trade receivables (excluding unbilled disbursements and expenses) as the number of preceding days' gross revenue. The measure is used to monitor the cash generation and working capital cycles of the business with the view to minimise the average days taken to collect revenue once it is billed.
- Utilisation 83% (2023: 89%): Utilisation represents an average of the total hours billed as a percentage of total available hours for each employee. The measure is used by management to ensure efficient people management across the various segments and an early indication of Group activity levels.
- Gearing ratio 16.1% (2023: 9.2%): This ratio shows the proportion of total debt to total equity within the business. The business monitors this ratio to ensure that the liquidity and funding of the business continues to fall in line with its overall strategy to maintain a low level of gearing.
- Net cash £3.8m (2023: £4.3m): Net cash is calculated by subtracting the amount of other interest-bearing loans and borrowings from the cash balance. The measure is used to monitor the level of debt within the Group and ensure that this remains in line with the adopted business strategy.

Earnings per share (EPS)

Basic EPS was 7.74p (2023: 9.77p). Diluted EPS was 7.63p (2023: 9.52p). Adjusted, fully diluted EPS was 14.20p (2023: 16.28p).

Cash flow generated and net debt position

Net cash generated from operating activities was £14.0m (2023: £9.7m).

The Group's net cash position as at 30 April 2024 was £3.8m (2023: £4.3m).

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chief Financial Officer's review, together with the financial position of the Group, its cash flows, liquidity position and borrowings. Financial projections have been prepared to October 2025 which show positive earnings and cash flow generation. The Group typically applies sensitivities (informed by the past experiences of the Group since the onset of the pandemic, including the Group's time recording activity, fee generation and cash collections) to any current financial projections based on various downside scenarios to illustrate the potential impact from a downturn in client activity or any increases in costs.

This process included a reverse 'stress test' used to inform downside testing which identified the break point in the Group's liquidity. Whilst the sensitivities applied do show an expected downside impact on the Group's financial performance in future periods, in all scenarios modelled the board have identified the appropriate mitigating actions in order for the Group to maintain a robust balance sheet and liquidity position. In addition, the board have also considered mitigating actions such as lower capital expenditure, reductions in personnel and overhead expenditure and other short-term cash management activities within the Group's control as part of their assessment of going concern.

The Group continues to work closely with its supportive banks, utilising the three-year Revolving Credit Facility, of which £13m was drawn down at 30 April 2024, with committed funding of £30m until April 2025. As at 30 April 2024 the Group has net cash of £3.8m and continues to sensibly manage its cash position within permitted covenants relating to its facility. Discussions are underway with the Group's banking partners to provide a new facility, with terms anticipated to be agreed well ahead of expiry of the current facility. Furthermore, the Group's supportive banks have provided a comfort letter that expresses their willingness to extend the current facility to October 2025, should it be required.

The Group expects to be able to operate within the Group's existing financing facilities for the foreseeable future and currently demonstrates significant debt capacity headroom based on its strong financial performance. Accordingly, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the approval of these financial statements. Accordingly, they have adopted the going concern basis of accounting in preparing the annual Group financial statements.

Principal risks and uncertainties

The board monitors both existing and emerging risks. The operational Risk Committee identifies risks facing the business, recording these in the risk register and regularly assesses the status of these risks. Many of the risks faced by the Group are similar to those risks faced by any business but those considered to be key risks for the Group are detailed below. Due to the nature of the business and the markets in which it operates, many of the risks it faces are ongoing, proving relevant to more than one single year.

Macro-economic headwinds and inflationary pressures

Details of Risk

There is a risk that external macro-economic factors impact the ability of the Group to deliver on its strategic objectives.

Our people and clients are impacted by the cost of living crisis and wider economic uncertainty.

Liquidity risk

- Elements of any potential future disruption could impact the Group's ability to convert unbilled time into fees as client activity is affected by the macro-economic uncertainty which could slow down collection of cash as forecast.

M Chance: Medium

M Impact: Medium

= Change in risk: No change

Mitigating Factors

The Group has proven that it is well positioned to withstand the effects of the economic headwinds, as it navigated successfully through the pandemic. This is due to the broad-based nature of the Group's activities; comprising legal and non-legal services delivered to a diverse and well spread client base. The balance between transactional services and litigation services effectively hedges the position of the business.

The Group has demonstrated that it is prepared to take steps to preserve the liquidity of the business including cancelling dividends, cancelling bonuses, freezing pay and reducing non-essential expenditure. The Company remains confident that other mitigating actions are available alongside alternative sources of funding should further action be needed.

The Group continues to realise operational efficiencies, to mitigate the impacts of wage inflation.

The Group continues to maintain a strong balance sheet to be able to absorb the impact of short-term economic instability.

Reputation

Details of Risk

The success of the Group's business depends on the maintenance of good client relationships and its reputation for providing high-quality professional services. If a client's expectations are not met, or if the business is involved in litigation or claims relating to its performance in a particular matter, the Group's reputation could be significantly damaged.

The Group's reputation could also be damaged through Gateley's involvement (as an adviser or as a litigant) in high-profile or unpopular legal proceedings. The Group may incur significant reputational and financial harm if such litigation is successful or if there is negative press coverage.

The Group regards its brand names, trademarks, domain names, trade secrets and similar intellectual property as important to its success. Its businesses have been developed with a strong emphasis on branding. Should the brand name of Gateley be damaged in any way or lose market appeal, the Group's businesses could be adversely impacted.

M Chance: Medium

H Impact: High

= Change in risk: No change

Mitigating Factors

The Group constantly endeavours to maintain its reputation as a provider of client focused commercial advice and has adopted internal management processes and training programmes to support this. Its legal services are Lexcel accredited (the SRA's quality standard). These standards are applied across the non-legal parts of the business where applicable.

New clients and matters go through an internal acceptance process that includes a comprehensive risk assessment. This includes consideration of potential impact of each engagement on the Group's integrity and reputation.

While the Group will use all reasonable endeavours to protect its intellectual property rights should this be required, it may not be able to prevent any unauthorised use or disclosure of its intellectual property having an adverse effect on operating, marketing and financial performance of the Group.

Operational & IT risk

Details of Risk

The Group places significant reliance on its IT systems, any loss of these facilities or provisions would have a serious impact on the Group's operations. Due to the nature of this risk no assurances can be given that all such risks will be adequately covered by its existing systems.

M Chance: Medium

H Impact: High

= Change in risk: No change

Mitigating Factors

The Group monitors the resilience of its information systems and other facilities on an ongoing basis, working with external partners to support the delivery of its internal and client facing IT provision.

The Group has in place a business continuity plan and an IT disaster recovery plan that are reviewed as appropriate.

The Group, and external partners assisting in the development and implementation of the new system have undertaken risk assessment and have concluded that adequate safeguards are in place to minimise the risk of loss or disruption to the business.

Cyber and data risk

Details of Risk

Due to the nature of the Group's business and its reliance on IT platforms, the Group is at risk of cyber attack. The risk of cyber attack continues to increase not just within the legal and other professional services sectors but for all businesses operating via the internet across the world. The risk to the Group relates primarily to the risk of malicious hacking of the Group's systems with consequent risk to client data or of ransom attacks.

H Chance: High

H Impact: High

= Change in risk: No change

Mitigating Factors

The Group and the Risk Committee are aware of the increasing cyber risk. The risk cannot be avoided as IT systems are fundamental to the delivery of the Group's services. Accordingly the Group has an ongoing programme based on the adoption and continual improvement of IT security controls and business procedures to mitigate this risk.

The Group regularly reviews and tests its security arrangements, for example implementing regular third party penetration tests, in order to identify and subsequently address possible weaknesses within the current systems.

In June 2022 the Group experienced a cyber attack. Fortunately the attack was identified quickly, and significant disruption was avoided. A full review of the incident was carried out and enhancements to the Group's IT security arrangements are being and will continue to be implemented as part of the Group's ongoing programme to mitigate this risk.

Principal risks and uncertainties
continued

Professional liability and uninsured risks

Details of Risk

The Group provides professional services, predominantly legal advice. Like all providers of professional services, it is susceptible to potential liability from negligence, breach of client contract and other claims by clients. The professional indemnity insurance held by the Group may not be adequate to indemnify the Group for all liability that may be incurred (or loss which may be suffered). Any liability or legal defence expenses that are not covered by insurance or are in excess of the insurance coverage could have a materially adverse effect on the Group's business and financial condition.

L Chance: Low
M Impact: Medium
= Change in risk: No change

Mitigating Factors

The Group is advised by market leading insurance brokers and the Directors believe that it holds comprehensive professional liability insurance. Any claims are defended strongly by senior members of the business at all stages and external advice is sought where appropriate. The Group works hard to ensure its employees provide excellent advice and services to its clients, underpinned by quality processes and bespoke training programmes. In the opinion of the Directors the Group has a good claims history.

Employees

Details of Risk

Well trained and experienced employees are essential for the delivery of excellent professional services. The market for such employees remains competitive and the loss of or failure to recruit and retain such employees could impact on the Group's ability to deliver professional services and financial performance.

A failure to implement effective succession planning throughout the business could also adversely affect financial performance.

The geographical spread of management and the development of new offices and operations could compromise effective communication and responsiveness impacting the Group's strategic goals.

L Chance: Medium
M Impact: High
= Change in risk: No change

Mitigating Factors

Recruitment is led by senior members of the business with all professional staff being interviewed by partners and senior managers.

Remuneration arrangements include a range of benefits and are considered to be highly competitive.

Employee contracts include appropriate provisions to protect the business where possible. A comprehensive training programme is in place for all staff providing management, leadership, technical and skills training.

The board and the boards of the Group companies are responsible for the implementation of succession plans for each of the businesses and investment continues to be made in the recruitment of appropriate staff where required.

Use of internal communications systems is continuously reviewed and developed to meet staff needs.

The Group has a vision statement which sets out the core values and behaviours expected of staff.

Regulatory Compliance

Details of Risk

The Group, like all businesses, is subject to a range of regulations, for example, AIM Rules and the Solicitors Regulation Authority's ("SRA") Code of Conduct for Firms. Failure to comply with these could have significant implications for the business ranging from reputational damage to criminal prosecution and sentencing. The Group operates in a regulated market which imposes additional regulation, including restrictions on holdings of 10% or more under the Legal Services Act 2007. This Act dictates that the acquisition by any non-deemed approved lawyer of a restricted interest (a shareholding of 10% or more) in Gateley Plc, (which is an SRA Licenced Body) without the prior consent of the SRA would be treated as a criminal offence. The SRA also has the power to force the divestment of any shareholding that breaches the rule or revoke the Licenced Body status of Gateley Plc which would have a serious effect on the Group.

The SRA also regulates the use and disclosure of client information. The Group is exposed to the risk of employees engaging in misconduct, including the improper use or disclosure of confidential client information. Employee misconduct could result in considerable harm to the Group's reputation, as well as regulatory sanctions and financial damage.

L Chance: Low
M Impact: Medium
= Change in risk: No change

Mitigating Factors

The Directors are in a dialogue with the SRA to minimise such risk and as far as they are able, ensure that this particular regulation is made known to shareholders.

Staff are trained and reminded of these duties and file management processes are in place to mitigate this risk, but it cannot be removed in full.

Acquisition risk

Details of Risk

The Group's strategy is for growth, both organically and by acquisition. Acquisitions may not always realise the benefits expected at the time of completion.

A failure to successfully integrate acquisitions may impact on Group profitability.

The availability of viable acquisition opportunities may decrease.

L Chance: Low
M Impact: Medium
= Change in risk: No change

Mitigating Factors

The Group will consider complementary and earnings enhancing acquisitions as part of its overall growth strategy. Acquisitions may not always realise the benefits expected at the time of completion.

Integration plans are formulated as part of the acquisition process and executed in anticipation of and following acquisition as appropriate.

The Group has an experienced in-house acquisitions team with a proven track record that undertakes a robust due diligence process with external experts being utilised where necessary. Risks are further mitigated through the retention and appropriate incentivisation of acquisition targets' senior management.

The board considers that the recent consolidation within the professional services market will continue and that as a result there will be continuing availability of businesses for acquisition.

Section 172(1) statement

The Directors consider that they have acted in the way most likely to promote the success of the Group for the benefit of its members.

In doing so the Directors have paid regards to key stakeholders and other matters set out in s172(1) of the Act when making decisions in the year, including:

- likely consequences of any decisions in the long term;
- interests of the Group's employees;
- need to foster the Group's business relationships with clients, suppliers, and others;
- impact of the Group's operations on the community and environment;
- Group's reputation for high standards of business conduct; and
- need to act fairly as between members of the Group.

The disclosures set out below are some examples of how the Directors have had regard to the matters set out in Section 172(1) (a) to (f) when discharging their section 172 duties and the effect of that on certain decisions taken by them. More detail on how our board operates can be found in the Corporate Governance Report at www.gateleyplc.com/investors/investor-relations/aim-rule-26/. Illustrations of how section 172 factors have been applied by the board can be found throughout the Strategic Report. For example, details of how we have considered the impact of the Company's operations on the environment are set out below.

Board decision made in the year

Strategy: **Acquisition of businesses during the year**

Application of s.172
The Group has made two acquisitions in the year. During the board's consideration of the acquisitions, management presented its due diligence findings. The board considered how the acquisition would fit in with the culture of the business and the long-term value creation strategy of the wider Group. The acquired business demonstrated its alignment with the Gateley ethos and strong potential for growth.

Strategy: **Dividend**

Application of s.172
The board has declared an interim dividend of 3.3p per share and proposes a final dividend of 6.2p per share. In reaching this decision the board considered all key stakeholders including shareholders, employees and creditors. The board determined closing cash reserves to be sufficient to ensure the continued ability to meet future employee and creditor liabilities based on the results of FY24.

Governance: **Board effectiveness**

Application of s.172
The Group evaluates the performance and effectiveness of the board, its Directors and Chair each year to ensure the right balance of skills, experience and knowledge is maintained in order for each to perform their duties effectively and deliver strong continued growth.

Finance: **Approval of 2024/25 budget**

Application of s.172
The Group's business plan is to drive sustainable growth in the long term, which is in the interest of all stakeholders. The board has paid close consideration to this objective in establishing and approving the FY25 year -end budget. In the current economic climate this has involved close monitoring of the impact of economic headwinds on each sector in which the Group operates, ensuring no over reliance on a single market or client; ensuring the Group is well placed to continue to deliver a high standard of client service through new ways of working; and increasing focus on minimising our environmental impact.

Task Force on Climate Related Financial Disclosures

Being a purpose-led business, we are committed to minimising the impact that we have on the environment and operating in a sustainable manner.

We continue to make good progress in considering the climate-related risks within our operation and will continue to focus over the coming years as we recognise that there is work still to be delivered by the Group, and all businesses, if the world is to achieve the Paris Agreement's goal of being net zero by 2050.

The disclosure has been prepared under the requirements of UK CFD (United Kingdom Climate-related financial disclosures), under section 414CA and 414CB of Companies Act 2006. We understand effective management and adaptation to climate-related issues will be an iterative process, that will require continuous improvement. We are committed to building on our current understanding, management, and resilience to climate risk and will look to continuously advance our strategic and financial planning to ensure effective climate change adaptation. We will be transparent and communicate our progress in this space via annual CFD-aligned reporting. Our disclosures are summarised below against each of the 11 TCFD disclosure recommendations.

Governance

Describe the Board's oversight of climate-related risks and opportunities

The board has oversight of climate-related risks and opportunities. On a monthly basis the Sustainability Task Force reports to the board identifying risks, opportunities and progress made. These climate-focused updates are discussed at each monthly board meeting. Board Member Peter Davies leads on sustainability, ensuring that climate-related risks are managed in line with our Group-wide risk management framework.

Describe management's role in assessing and managing climate-related risks and opportunities

The board considers climate-related risks and opportunities with management responsibilities integrated into the relevant functional areas through Department Heads, including Facilities; IT; Risk; Finance; HR and Marketing.

Our Responsible Business team meets on a 6-weekly basis to consider all aspects of ESG, including climate-related risks and opportunities.

Our Sustainability Task Force, led by Peter Davies, meets monthly to ensure momentum is maintained on climate-related initiatives which are captured in a Sustainability Action Plan ("SAP"). The Sustainability Task Force regularly reports to the board on progress against our ESG ambitions, climate strategy and related commitments.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks and opportunities.

As outlined previously, our board reports on the climate-related risks and opportunities that are most likely to impact the business, and these are aligned to our risk management framework when determining the materiality of the Group's exposure to climate-related risks. During the year we have shared best practice with clients in respect of sustainability.

On an annual basis, as part of our business continuity training and assessments, our Operations Board consider emergency scenarios which may impact the Group, including climate-related emergencies. Six climate-related risks and opportunities were identified as potentially material to the Group, which included 4 transition risks, 1 physical risk and 1 opportunity. Further information on these risks is included within the tables on page 51.

Describe the organisation's processes for managing climate-related risks.

Our processes for managing climate-related risks are consistent with our process for managing other risks in the business and follow standard risk management processes, i.e. a risk identification exercise is performed. This is then followed by an assessment of the identified risks and a mitigation plan is prepared accordingly.

The response is implemented, and the risk is monitored and reported on an ongoing basis.

The process for prioritising climate-related risks is similar to other risks, i.e. these are prioritised based on the assessment of their likelihood and potential impact on our operations, e.g. our financial performance.

Describe how processes for identifying, assessing and managing climate-related risks and opportunities are integrated into the organisation's overall risk management.

Our approach to climate risk management is aligned to our Group-wide risk management framework. The board monitors both existing and emerging risks. The operational Risk Committee identifies risks facing the business, recording these in the risk register and regularly assesses the status of these risks. Many of the risks faced by the Group are similar to those risks faced by any business and, due to the nature of the business and the markets in which it operates, many of the risks it faces including climate-related risks are ongoing, proving relevant to more than one single year. We tailor our underlying policies and controls to manage the different risks and exposures.

Task Force on Climate Related Financial Disclosures continued

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

We have outlined the climate-related risks and opportunities in the table that follows in line with our purpose: clients; people; communities; and have also included infrastructure.

We consider short term to be less than one-year, medium term to be by 2030 and long term to be by 2050.

We aim to be net zero in our operations and supply chain by 2040.

Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning.

We have considered the impact of climate-related issues on our business strategy and financial planning within the table. We recognise that our assessment will continue to evolve over time and that more work needs to be done as our collective understanding of climate related risks and opportunities grows.

Describe the resilience of the business model and strategy, taking into consideration of different climate-related scenarios, including a 2 degrees or lower scenario.

We have considered two climate-related scenarios: 1.5 degrees above pre-industrial levels and a 'Hothouse Earth' scenario with 4 degrees of warming above the pre-industrial age, which would create a global climate emergency.

1.5 degrees above pre-industrial levels

Risk/ opportunity	Timeframe	Business impact	Business response
Clients			
Property loss/ damage due to climate-related change events.	Short/ medium term	The increase in climate-related weather events (such as floods) has and will continue to cause property damage and loss for our clients. This could lead to clients being unable to meet payment terms. There is an opportunity for the Group to offer relevant services to support our clients negatively impacted by such weather events.	We have invested in the capabilities of qualified and experienced loss adjusters through the acquisition of Gateley Smithers Purslow. The team provides specialist insurance loss services to clients impacted by climate-related events to ensure that our clients can respond to and recover from the risk presented through premises damage and the inability to occupy.
Transition to a net zero carbon economy.	Short/ medium term	There is an opportunity to review the products and services that we offer our clients to help them to achieve their own net zero carbon objectives throughout their supply chain. Risk exists that we could lose our trusted adviser position if we are unable to provide the advisory support which our clients require, and they look to another provider for that and associated advice.	Through our annual business planning process and regular client listening, we are actively engaging with our clients to understand their sustainability challenges and concerns within their operations and where we can provide legal advice and advisory services to help them to address these challenges. Such opportunities are reviewed quarterly through each of our four Platforms (see note 4) and discussed within our Strategic Board.
Clients / People			
Reputation	Medium and long term	Being linked to clients or suppliers that are not operating in a sustainable manner would be detrimental to our responsible business ethos, damaging our reputation both inside and outside of the business, which could result in clients deciding to no longer instruct us.	We review the clients that we engage with to assess their ESG commitments, including their sustainability protocols, and would escalate any decisions on whether to act for a client which did not operate in an ethical manner to our board. Gateley is well-placed to influence the energy agenda as we work for 18 of the UK's top 20 housebuilders and are involved in many significant infrastructure projects. We are able – through the professional advice that we give – to support our clients in delivering place strategies which make a positive impact in terms of CO2 reduction including new public transport connections, walking and cycling routes and green infrastructure. Strategic procurement projects are reviewed from a sustainability perspective to ensure that all aspects of our supply chain are as sustainable as they can be, recognising that many businesses, like us, are on a journey towards net zero and are evolving their products and working practices.
People			
Talent retention	Short, medium and long term	We are a people business and attracting and retaining the best people is essential to the future success of our business. Ensuring that our people understand and buy-in to our sustainability commitment, recognising our activities as credible and authentic, is central to delivering our purpose as a responsible business. Reputational damage is considered a principal risk of the group and further information can be found on page 44.	We engage with our colleagues to provide opportunities for them to support our transition to net zero through changes in the way that they work (for example using Teams technology to avoid excessive travel or the ongoing commitment to paperlite working practices) or the way that they commute to our offices (through the introduction of an electric/ hybrid car scheme or the ability to work on an agile/ hybrid basis).

Task Force on Climate Related Financial Disclosures
continued

Risk/ opportunity	Timeframe	Business impact	Business response
Communities			
Reducing carbon with our supply chain	Short, medium and long term	Although our supply chain is not as carbon intensive as other sectors, we remain reliant on the actions of the suppliers within our supply chain to meet their low carbon/ net zero targets. The risk is that suppliers are unable to meet their low carbon targets in the timeframe that would enable us to meet our own.	Our procurement strategy continues to focus on working with suppliers that share our commitment to ESG principles across all aspects of their operations. Sustainability assessments form part of each strategic procurement decision.
Infrastructure			
Business occupancy	Short and medium term	The increased use of agile working, both within our own operations and that of our clients, has significantly changed the number of people who routinely commute into our office network daily. This creates a risk that property-related cost is being incurred that is not required. There is also an opportunity to consider the use of our office space and identify opportunities to reshape the space that we use, potentially generating additional revenue for the Group.	We actively review our property portfolio to consider whether the space can be used in a different way which would reduce cost or generate additional revenue. We continue to consolidate our occupied office space and have closed our Leicester office during the year, relocating team members to our Nottingham office/other offices such as London. Reviews of our building lease arrangements continue as and when commitments are up for renewal.

4 degrees above pre-industrial levels

Risk/ opportunity	Timeframe	Business impact	Business response
Clients			
Impact of extreme weather events	Medium/ long term	Clients are exposed to the impact of extreme weather and the ability to operate in locations where extreme weather events, such as wildfires or flooding has taken place. Our property developers and housebuilders may not be able to find opportunities to acquire suitable land or to develop the land that they already have as a result of the unsuitability of certain locations due to climate-related events. This could lead to a reduction in instructions for Gateley.	We are a resilient and diversified business which ensures that we can provide support to a diverse client base and are not over-reliant on a sector or geography. The diversified offering, with the combination of legal and advisory services, means that we are well placed to help our clients to implement strategies and solutions to mitigate the risk to their businesses or to recover post-incident.
People			
Impact of extreme weather events	Short, medium and long term	Like our clients, extreme weather events could make it difficult for our colleagues to work in certain office environments, but it does depend on the type and location of the extreme weather event.	The shift to hybrid working has ensured that we are able to deliver excellent client service regardless of office location. With continued use of agile working practices combined with technology, we would be able to service our clients in spite of the impact of extreme weather events.
Infrastructure			
IT infrastructure	Medium and long term	Extreme weather events could damage our IT infrastructure, for example due to fire, flood or overheating. Our ability to deliver our services would be significantly impacted by the loss of our IT environment.	Through our business continuity planning and training, we regularly review, update and test the protocols which would ensure that we could continue to operate should one of our technology hubs become out of action. We use fail over technology to ensure that we could move our operations on to servers operated out of technology hubs not impacted by this weather event.

Metrics and targets

Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes.

We are committed to achieving net zero ahead of the UK government's target of 2050 to achieve the goals of the Paris Agreement. Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas, and business travel in company-owned or grey-fleet vehicles. Energy and GHG emissions have been calculated using previously set guidance from an independent third party consultancy.

Gateley reports Scope 1 and Scope 2 greenhouse gas emissions annually which helps us to monitor our carbon footprint and reduce emissions. We report GHG emissions and energy use under the Streamlined Energy and Carbon Reporting (SECR) under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The intensity ratios were calculated for Gateley Plc and have been calculated using turnover, energy usage and greenhouse gas emissions figures. For further information, see page 54 for our SECR reporting.

Moving forward, we will consider developing and implementing further metrics that may be used to effectively monitor identified priority climate-related risks and opportunities (identified in Strategy) and measure performance of mitigation actions.

So far, we have focused our efforts on the climate risk identification and assessment process to better understand our risk profile across various climate scenarios, and where best to prioritise our efforts. We have continued to concentrate on our GHG emissions measurement and reporting process in line with SECR Regulations 2018, and will consider the use of both current year and historic emissions data to identify a baseline to set GHG emission reduction targets. In FY25, we will evaluate the opportunity to establish GHG emissions reduction targets for our Group, the outcome of which we expect to be reported in next year's Annual Report. Going forward, we will also consider developing and implementing metrics and associated targets relating to our priority climate-related risks and opportunities identified from this year's climate risk assessment. As our analysis matures, we may revise the appropriateness of any metrics and targets, as well as look to identify new metrics and targets to effectively monitor and measure our climate-related performance over time.

Disclose Scope 1, 2 and 3 greenhouse gas (GHG) emissions, and the related risks.

We report scope 1, 2 and part of scope 3 greenhouse gas emissions resulting from the energy used in our buildings and employees' business travel. These are included in our Environmental Actions Statement on page 54.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Having reviewed what other legal and professional services businesses are doing in relation to setting net zero targets (recognising that the Government's Net Zero Strategy has set a target date of 2050 for the UK to achieve net zero), Gateley has committed to:

- The attainment of net zero emissions by 2040.
- Setting interim targets for 2030 to reduce CO2 emissions by 50% compared to 2019 levels.

This will ensure that we can meet the demands of our clients, our people, and our investors.

Environmental actions statement

UK energy consumption and Greenhouse Gas disclosure

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Gateley (Holdings) Plc to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been calculated using previously set guidance from an independent third-party consultancy.

The data reported is for Gateley Plc. The parent company consumes less than 40MWh of energy per year and is, therefore, exempt from providing full disclosure in this report.

Following on from the Paperlite project that we introduced across our business in 2020, we have continued to find ways to reduce the amount of printing required including the installation of two monitors on all hot desks and the introduction of DocuSign e-signature technology. As a result of our reduction in printing, we were able to remove most of our desk printers, which were donated to local charities through our relationship with social enterprise, Make Good Grow, and have completed a procurement exercise to appoint a print partner who will deliver sustainable and efficient multi-functional devices to each of our offices.

We continue to use Microsoft Teams to reduce travel between offices including delivering our Leadership Lunches, Gateley Leadership Overview and new starter inductions virtually. Our Gateley Agile approach encourages meetings to be held virtually where not all attendees can attend in person.

We continue to review our property estate and colleagues have moved into existing offices in order to reduce our footprint. For example, our Adamson Jones colleagues joined our existing Nottingham office and Gateley Smithers Purslow moved into our Nottingham and Manchester offices.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas and business travel in company-owned or grey-fleet vehicles. The table below details the regulated SECR energy and GHG emissions sources for the current reporting period 1 May 2023 to 30 April 2024.

Data records and methodology

Metered kWh consumption taken from supplier or landlord invoices is reported where possible.

Scope 1,2 and 3 consumption and CO2e emission data has been calculated in line with the 2019 UK government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting years ending 30 April 2024 and 30 April 2023:

- Database 2023, Version 1.1

Transport emissions have been calculated based on mileage expense claim records, applying the average UK split between petrol and diesel vehicles to estimate relative fuel usage. Mileage per fuel type was converted into equivalent GHG emissions using the most recent emissions factors published by BEIS in 2022, and then divided by the gross Calorific Value to deduce kWh consumption.0

	2024	2023	Change
Energy (thousand kWh)			
Natural Gas	**1,023**	1,304	(22%)
Electricity	**2,545**	2,530	1%
Transport	**289**	292	(1%)
Total energy (thousand kWh)	**3,857**	4,126	(7%)
Emissions (tCO2e)			
Natural Gas	**187**	304	(38%)
Electricity	**540**	590	(8%)
Transport	**68**	69	(1%)
Total SECR emissions	**795**	963	(17%)
Intensity metrics			
£m turnover	**173**	163	6%
tCO2e per £m of turnover	**4.6**	5.9	(22%)
Average headcount	**1,536**	1,439	7%
tCO2e per employee	**0.5**	0.7	(23%)
Square footage (thousand sq.ft)	**117**	126	(7%)
tCO2e per square foot	**6.8**	7.6	(11%)

The Gateley RJA team supporting their local community through our volunteering programme, transforming an allotment area at Kibworth Primary School.

Social matters

We believe that running a profitable and growing business, which creates jobs and contributes to the economic success of the areas in which it operates, is a platform for good corporate social responsibility.

We have a long-standing commitment to support our staff in engaging with their local communities and charities. This is achieved by allowing all staff to spend up to 15 hours undertaking paid volunteering leave per calendar year. This social awareness is present throughout the business, from our employees to our clients, our professional connections and the suppliers we work with. Our ongoing contribution through the commitment of our people to their local community continues to improve lives and helps build these communities.

Sustainability

To deliver strong, sustainable shareholder returns over the long-term the operation of a profitable business is a priority and that means investing for growth. To achieve this, the Group recognises that it needs to operate in a sustainable manner and therefore has adopted core principles to its business operations which provide a framework for both managing risk and maintaining its position as a good 'corporate citizen'.

Charities and communities

We have a high level of engagement within our local communities. Each year, we sponsor business, sports and community awards. Our business has benefited greatly from winning numerous awards and we feel it's right to help other businesses reap the rewards of such accolades. In addition, we sponsor a variety of local clubs, business and sports related events across the country. We believe this brings many benefits to the local community and beyond. Our staff vote annually to choose a national and local office charity to support throughout the year with fund raising activities engaging staff, clients and communities in a number of enjoyable events.

Developing our people

The Group continues to create opportunities for staff at all levels of the Group. We have a strong track record as an employer of choice in the provision of legal graduate traineeships and apprenticeship schemes highlighting our motivation to 'grow our own'. Trainees work alongside qualified professionals in completing a period of recognised training (often known as a training contract) giving individuals supervised experience in legal practice. This is the final stage of the process of qualification as a solicitor where they refine and develop their professional skills.

For our non-lawyer employees we offer both internal and external routes to qualifications and accreditations within their chosen sector and area of expertise.

In order to oversee our people development we have a dedicated internal training team on hand with soft skills and professional course guidance to enhance staff careers and upskill our staff at all levels throughout the year.

Diversity and inclusion

We are an equal opportunities employer and it is our policy to ensure that all job applicants and employees are treated fairly and on merit regardless of race, sex, marital/civil partnership status, age, disability, religious belief, pregnancy, maternity, paternity, gender identity or sexual orientation. We have five staff groups providing support to staff.

- **Unity** – Unity recognises, celebrates and supports employees from all different cultures, religions, and backgrounds. Our Unity network group highlights and celebrates events across all our offices to ensure we have an environment where all employees have room to breathe and feel comfortable bringing their full selves to work.
- **Thrive** – Our Thrive network group supports the health and wellbeing of all employees to promote high levels of performance both physically and mentally across the Group. Thrive runs a series of events and training programmes throughout the year to raise awareness and to inspire our people to take care of themselves and those around them.
- **Inspire** – Our Inspire network group has been set up to nurture, develop and provide support to all of our talent with a particular focus on career milestones and enabling our people to carve the careers they want successfully.
- **Pride** – The Pride network group provides a welcoming, supportive, safe and confidential space for staff affected by sexual orientation and gender identity issues to share experiences, ideas or concern.
- **Ability** – Ability is our most recent network group set up to provide a focus on, and raise awareness of, disabilities to ensure that we are providing a welcoming, supportive and confidential space for colleagues across the Group to discuss issues of disability and to ensure enhanced awareness is reflected in a positive, inclusive and fulfilling working environment.

Modern slavery

We are committed to preventing acts of modern slavery and human trafficking from occurring within our business and supply chain, and expect our suppliers to adopt the same high standards. As part of our commitment to combating modern slavery, the Directors have approved the adoption and implementation of a specific modern slavery policy. We expect all of our suppliers to adhere to our Anti-Slavery Policy and will not tolerate slavery and human trafficking within our supply chains.

Our slavery and human trafficking statement, made in accordance with section 54(1) of the Modern Slavery Act 2015 can be found on our website, www.gateleyplc.com.

Anti-bribery policy

We value our reputation for ethical behaviour and upholding the utmost integrity and we comply with the FCA's clients' best interests rule. We recognise that in addition to the criminality of bribery and corruption, any such crime would also have an adverse effect on our reputation and integrity and we do not tolerate bribery and corruption in our business. We limit our exposure to bribery and corruption, we ensure all our employees are adequately trained and our suppliers are aware of our position, by:

- Setting out clear anti-bribery and corruption policies;
- Providing mandatory training to all employees;
- Encouraging our employees to be vigilant and report any suspected cases of bribery in accordance with the specified procedures; and
- Escalating and investigating instances of suspected bribery and assisting the police or other appropriate authorities in their investigations.

Gender pay reporting

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 requires all employers with 250 or more employees in the UK to publish details of their gender pay gap. Its aim is to achieve greater transparency about gender pay difference. The analysis is based on data as at 5 April of each year and shows the differences in the average pay between men and women. The Group has submitted its data on gender pay to the government and published these details on our website.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that appropriate training is arranged and support provided. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed regularly on matters directly affecting them and Group wide developments. This is achieved through informal discussions between management and other employees at a local level after board meetings which are held across our office network, in annual briefing presentations to each office location and through the formation of committees and boards at different levels across the Group together with an active social events calendar. The Group further encourages employee involvement in the performance of the business through participation in share schemes, including the SAYE and CSOPs schemes. Our internal digital communication platform, is a hub of activity and communication across the Group and used extensively for social interaction as well as internal training, policy updates, cross selling activity and recognition of recent successes from around the Group.

Political donations

The Group made no political donations in the year (2023: £nil).

Approval

The strategic report contains certain forward-looking statements, which are made by the Directors in good faith based on the information available to them at the time of their approval of this annual report. Statements contained within the strategic report should be treated with some caution due to the inherent uncertainties (including but not limited to those arising from economic, regulatory and business risk factors) underlying any such forward-looking statements. The strategic report has been prepared by Gateley (Holdings) Plc to provide information to its shareholders and should not be relied upon for any other purpose.

Pages 24 to 57 constitute the strategic report, which has been approved by the Board of Directors and signed on its behalf by:

Neil Smith
Chief Financial Officer

15 July 2024

Corporate governance

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Board of Directors

Details of the directors, their roles and backgrounds are as follows:

Nigel Payne
Non-Executive Chairman

aged 64

Nigel has extensive experience of listing companies, fund raising on the public markets and acting as either Chairman or Non-Executive Director of public and private companies. In addition to his Gateley responsibilities as Chairman, Nigel is also the Non-Executive Chairman of Green Man Gaming (Holdings) plc and Main Market listed Braemar Plc, and Non-Executive Director of JSE listed Sun International Limited, AIM listed GetBusy plc and Kwalee Limited.

Previously Nigel was the CEO of Sportingbet Plc, one of the world's largest internet gaming companies. Nigel has also previously been the Non-Executive Director of Ascot Racecourse Betting and Gaming Limited, Non-Executive Chairman of AIM-quoted EG Solutions Plc, the Non-Executive Chairman of AIM-quoted Stride Gaming Plc, the Non- Executive Chairman of AIM-quoted Hangar8 Plc, the Non-Executive Chairman of AIM-quoted ECSC Plc and a Non-Executive Director of AIM-quoted Gama Aviation Plc.

Committees & Boards:
N R A H

Rod Waldie
Chief Executive Officer

aged 56

Rod was appointed to the position of Chief Executive Officer on 1 May 2020. He has been a key member of the Group's Strategic Board since joining the business via the acquisition of the Manchester office of Halliwells LLP in 2010. Prior to his appointment as CEO, Rod was the Senior Office Partner of the Manchester office and led the Group's national property services team. He has been involved in the successful integration of a number of Gateley's post IPO acquisitions.

Rod has over 25 years' experience as a real estate lawyer. He has considerable experience in real estate investment acquisitions, and disposals, estate management, development and landlord and tenant. Clients include off-shore investors, on-shore real estate companies and developers, real estate asset management companies, high net-worth individuals, retail and leisure operators and specialist providers of supported living accommodation.

Committees & Boards:
N H S

Victoria Garrad
Chief Operating Officer

aged 50

Victoria was appointed to the Board as COO elect on 1 May 2022 and formally took up post as COO on 1 May 2023. She is an award winning employment lawyer with over 25 years' experience undertaking a mix of contentious and non-contentious work. Having joined the business in 1996 as a trainee solicitor, Victoria was promoted to partner in the legal services employment team in 2005. She has been a member of the Operations Board since 2011 and was appointed to the Strategic Board on 1 May 2017 to undertake the Group HRD role.

Committees & Boards:
H S O

Neil Smith
Chief Financial Officer and Company Secretary

aged 48

Neil has 30 years' experience working in the accountancy profession where he specialised in the professional services industry. Initially Neil spent 14 years at a major accounting practice where he gained considerable experience of auditing and advising a wide range of privately owned and publicly listed businesses across many sectors. He joined Gateley LLP in 2008, was appointed as Finance Director in 2011 and became the first non-lawyer to be appointed as Partner within Gateley LLP following its successful application to become an Alternative Business Structure in January 2014. Neil was a member of the Management team on Gateley LLP's acquisition of the commercial law business from Halliwells LLP in 2010 and, following his involvement in Gateley (Holdings) Plc's admission to AIM, was appointed to the Plc Board in 2015. As well as Company Secretary for the Gateley Group he is also the Group's compliance officer for finance and administration ("COFA") and a fellow of the Association of Certified Chartered Accountants.

Committees & Boards:
H S O

Joanne Lake
Non-Executive Director

aged 60

Joanne has over 30 years' experience in financial and professional services; in investment banking with firms including Panmure Gordon, Evolution Securities and Williams de Broe and in audit and business advisory services with Price Waterhouse. Joanne is Non-Executive Chairman of AIM-quoted digital services group, Made Tech Group Plc, Senior Independent Director of Main Market-listed land promotion, property development and construction group, Henry Boot Plc. Joanne is also Non-Executive Director of Main Market quoted Braemar Plc and Pollen Street Plc. Joanne is a Fellow of the Chartered Institute for Securities & Investment and of the ICAEW, and is a member of the ICAEW's corporate finance faculty.

Committees & Boards:
N A R H

Colin Jones
Non-Executive Director (appointed 6 September 2023)

aged 64

Colin joined the Board on 6 September 2023 and is now our Remuneration Committee Chair. He is currently Non-Executive Chair of Centaur Media Plc, the market intelligence company, having joined in 2018 as a Non-Executive Director. He is also Non-Executive Director and Audit Committee Chair of M&C Saatchi Plc, the AIM-quoted marketing solutions company; a Non-Executive Director of Datatec Limited, an international information and communications technology company; and a Non-Executive Director of The City Literary Institute, London's leading adult education college. Colin previously spent over 20 years as CFO of Euromoney Institutional Investor Plc, the FTSE 250-listed media company, until he retired in 2018. Colin began his career at Price Waterhouse where he qualified as a chartered accountant.

Committees & Boards:
A R H

Board changes

On 22 August 2024 Edward Knapp was appointed as Independent Non-Executive Director and Chair Designate. Edward becomes a Non-Executive Director with immediate effect and will become Chairman when Nigel Payne steps down from the board on 1 November 2024.

Edward is a global business leader with extensive experience in growth strategy design and delivery, technology, risk management and transformation with a particular focus on professional and financial services. He has held executive and senior leadership roles in consultancy and professional services, high-growth technology companies and major financial institutions worldwide, including McKinsey & Company, Barclays, HSBC, Revolut and M&G, where he has most recently brought a particular focus on advisory, wealth management and talent. As a member of the UK Endorsement Board he is accountable for influencing, endorsing and adopting standards for audit, accounting and professional services spanning UK PLCs. He currently serves as a Non-Executive Director of F&C Investment Trust plc and has extensive international private-equity backed and plc board and advisory experience, including Chairman of the Audit and Risk Committee and Non-Executive Director of AIM company Ten Lifestyle Group plc and formerly as a Non-Executive Director of Mattioli Woods plc.

On appointment, Edward will become a member of the Remuneration, Audit and Risk and Nomination Committees. From 1 November 2024, he will take over the role of Chairman of the Board, and Chairman of the Nomination Committee.

Committee Key: N Nomination R Remuneration A Audit & Risk ◯ Chair **Board Key:** H Gateley (Plc) Holdings S Strategic O Operations

Report on remuneration:
voluntary disclosure

Dear shareholders,

I am pleased to present the Directors' Remuneration Report for the financial year ended 30 April 2024, my first as Remuneration Committee chair. This letter introduces the report, outlines the major decisions on Directors' remuneration taken during the year and, importantly, explains the context in which these decisions have been taken.

Colin Jones
Remuneration Committee Chair

Gateley (Holdings) Plc is committed to high standards of corporate governance and our policy and disclosures on Directors' remuneration are intended to reflect this approach. We welcome shareholder feedback on these matters and this Directors' Remuneration Report will be put to an advisory vote at the forthcoming 2024 AGM.

Key reward principles

Remuneration at Gateley for executives and the wider workforce is guided by the following principles:

- Underpin an effective pay-for-performance culture which enables the Group to attract, retain and motivate the very best talent, without paying excessively.
- Support the delivery of the business strategy and promote long-term sustainable performance, whilst ensuring that performance related pay does not encourage individuals to operate outside of the Group's risk appetite.
- Provide reward outcomes that fairly reflect Group and personal performance and take into account the returns to shareholders.

Bonus outcome for FY24

The Group continued to perform well throughout FY24 against the backdrop of challenging trading conditions for professional service firms. The Group's resilient business model delivered growth in revenue in line with consensus market expectations.

The continued hard work, dedication and loyalty from employees during the year has been paramount to the Group's performance. For FY23 we made the difficult decision to make no bonus awards across both the Executive Directors and wider workforce. Given staff retention and incentivisation are so important in a business such as ours, we considered the position for FY24 and determined it was appropriate to award bonuses to reflect the contribution made by our people to delivering a strong underlying trading performance. This included awarding bonuses under the merit pool, in which the Executive Directors participate. The amounts paid to the Executive Directors are set out on page 66. Total bonuses across the business for FY24 were £4.5m and the board regarded this as an appropriate allocation of resources and in our shareholders' best interests for the long-term.

Share plans

During FY24, the Group continued to focus on the growth, attraction, incentivisation and retention of talent. We remain committed to providing our people with the opportunity to own shares in the Company believing that employee share ownership secures a strong alignment with the Group's shareholders, incentivises and retains employees and is reflective of our long-established culture.

Our senior talent comprises partners in our legal business together with equivalent roles in our consultancy businesses and business support teams. For the purposes of this report, such cohort are referred to as "Leaders."

In September 2023 conditional options granted in 2020 pursuant to the Group's Long Term Incentive Plan (LTIP) matured. The options were conditional upon the achievement of EPS related performance conditions and continuous employment. Measured against the performance conditions, 68% of the total awards were capable of being exercised by participants, and 77 Leaders including two Executive Directors (Neil Smith and Victoria Garrad) received shares pursuant to the LTIP. The number of shares received by the Executive Directors are set out on page 68.

As part of our focus on incentivisation and retention of senior talent, the Group's Restricted Share Award Plan ("RSA Plan"), introduced in FY22, was utilised to reward certain Leaders as well as those employees who were promoted to leadership roles during FY24. Awards of Restricted Shares were made to 12 Leaders during FY24, with the average award being 65,844 shares. Our rationale at IPO in 2015 included the ability for us to adopt a structure that enables us to incentivise our people in a different way to the competing Limited Liability Partnership model. The RSA Plan represents further progression of our incentivisation strategy and is now the preferred share option scheme for all Leaders across the Group including the Executive Directors. We do not envisage making any further LTIP awards.

The intention is to utilise the RSA Plan annually as a flexible element of overall reward to selected Leaders including the Executive Directors. In April 2024, the Company supported the Group's Employee Benefit Trust ("EBT") to purchase 1,864,622 shares at £1.26, predominately from staff who were partners at IPO. Those shares are warehoused by the EBT and will be awarded in FY25 through the RSA Plan to approximately 90 Leaders, who did not participate in the IPO or who did not receive a material number of shares at IPO (including Executive Directors). This is a progressive step to facilitate re-circulation of internally held shares from former equity partners who participated in the IPO to those Leaders who now form part of our senior talent pool and who merit a long-term share ownership award. This non-dilutive recirculation mechanism is a key differentiator for the Group in attracting and retaining quality senior talent who are incentivised and aligned with creating long term value for the Group and its stakeholders.

On a more general basis, the board remains committed to providing all of its people with the opportunity to own shares in the Company and continues to grant awards under the Save As You Earn scheme. At least 70% of current staff are existing share or option holders in the Company.

Executive Director remuneration

As referenced in previous reports, the Committee has been gradually aligning the remuneration for the Group's Executive Directors to market rates. In last year's Remuneration Report, the Committee acknowledged that the remuneration for the Executive Directors remained broadly below the market rate for similar roles in similar sized AIM listed businesses, but following careful reflection, the Committee considered that FY24 was not the time to implement any material increases, as a result of the geo-political and macro-economic factors. The Committee did, however, commit to continue to focus on Executive Director remuneration to ensure that it is aligned with market rates and supports our core reward principles in order to retain the right skill set and experience within our leadership team to deliver the Group's strategic objectives.

To deliver on this commitment, the Committee engaged FIT Remuneration Consultants LLP ("FIT") to provide external remuneration advice. FIT is a founder member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure that objective and independent advice is given to remuneration committees. The Remuneration Committee is satisfied that the advice received was objective and independent.

During FY24, FIT completed an independent benchmarking of the Group's Executive Directors' remuneration. Following careful consideration of this exercise, the Committee determined that the salaries and benefits for the Executive Directors were below market benchmarks, and accordingly these have been increased with effect from 1 May 2024 to the amounts set out on page 66. This was the first formal benchmarking exercise that has been undertaken and the Committee regards the increased levels of remuneration as appropriate and not above that seen in comparable companies.

I hope that you find the remainder of this report helpful and informative and I look forward to receiving feedback from you on the information presented.

Colin Jones
Remuneration Committee Chair

Report on remuneration: voluntary disclosure continued

This report is for the year ended 30 April 2024. It sets out the detailed remuneration for the Executive and Non-Executive Directors of the Company. As an AIM-quoted company, the information is disclosed to fulfil the requirements of AIM Rule 19.

Gateley (Holdings) Plc is not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, however the board believes this disclosure is key to the reader's understanding of the business. The information is unaudited except where stated.

This report sets out:

- a description of how the Remuneration Committee operates;
- a summary of the Directors' remuneration policy – setting out the parameters within which the remuneration arrangements for Directors operate; and
- details of the remuneration paid to the Directors for FY24 and expected to be paid for FY25.

The Committee

The Committee is appointed by the board and is formed entirely of Non-Executive Directors. The Committee was chaired by Suzanne (Suki) Thompson until she resigned from the board with immediate effect due to ill- health on 27 June 2023. Joanne Lake chaired the Committee until 6 September 2023 when Colin Jones was appointed to the board and commenced his role as Chair of the Committee. Joanne Lake remained on the Committee and the other member is Nigel Payne.

The Committee meets formally at least twice a year and has responsibility for setting the Group's general policy on remuneration and also specific packages for individual Directors including those that comprise the Strategic Board. The Committee receives internal advice from Executive Directors and external advice from remuneration consultants where necessary. The Committee also makes recommendations to the board concerning the allocation of long-term incentive awards to Leaders. The Committee's terms of reference are available for public inspection on request.

The Executive Directors are invited to attend meetings when appropriate, but no Director is present when his or her remuneration is discussed.

The remuneration of the Non-Executive Directors is determined by the board in consultation with the Executive Directors.

Activities during the year

The main activities undertaken by the Committee during the year included: -

- Determining incentive outcomes for the Executive Directors for FY24;
- Setting salary increases and benefit provision for the Executive Directors for FY25 following the independent market benchmarking exercise;
- Further embedding and evolving the strategy for use of the RSA Plan including granting awards under the RSA Plan to senior talent to support long-term share ownership for this cohort;
- Approving the vesting in FY24 of awards granted under the LTIP in 2020.

Remuneration policy

The remuneration policy is designed to support an effective pay-for-performance culture which enables the Group to attract, retain and motivate Executive Directors and Leaders with the necessary experience and expertise to deliver the Group's objectives and strategy.

The table below summarises the key elements of the Executive Directors' remuneration.

Element, purpose and operation	Opportunity and performance measures
Base salary	
Reviewed on an annual basis with any increases normally becoming effective from the start of the financial year.	Appropriate salary increases will be awarded to provide alignment with the market so that levels reflect the responsibilities of the role and the skills and experience of the individual.
Bonus	
Designed to align participants' interests with shareholders and to incentivise participants to perform at the highest levels. The bonus comprises a merit pool and a performance pool and is paid in cash after the end of the year. All Executive Directors participate in the merit pool. Neil Smith and Victoria Garrad also participate in the performance pool.	**Merit pool** Each year, a pre-agreed percentage of pre-tax profits is allocated to the merit pool, subject to a minimum threshold of profit to ensure the bonus is self-funding. The merit pool is distributed to participants based on their individual performance during the year as determined by appropriate financial and non-financial criteria. **Performance pool** A fixed sum is allocated to the performance pool based on the Group achieving budgeted performance. To the extent that budgeted performance is not achieved, the size of the pool is scaled back. The pool is capped at a pre-determined amount at the start of each year. The pool is distributed to participants based on their role, responsibility and contribution to the long-term business strategy.
Restricted Share Award (RSA Plan)	
Designed to incentivise participants to perform at the highest levels and to retain senior talent within the Group with direct alignment with shareholder interests. Executive Directors and selected Leaders may participate in the RSA Plan as determined by the Strategic Board and approved by the Remuneration Committee. Awards are granted in the form of nil-cost options which vest on receipt. Awards are subject to a five year non-dealing restriction ("Restricted Period") and are forfeited should the employment of the participant be terminated or should notice of termination be served in the Restricted Period (whether such notice is served by the Company or the employee).	The award of restricted shares to a participant pursuant to the RSA Plan is performance related having regard to the participant's individual performance and contribution to the Group. The number of awards made under the RSA Plan is set after taking into account the current and expected dilution from all share schemes. The Company applies a guideline for dilution from all share plans which is 15% of issued share capital from time to time and which (as is normal) counts in all awards made by the Company (and which have not lapsed) under all of its share plans in the prior 10 years. The Company regards this guideline as appropriate for a people-focused business on the AIM market which has been listed for almost 10 years and the Company intends to continue operating its share plans using a mix of dilutive shares within this guideline and shares purchased on the market when it is appropriate to do so.
Pension and benefits	
	The Executive Directors do not participate in a company funded pension scheme (other than at a qualifying earnings level of employer contribution) nor do they receive a cash allowance in lieu of employer pension contributions. Until FY24, the Executive Directors did not receive Company funded benefits. From FY25, as a result of the independent benchmarking exercise, the Company has agreed to fund the provision of private medical insurance, income protection insurance and critical illness insurance for Executive Directors and Leaders.

Report on remuneration: voluntary disclosure continued

Policy for the remuneration of employees more generally

The key principles of the remuneration policy for Executive Directors also apply to employees more generally. In particular, Leaders may participate in the merit bonus pool, performance bonus pool and RSA Plan depending on their role and responsibilities and contribution to the business.

The Company also supports and encourages share ownership for all employees through the all-employee Save As You Earn (SAYE) scheme. In owning shares, employees are directly aligned with the interests of shareholders and are able to participate in the dividend income that share ownership provides. 45% of the Group's issued share capital was held by employees as at 30 April 2024.

Non-Executive Directors' fees

The Non-Executive Directors receive an annual fee for their services, reflective of their level of responsibility, relevant experience and specialist knowledge. Non-Executive Directors are also reimbursed for appropriate travel expenses to and from board meetings.

Together with the Executive, the Committee also examines the time that the Non-Executive Directors commit to the business ensuring that each Non-Executive Director has sufficient time to carry out their duties in light of their other business commitments. This exercise concluded that all of the Non-Executive Directors have available and apply sufficient time to discharge their duties.

Executive Directors' service agreements and Non-Executive Directors' letters of appointment

The Executive Directors entered into service agreements on 1 June 2015. The service agreements provide that their employment with the Company is on a rolling basis, subject to written notice being served by either party of not less than six months. The service agreements contain provisions for early termination in the event of a breach of a material term of the service agreement by the Executive Director or where the Executive Director ceases to be a Director of the Company for any reason. The service agreements also contain restrictive covenants for a period of 12 months following termination of employment. No bonus is payable to the Executive Director if their employment terminates for any reason, or they are under notice of termination (whether given by the Company or the Executive Director) at or prior to the date when the bonus is paid. All bonuses are payable within six months of the financial year end.

The Non-Executive Directors serve under letters of appointment. The notice period required in the letters of appointment for either party to terminate the appointment is at least three months. Each agreement also contains provisions for early termination in the event of a serious or repeated breach of the agreement by the Non-Executive Director or where the Non-Executive Director ceases to be a Director of the Company for any reason.

Nigel Payne and Joanne Lake were originally appointed for an initial three year term on 8 June 2015 and both were reappointed for a third three year term which commenced on 1 October 2021. Suzanne Thompson resigned from the board with immediate effect on 27 June 2023 due to ill-health and Colin Jones was appointed as a Non-Executive Director on 6 September 2023.

Summary of Directors' remuneration for the year

The following table represents the Directors' remuneration for the years ended 30 April 2024 and 30 April 2023:

	Salaries and fees £'000	Bonus £'000	Share options £'000	Total 2024 £'000	Salaries and fees £'000	Bonus £'000	Share options £'000	Total 2023 £'000
Nigel Payne	76	-	-	76	72	-	-	72
Joanne Lake	50	-	-	50	48	-	-	48
Suzanne Thompson[1]	21*	-	-	-	48	-	-	48
Colin Jones[2]	34*	-		-	-	-	-	-
David Wilton[4]	15*	-		-	-	-	-	-
Roderick Waldie	339	83	-	422	323	-	-	323
Neil Smith	252	83	17	352	225	-	-	225
Victoria Garrad	252	83	17	352	240	-	-	240
Michael Ward[3]	70*	-	-	70	152	-	-	152
	1,109	249	34	1,392	1,108	-	-	1,108

1. Suzanne Thompson resigned from the board with immediate effect on 27 June 2023 due to ill-health.
2. Colin Jones was appointed as a Non-Executive Director with effect from 6 September 2023.
3. Michael Ward resigned from the Board with effect from 27 October 2023.
4. David Wilton was appointed as a Non-Executive Director and Chairman designate with effect from 1 February 2024. The board and David Wilton mutually agreed not to continue with his appointment and he stood down from the board on 14 May 2024.

* Amounts pro-rated

Salary and fee increases for FY24

Details of FY24 salary and fee increases are set out in the FY23 report on remuneration.

Salary and fee increases for FY25

As referenced earlier in this report, having engaged independent remuneration consultants (FIT Remuneration LLP) to externally benchmark Executive Director remuneration, the Committee agreed to increase Rod Waldie's salary from £338,000 to £380,000 and Neil Smith's and Victoria Garrad's salaries from £252,000 to £300,000 respectively with effect from 1 May 2024, The Committee is satisfied that these salary levels for FY25 are appropriate and that even with these changes our Executive Directors' salaries remain at lower end of market-suggested levels.

It should be noted that although the market benchmarking data was used to inform the Committee's deliberations, it only formed one part of a much broader consideration when determining the appropriate salary levels. We are aware that salary increases of this nature can sometimes be phased across a number of financial years. However, this was not considered appropriate in this case as the salaries for these business-critical roles have been relatively low since IPO and at FY24 levels had become inconsistent with our stated remuneration principles where we aim to attract, retain and motivate the very best talent, without paying excessively.

Also as a result of the external benchmarking exercise, the Committee determined to change the Company's policy with regards to the provision of insurance benefits for its most senior Leaders in the Group. With effect from 1 May 2024, the Company will fund the provision of private medical insurance, income protection insurance and critical illness insurance rather than requiring individuals to fund such benefits via deductions from salary. Senior Leaders are categorised as those partners (or partner equivalents) eligible to participate in the merit pool bonus scheme (which includes the Executive Directors) and senior lateral hire partners who have joined the Group since IPO. The uplift in the provision of insurance benefits for the Executive Directors was taken into account when the Committee determined the level of increase in salary for the Executive Directors. Changing the policy with regards to the provision of benefits provides a retention element to the remuneration packages for all Leaders for modest additional cost to the business and further differentiates the position of Leaders from that of a partner in a traditionally structured professional services business.

With regard to the Non-Executive Directors, Nigel Payne's annual fee as chair increased to £100,000 (FY24: £75,000) with effect from 1 May 2024, bringing it in line with the market rate expected to be paid to the incoming chair once appointed. This positioning (consistent with that for the Executive Directors' FY25 salaries) is at the lower end of market-suggested levels for Chair fees. The annual fee for other Non-Executive Directors was also increased for FY25 to £55,000 (FY24: £50,000) to reflect the time commitment required in order for the Non-Executive Directors to effectively carry out their duties.

Bonus outcome for FY24

The Group continued to perform well throughout FY24 despite challenging trading conditions and delivered growth in revenue and a strong underlying trading performance. This was due to the continued hard work, dedication and loyalty from employees. The Committee therefore considered it appropriate to award bonuses to employees in respect of FY24. This included awarding bonuses under the merit pool, in which the Executive Directors participate. No bonuses were awarded under the performance pool.

Long-term incentives granted during the year

No awards were granted pursuant to the LTIP in FY24 and the RSA Plan has replaced the LTIP as the share incentive scheme for Leaders including the Executive Directors.

No shares were awarded to the Executive Directors under the RSA Plan during FY24. The Committee intend to award Neil Smith and Victoria Garrad shares under the RSA Plan in July 2024 at what it believes is a modest level compared to share awards in comparator companies for Executive Directors, and the Committee is satisfied that the total remuneration opportunities combining fixed salary, bonus and long-term share-based pay continue to reflect a cautious and cost sensitive perspective for the Executive Directors which has applied since IPO and served the business well to date.

Rod Waldie will continue to not participate in the share incentive scheme for FY25 as he is deemed to be sufficiently incentivised by his existing shareholding.

Long term incentives vested during the year

In September 2023 conditional options granted in 2020 pursuant to the Group's LTIP matured. 68% of the total awards were capable of being exercised by participants, including Neil Smith and Victoria Garrad who each received 10,682 shares against the initial grant of 15,974 options.

Report on remuneration: voluntary disclosure continued

Directors' Interests

Directors' shareholdings at the year end were as follows:

	At 30 April 2024		At 30 April 2023	
	10p ordinary shares		10p ordinary shares	
	Number of shares	Percentage Holding	Number of shares	Percentage Holding
Nigel Payne	**70,918**	**0.05%**	70,942	0.06%
Joanne Lake	**26,300**	**0.02%**	26,300	0.02%
Suzanne Thompson	**-**	**-**	12,272	0.01%
Colin Jones	**-**	**-**		
Roderick Waldie	**1,235,670**	**0.93%**	1,275,670	1.01%
Michael Ward[1]	**-**	**-**	1,990,000	1.57%
Victoria Garrad	**535,235**	**0.40%**	569,478	0.45%
Neil Smith	**333,399**	**0.24%**	362,537	0.29%

1. Michael Ward resigned from the board with effect from 27 October 2023.

The following Directors held share options under the LTIP Scheme as at 30 April 2024:

	Number of shares at 30 April 2024	Date of grant	Exercise price	Earliest exercise date
Neil Smith	25,000	27 April 2022	£nil	1 May 2025
Neil Smith	40,000	23 February 2023	£nil	1 May 2026
Victoria Garrad	25,000	27 April 2022	£nil	1 May 2025
Victoria Garrad	40,000	23 February 2023	£nil	1 May 2026

Orderly market agreement

The Group operates a five-year orderly market agreement (the "Agreement") with its Partners (the "Locked-in Shareholders") which, *inter alia*, places certain restrictions on the sale of ordinary shares in the Company ("Ordinary Shares"). The Executive Directors are Locked-in Shareholders in respect of the share interests detailed above.

The Agreement became effective on 8 June 2020 following the expiry of the previous lock-in arrangements, which were put in place at the time of the Company's admission to AIM in June 2015 (the "Admission").

Pursuant to the Agreement, each Locked-in Shareholder and his/her associates, which include their spouse and children under the age of 18 to whom any Ordinary Shares have been transferred ("Associates"), that held Ordinary Shares as at Admission are restricted to selling a maximum of 10% per annum of the aggregate number of the Ordinary Shares that they held on Admission for a period of five years from 8 June 2020.

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 30 April 2024.

Principal activities

The principal activities of the Gateley Group during the year were the provision of commercial legal services together with complementary consultancy services including acting as independent trustees to pension schemes, the provision of specialist tax incentive advice, the supply of specialist property consultancy services and the supply of specialist human capital management.

Business review

The results of Gateley (Holdings) Plc for the year are set out in the consolidated statement of profit and loss and other comprehensive income on page 82.

A review of the business, results and dividends, and likely future developments of the company are contained in the Chief Executive Officer's review on pages 28 to 32 and the Chief Financial Officer's review on pages 34 to 39. The Group's key performance indicators (KPIs) are set out on pages 41 and 42. The strategic report, which includes a description of the principal risks and uncertainties facing the Group, is set out on pages 24 to 57.

Employee share trust

The Gateley Employee Benefit Trust (EBT) was established to facilitate the issue of the equity shares of Gateley (Holdings) Plc to Group employees under share based payment arrangements.

During the year ended 30 April 2024 the EBT purchased 2,948,417 shares with a nominal value of 10p in the company (2023: 281,702) at a cost of £3,338,986 (2023: £435,791).

Dividends

The Directors propose to recommend a final dividend of 6.2p (2023: 6.2p) per share, be paid, giving a total dividend for the year of 9.5p (2023: 9.5p). The final dividend has not been included within creditors as it was not approved before the year end.

The Directors and their interests in the shares of the parent company

	10p ordinary shares		10p ordinary shares	
	Number of shares 2024	Percentage Holding 2024	Number of shares 2023	Percentage Holding 2023
Nigel Terrence Payne	**70,918**	**0.05%**	70,942	0.06%
Joanne Carolyn Lake	**26,300**	**0.02%**	26,300	0.02%
Colin Robert Jones	**-**	**-**	-	-
Roderick Richard Waldie	**1,235,670**	**0.93%**	1,275,670	1.01%
Victoria Louise Garrad	**535,235**	**0.40%**	569,478	0.45%
Neil Andrew Smith	**333,399**	**0.24%**	362,537	0.29%

Substantial shareholdings

The Company was notified that the following held interest of 3% or more of the issued share capital of the Company as at 30 April 2024:

Name	Number of ordinary shares	% of issued share capital
Liontrust Asset Management	**13,862,113**	10.42%
Octopus Investments	**11,430,163**	8.59%
Columbia Threadneedle Investments	**7,734,910**	5.81%

Directors' report
continued

Financial risk management objectives and policies

The Group uses various financial instruments including cash, trade debtors and trade creditors. It is the Group's policy not to enter into complex financial instruments. Such instruments give rise to liquidity risk, interest rate risk, credit risk and foreign exchange risk. More detail on financial instruments is given in note 27 to the financial statements.

Directors' professional indemnity insurance

All Directors and Officers of the Company have the benefit of the indemnity provision contained in the Company's Articles of Association. The provision, which is a qualifying third party indemnity provision, was in force throughout the last two financial years and is currently still in force. The Group also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors and Officers, although no cover exists in the event Directors or Officers are found to have acted fraudulently or dishonestly.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Employees

Details of how the Group's policy and approaches to employee engagement, diversity and inclusion and disabled employees can be found in the strategic report.

Engaging with stakeholders

The Directors have identified the key stakeholders of the business, and documented their engagement with these groups throughout the year along with how they have been considered in the making of key decisions within the year.

The Group conducts regular client surveys to better understand and improve the clients' experience and service received.

We seek to build strong, long term relationships with our suppliers working alongside them as business partners for the benefit of all.

The Group works closely with its advisors to ensure it operates in accordance with the market regulations.

The CEO and CFO, have regular meetings with the Group's Relationship Manager at the Solicitors Regulatory Authority (SRA), the organisation that oversees the regulation of the legal services sector.

Streamlined Energy & Carbon Reporting

Under The Companies Act 2006 (Strategic Report and Director's Report) Regulation 2018, Gateley (Holdings) Plc have disclosed their annual UK energy consumption within the Strategic Report.

Corporate Governance Statement

Since September 2018 all AIM companies have been required to set out details of a recognised corporate governance code that the Board of Directors has chosen to apply, how they comply with that code, and where it departs from its chosen corporate governance code an explanation for doing so.

The board adopted the Quoted Companies Alliance ('QCA') Code. The Group's application of this code is detailed in the Corporate Governance Statement as detailed on the Group's website at www.gateleyplc.com/investors/investor-relations/aim-rule-26/. As required under AIM Rule 26, the information in this statement is updated annually.

Future developments

The board plans to continue to drive growth within the existing business and through acquisitions within both the legal and non-legal sectors, supporting this with further investment in technology and recruitment of quality personnel.

Auditor

In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of MHA as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

R. R. Waldie

Rod Waldie
Chief Executive Officer

15 July 2024

One Eleven Edmund Street
Birmingham
West Midlands
B3 2HJ

Financial statements

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Independent auditor's report
to the members of Gateley (Holdings) plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Gateley (Holdings) plc. For the purposes of the table on pages 76 and 77 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Gateley (Holdings) plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Gateley (Holdings) plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Gateley (Holdings) plc for the year ended 30 April 2024.

The financial statements that we have audited comprise:

- the consolidated statement of profit and loss and other comprehensive income
- the consolidated statement of financial position
- the consolidated statement of changes in equity
- the consolidated cash flow statement
- Notes 1 to 32 to the consolidated financial statements, including significant accounting policies
- the parent company statement of financial position
- the parent company statement of changes in equity
- The parent company cash flow statement and
- Notes 1 to 14 to the Company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company's financial statements is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model.
- The evaluation of how those risks might impact on the available financial resources.
- An examination of budgets and forecasts and their basis of preparation, including an assessment of inputs and assumptions and respective challenge in assessing the budgets and forecasts.
- Liquidity considerations including examination of cash flow projections at Group and Parent Company level.
- Consideration of the funding facilities available to the Group and the market attitude to lending in the legal

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Materiality	2024	2023	
Group	£1,146k	£810k	5% (2023: 5% profit before tax) of underlying profit before tax and exceptional items
Parent Company	£630k	£405k	1% (2023: 1%) of net assets

Key audit matters

Group (recurring)	• Revenue recognition - cut off of billed revenue • Accrued income – existence and valuation* ** *This key audit matter did not include the assertion of existence in the prior year. **This key audit mater included the assertion of cut-off in the prior year.

Independent auditor's report continued

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How the scope of our audit responded to the key audit matter	Key observations communicated to the Group's Audit Committee
Revenue recognition – cut off of billed revenue (note 4)		
Revenue (in respect of client matters) is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. Bills raised in the year may be fictitious/ erroneous or raised before time has been worked by the fee earners and the business may therefore not be entitled to the income. Bills may also be raised when accrued income should be written off as irrecoverable. Revenue is one of the material balances in the financial statements and is of particular interest to potential and existing investors which is why its recognition has been classified as a key audit matter.	We reviewed a sample of sales invoices issued post year end to ensure that any services had been provided pre year end had been recognised in accrued income. The evidence of services being provided included, but was not limited to, time records maintained by fee earners and client contracts. Pre year end cut off testing was tested within our revenue existence and receivables existence tests, where a sample of invoices were tested to ensure they were recognised in the correct period, and that the entity was entitled to the revenue. We reviewed post year end time sheets to identify if accrued revenue is complete which fed into our revenue testing.	Nothing has come to our attention indicating that there is a material misstatement in the cut-off of billed revenue.
Accrued income – existence and valuation (note 19)		
Accrued income arises where work has been performed on a matter, but an invoice has not been raised pre year end. There is judgement in the calculation of accrued income in terms of the recoverability of the time recorded and whether the accrued income relates to a live matter. Contingent accrued income may not be included in the year-end accrued income valuation, even though the contingent event has not occurred and therefore should be recognised as accrued income. Revenue and accrued income are two of the most material figures in the financial statements and would be of particular interest to potential and existing investors which is why they have been classified as a KAM. Accrued income and contract assets are synonymous.	We evaluated the Group's accounting policies for recognition of accrued revenue for appropriateness in accordance with requirements of the financial reporting framework, including IFRS 15 'Revenue from Contracts with Customers', and checked this has been appropriately applied. We reviewed, on a sample basis, client engagement terms to ensure client matters are classified correctly between contingent and noncontingent and also to support the existence of accrued revenue recognised in the period. Where engagement letters were not available, we obtained sufficient audit evidence such as email correspondence. We evaluated management's assessment in accordance with the requirements of IFRS 15, that it is not probable that client matters classified as contingent at the year-end, and valued at nil, will result in revenue being incorrectly recognised. As part of the audit procedures, we agreed a sample of contingent matters to post year-end billing. For accrued income recognised in the year, we tested on a sample basis that entitlement to revenue had been obtained through proof of service being delivered and that time had been recorded pre year-end confirming that the matter is live to prove existence of revenue. We performed controls testing by reviewing management internally designed and developed application tool, which requires fee earners to visit all matters live at the year-end. As part of this exercise, fee earners are required to adjust the accrued income figure to what they deem appropriate at the year-end and are also required to ensure that all matters are correctly classified between contingent and non-contingent. Following the extraction of data from the application tool, management performs a top-up assessment identifying any exceptions in matters. We then tested the completeness of data, the reviews of significant write offs and unusual recoveries to test managements approach to reviewing accrued income. We assessed the valuation of the accrued income by review of after date billing and movements on timesheets to ensure the matter is live. We also tested and challenged the expected credit losses (ECL) against accrued income. We also reviewed the accrued income accounts disclosure to identify any material omissions and to ensure the disclosure was materially accurate.	Nothing has come to our attention indicating that there is any material misstatement in the existence or valuation of accrued income.

Independent auditor's report continued

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

	Group	Parent
Overall Materiality	£1,146k (2023: £810k)	£630k (2023: £405k)
• Basis of determining overall materiality	We determined materiality based on 5% underlying profit before tax and exceptional items (2023: 5% profit before tax). We consider underlying profit before tax and exceptional items to be the main measure by which the users of the financial statements assess the financial performance, success and risk exposure of the Group. Therefore, we consider this to be the most appropriate benchmark for Group materiality Following the change in accounting treatment of acquisitions in the prior year (involving a prior period adjustment) we took the opportunity to review the basis of materiality based on the fact that the business remains fundamentally unaltered, but the change of accounting treatment results in lower reported profits. We are also aware that stakeholders are primarily focused on the underlying profits of the group rather than the effects of acquisitions and exceptional items. We therefore considered it appropriate to use underlying profit before tax and exceptional items as the new basis of materiality in the current year.	We determined materiality on the basis of 1% (2023: 1%) of the Parent Company's net assets. Net assets were deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements because the Parent Company is largely a holding company incurring limited costs.
Performance materiality	£802.2k (2023: £567k)	£441k (2023: £283.5k)
• Basis of determining overall performance materiality	We set performance materiality based on 70% (2023: 70%) of overall materiality.	We set performance materiality based on 70% (2023: 70%) of overall materiality.
	Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.	
De minimis	We agreed to report any corrected or uncorrected adjustments exceeding £57.3k (2023: £40.5k) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.	We agreed to report any corrected or uncorrected adjustments exceeding £31.5k (2023: £20.25k) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the Scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of Group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component. In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 23 reporting components of the Group, we identified 22 components in the UK and mainland Europe which represent the principal business units within the Group.

The Group comprises of a Parent Company which does not trade, a main trading subsidiary, and several smaller trading subsidiaries. The Group engagement team carried out audits of the complete financial information of the following significant components of the Group:

- The Parent Company, Gateley (Holdings) plc
- Gateley plc
- Gateley Smithers Purslow Limited

A desktop analytical review was performed on the other components that were not considered to be individually financially significant, and specific targeted procedures performed on material subsidiaries based on an assessment of the risk to the Group audit results.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Net assets/ (liabilities)	Profit before tax
Full scope audit	3	80%	107%	79%
Analytical review and specific targeted procedures	20	20%	(7%)	21%
Total	23	100%	100%	100%

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We placed reliance on controls for the purposes of accrued income testing. Our specific testing has been documented in the key audit matters section.

We deployed our internal IT specialists to obtain an understanding of the general IT environment. They obtained assurance sufficient that the IT system could be relied on in relation to our controls testing and noted a small number of minor management points for the clients attention. Our internal specialists also reviewed the integration of the time recording application with the accounting application, no significant issues were noted in this regard.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks. We then engaged internal specialists to assess, amongst other factors, the benchmarks used by management, the nature of the Group's business activities, its processes and the geographic distribution of its activities. We have agreed with managements' assessment that climate-related risks are not material to these financial statements.

Independent auditor's report continued

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue to meet market expectations and management bias in accounting estimates particularly in determining expected credit losses and provisions against accrued income.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's audit committee meetings.
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Moyser FCA FCCA
(Senior Statutory Auditor)
for and on behalf of MHA,
Statutory Auditor
London, United Kingdom

15 July 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated statement of profit and loss and other comprehensive income
for the year ended 30 April 2024

	Note	2024 £'000	2023 £'000
Revenue	4	**172,492**	162,683
Other operating income	5	**153**	49
Personnel costs, excluding IFRS 2 charge	7	**(108,490)**	(96,765)
Depreciation – Property, plant and equipment	13	**(1,140)**	(936)
Depreciation – Right-of-use asset	13	**(3,949)**	(3,976)
Impairment of trade receivables and contract assets	19/20	**(591)**	(1,334)
Other operating expenses, excluding non-underlying and exceptional items		**(38,219)**	(34,741)
Operating profit before non-underlying and exceptional items	6	**20,256**	24,980
Non-underlying operating items	6	**(7,516)**	(8,858)
Exceptional items	6	**(1,563)**	-
		(9,079)	(8,858)
Operating profit	6	**11,177**	16,122
Financial income	9	**4,999**	1,735
Financial expense	9	**(2,221)**	(1,645)
Profit before tax		**13,955**	16,212
Taxation	10	**(3,881)**	(3,972)
Profit for the year after tax attributable to equity holders of the parent		**10,074**	12,240
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
- Revaluation of other investments		**129**	(26)
- Exchange differences on translation of a foreign branch		**(20)**	(49)
Profit for the financial year and total comprehensive income all attributable to equity holders of the parent		**10,183**	12,165
Statutory Earnings per share			
Basic	11	**7.74p**	9.77p
Diluted	11	**7.63p**	9.52p

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

The accompanying notes on pages 88 to 123 form an integral part of these financial statements.

Consolidated statement of financial position
at 30 April 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Property, plant and equipment	13	**1,583**	1,628
Right of use asset	13	**23,621**	27,098
Investment property	14	**164**	164
Deferred tax asset	23	**373**	830
Intangible assets and goodwill	15	**13,768**	12,929
Other intangible assets	17	**647**	1,090
Other investments	18	**275**	147
Total non-current assets		**40,431**	43,886
Current assets			
Contract assets	19	**23,543**	20,388
Trade and other receivables	20	**82,473**	73,272
Cash and cash equivalents	25	**16,674**	11,105
Total current assets		**122,690**	104,765
Total assets		**163,121**	148,651
Non-current liabilities			
Other interest-bearing loans and borrowings	21	**-**	(6,813)
Lease liability	29	**(24,178)**	(28,716)
Deferred tax liability	23	**(2,968)**	(2,941)
Provisions	24	**(3,725)**	(1,290)
Total non-current liabilities		**(30,871)**	(39,760)
Current liabilities			
Other interest-bearing loans and borrowings	21	**(12,908)**	-
Trade and other payables	22	**(33,112)**	(25,933)
Lease liability	29	**(4,346)**	(3,257)
Provisions	24	**(175)**	(107)
Current tax liabilities		**(1,378)**	(1,482)
Total current liabilities		**(51,919)**	(30,779)
Total liabilities		**(82,790)**	(70,539)
NET ASSETS		**80,331**	78,112

Consolidated statement of financial position continued

	Note	2024 £'000	2023 £'000
EQUITY			
Share capital	26	**13,304**	12,664
Share premium		**35**	11,846
Merger reserve		**(9,950)**	(9,950)
Other reserve		**19,383**	15,413
Treasury reserve		**(4,012)**	(677)
Translation reserve		**(71)**	(51)
Retained earnings		**61,642**	48,867
TOTAL EQUITY		**80,331**	78,112

These financial statements were approved by the directors on 15 July 2024 and were signed and authorised for issue on their behalf by:

Rodrick R Waldie
Chief Executive Officer

Neil A Smith
Chief Financial Officer

Company registered number: 09310078

The accompanying notes on pages 88 to 123 form an integral part of these financial statements.

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserve £'000	Treasury reserve £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total Equity £'000
At 1 May 2022	12,456	11,342	(9,950)	14,465	(261)	47,088	(2)	75,138
Comprehensive income:								
Profit for the year	-	-	-	-	-	12,240	-	12,240
Revaluation of other investments	-	-	-	-	-	(26)	-	(26)
Exchange rate differences	-	-	-	-	-	-	(49)	(49)
Total comprehensive income	-	-	-	-	-	12,214	(49)	12,165
Transactions with owners recognised directly in equity:								
Issue of share capital	208	504	-	948	-	-	-	1,660
Purchase of own shares at nominal value	-	-	-	-	-	(133)	-	(133)
Sale of treasury shares	-	-	-	-	20	-	-	20
Purchase of treasury shares	-	-	-	-	(436)	-	-	(436)
Recognition of tax benefit on gain from equity settled share options	-	-	-	-	-	(398)	-	(398)
Dividend paid	-	-	-	-	-	(11,004)	-	(11,004)
Share based payment transactions	-	-	-	-	-	1,100	-	1,100
Total equity at 30 April 2023	12,664	11,846	(9,950)	15,413	(677)	48,867	(51)	78,112
At 1 May 2023	12,664	11,846	(9,950)	15,413	(677)	48,867	(51)	78,112
Comprehensive income:								
Profit for the year	-	-	-	-	-	10,074	-	10,074
Revaluation of other investments	-	-	-	-	-	129	-	129
Exchange rate differences	-	-	-	-	-	-	(20)	(20)
Total comprehensive income	-	-	-	-	-	10,203	(20)	10,183
Transactions with owners recognised directly in equity:								
Issue of share capital	640	1,919	-	3,970	-	-	-	6,529
Cancellation of share premium account	-	(13,730)	-	-	-	13,730	-	-
Purchase of own shares at nominal value	-	-	-	-	-	(166)	-	(166)
Sale of treasury shares	-	-	-	-	4	-	-	4
Purchase of treasury shares	-	-	-	-	(3,339)	-	-	(3,339)
Recognition of tax benefit on gain from equity settled share options	-	-	-	-	-	(343)	-	(343)
Dividend paid	-	-	-	-	-	(12,335)	-	(12,335)
Share based payment transactions	-	-	-	-	-	1,686	-	1,686
Total equity at 30 April 2024	**13,304**	**35**	**(9,950)**	**19,383**	**(4,012)**	**61,642**	**(71)**	**80,331**

Consolidated statement of changes in equity
continued

The following describes the nature and purpose of each reserve within equity:

Share premium – Amount subscribed for share capital in excess of nominal value together with gains on the sale of own shares and the difference between actual and nominal value of shares issued by the Company in the acquisition of trade and assets.

Merger reserve – Represents the difference between the nominal value of shares acquired by the Company in the share for share exchange with the former Gateley Heritage LLP members and the nominal value of shares issued to acquire them.

Other reserve – Represents the difference between the actual and nominal value of shares issued by the Company in the acquisition of subsidiaries.

Treasury reserve – Represents the repurchase of shares for future distribution by Group's Employee Benefit Trust.

Retained earnings – All other net gains and losses and transactions with owners not recognised anywhere else.

Foreign currency translation reserve – Represents the movement in exchange rates back to the Group's functional currency of profits and losses generated in foreign currencies.

The accompanying notes on pages 88 to 123 form an integral part of these financial statements.

Consolidated cash flow statement
for year ended 30 April 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the year after tax		**10,074**	12,240
Adjustments for:			
Depreciation and amortisation	13/15/17	**8,015**	7,246
Financial income	9	**(4,999)**	(1,735)
Financial expense	9	**1,051**	495
Interest charge on capitalised leases	9	**1,170**	1,150
Equity settled share-based payments	7	**1,686**	1,100
Gain on bargain purchase	16	**(3,609)**	(1,389)
Acquisition related earn-out remuneration charge	6	**6,956**	6,190
Earn-out consideration paid - acquisition of subsidiary		**(3,790)**	(50)
Initial consideration paid on acquisitions		**(2,035)**	(1,468)
Loss on disposal of property, plant and equipment	6	**-**	82
Tax expense	10	**3,881**	3,972
		18,400	27,833
Increase in trade and other receivables		**(10,658)**	(6,942)
Increase/(decrease) in trade and other payables		**8,642**	(7,259)
Increase in provisions	24	**2,503**	433
Cash generated from operations		**18,887**	14,065
Tax paid		**(4,902)**	(4,320)
Net cash flows from operating activities		**13,985**	9,745
Investing activities			
Acquisition of property, plant and equipment	13	**(1,045)**	(1,312)
Acquisition of other intangible assets	17	**-**	(787)
Cash acquired on business combinations	16	**1,239**	483
Interest received	9	**4,999**	1,735
Net cash flows from investing activities		**5,193**	119
Financing activities			
Interest and other financial income paid	9	**(956)**	(371)
Lease repayments		**(5,091)**	(4,550)
Receipt of new revolving credit facility	21	**6,000**	1,000
Proceeds from sale of own shares		**4**	-
Acquisition of own shares by Employee Benefit Trust		**(3,339)**	(416)
Cash received for shares issued on exercise of SAYE/CSOP options		**2,108**	477
Dividends paid	12	**(12,335)**	(11,004)
Net cash used in financing activities		**(13,609)**	(14,864)
Net increase/(decrease) in cash and cash equivalents		**5,569**	(5,000)
Cash and cash equivalents at beginning of year		**11,105**	16,105
Cash and cash equivalents at end of year	25	**16,674**	11,105

The accompanying notes on pages 71 to 119 form an integral part of these financial statements.

Notes to the consolidated financial statements
(forming part of the financial statements)

1. Basis of preparation and material accounting policies

Gateley (Holdings) Plc is a public company limited by shares, incorporated and domiciled in the United Kingdom. The Parent Company's acquisition of Gateley Plc and its acquisition of Gateley LLP have been assessed as being business combinations under common control which are scoped out of IFRS 3 'Business Combinations'. In accordance with the requirements of IAS 8 the Directors have selected an appropriate accounting policy to reflect the substance of this transaction. The Directors have chosen to apply merger accounting as outlined in UKGAAP (FRS102). This required the Group to be consolidated at the date of the business combinations as though the Group structure had always been in place. No goodwill was recognised on this transaction.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its Group.

The financial statements of Gateley (Holdings) Plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in GBP, which is the functional currency of the Company, and the presentational currency for the Group.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except where adopted IFRSs require an alternative treatment. The principal variations relate to investment properties and financial instruments which are carried at fair value.

1.2 Going concern

See full explanation on page 24 of the Strategic Report.

Having reviewed the Group's forecasts, which includes an analysis of both short term cash flow forecasts and longer term cash flow forecasts, the risk and uncertainties surrounding the current and future demand for legal services, and other reasonably possible variations in trading performance, mitigating actions available to management the Group expects to be able to operate within the Group's financing facilities.

The Group's Revolving Credit Facility expires in April 2025 however, discussions are underway with the Group's banks to provide a new facility, with terms anticipated to be agreed well ahead of expiry of the current facility. Furthermore, the Group's supportive banks have provided a comfort letter that expresses their willingness to extend the current facility to October 2025, should it be required.

Sensitivity analysis has been performed in respect of specific scenarios which could negatively impact our future performance such as lower levels of revenue growth, lower than forecast receipts of cash, and reduced levels of gross margin expansion. In addition, the Directors have also considered further mitigating actions such as lower capital expenditure and other short-term cash management activities within the Group's control. On this basis, the Directors have a reasonable basis to conclude that the Group is forecast to continue to trade in line with existing financing facilities for the foreseeable future and at least 12 months from the approval of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

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. Following this Group reorganisation the financial statements for the year ended 30 April 2016 were prepared on a merger accounting basis as though this Group structure had always been in place.

Although the share for share exchange resulted in a change of legal ownership, in substance these financial statements reflect the continuation of the pre-existing Group, headed by Gateley LLP.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group's primary consideration is voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Audit exemption of subsidiaries
The following subsidiaries, consolidated into these Group accounts, are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of s479A of the Act.

Name	Registered number
Gateley UK LLP	OC315778
Gateley EBT Limited	09576648
Gateley Capitus Limited	03324995
Gateley Hamer Limited	03948095
Gateley Omega Limited	13367322
Kiddy & Partners Limited	11379755
Gateley Global Limited	08597472
T-Three Consulting Limited	03959623
Gateley Vinden Limited	03830233
Matsa Holdings Limited	08293396
Thomas Alexander Holdings Limited	02280956
TVP Holdings Limited	06548795
SP 2018 Limited	11344448
Byrom Clark Roberts Limited	02390547
Gateley Smithers Purslow Limited	01402539
Smithers Purslow Group Limited	05508205
Ainsley Stokes Limited	03219786
Adamson Jones IP Limited	07188937
Symbiosis IP Limited	06658551
Gateley RJA Limited	07941809
Austen Hays Limited	14581598
GEG Services Limited	12374579

The outstanding liabilities at 30 April 2024 of the above named subsidiaries have been guaranteed by the Company pursuant to s479A to s479C of the Act. In the opinion of the directors, the possibility of the guarantee being called upon is remote.

1.4 Foreign currency

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from the translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency reserve.

1.5 Classification of financial instruments issued by the Group

IFRS 9 '*Financial Instruments*' specifies how an entity should classify and measure financial assets including some hybrid contracts. Financial assets are to be classified on principle-based requirements dependent on the assets contractual cash flow characteristics and the Group business model for managing those assets.

The standard also introduced an impairment model that is to be applied to debt instruments measured at amortised cost or fair value through other comprehensive income, as well as trade receivables and contract assets. Under the model, expected credit losses are to be recognised against financial assets. Expected credit losses have been calculated in relation to debt securities and over the life time of trade and other receivables in line with the approach provided within the standard. The Group have based the assessment of the expected credit losses on a number of factors including the credit risk of the asset upon initial recognition as well as observed actual losses against classes of financial assets and specific client and industry knowledge held by fee earners.

Notes to the consolidated financial statements continued

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the financial instruments (including members' capital of subsidiary LLP's) are classified as a financial liability. Profit distributions relating to equity instruments are debited direct to equity.

1.6 Non derivative financial instruments

Financial assets
The Group's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument.

i) Investments
Other investments in equity securities held by the Group that were previously classified as being available-for-sale and are stated at fair value, have been classified as equity investments measured at fair value through other comprehensive income under IFRS 9.

ii) Trade and other receivables
Trade and other receivables (except unbilled amounts for client work) are initially recognised at their transaction price and carried at amortised cost under IFRS 9.

In line with the simplified approach within IFRS 9, the Group recognises as disclosed in note 19 and 20 any expected credit loss against trade receivables in order to recognise the inherent risk that the Group may not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision recorded is based on a broad range of information including past events, current conditions and forecasts of the future cash flows of the asset and is recognised in the statement of profit and loss in other operating expenses.

iii) Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the consolidated cash flow statement, cash and cash equivalents includes bank overdrafts in addition to the definition above.

iv) Treasury shares
The Group operates an Employee Benefit Trust ("EBT") under which ordinary shares have been issued and are held by the EBT. These are treated as treasury shares under IAS 32 and are added to the Treasury Share Reserve.

Financial Liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

The Group's financial liabilities comprise trade and other payables, borrowings, contingent consideration, members' capital and amounts due to members. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method with the exception of contingent consideration that is measured at fair value through profit or loss.

i) Bank borrowings
All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Financial expenses comprise interest expense on borrowings.

ii) Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

iii) Contingent consideration
Contingent consideration is initially recognised and carried at the fair value. Following the end of the measurement period contingent consideration is continually remeasured to fair value with changes in fair value being reflected in profit or loss. Any interest payable on the balance is reflected in the value of the liability and charged to Profit and Loss as it arises.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment charges.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is calculated to write off the cost of property, plant and equipment less the estimated residual value on a straight-line basis over the expected useful economic life of the assets concerned. Annual reviews are made of estimated useful lives and material residual values.

The useful lives over which these assets are depreciated are:

Leasehold improvements	over the term of the lease
Equipment	33.3% straight line
Fixtures and fittings	20% straight line
Right-of-use assets	term of the lease (between 1 and 10 years)

1.8 Leases

The Group leases offices, equipment and vehicles. Rental contracts are for periods of between 1 and 10 years. Lease terms are negotiated on a lease by lease basis and contain a variety of terms and conditions.

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (being those assets with a value less than £5,000 when new). For short term and low value leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- payments of penalties for terminating the lease, if the lease term assumed reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

Subsequent to initial recognition, the lease liability is reduced for payments made and increased to reflect interest on the lease liability (using the effective interest method). The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Interest on the lease liability is recognised in the Statement of Comprehensive Income.

1.9 Business combinations

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 January 2010
For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Any interest payable on the balance is reflected in the value of the liability and charged monthly to the Statement of Profit and Loss as it arises. Further detail on contingent consideration is disclosed in note 16.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Notes to the consolidated financial statements
continued

1.10 Intangible assets and goodwill

Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment assessment and is not amortised but is tested at least annually for impairment, or whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Other intangible assets
Other intangible assets, including software licences, expenditure on internally generated computer software, brands, customer contracts and relationships are capitalised at cost and amortised on a straight-line basis over their estimated useful economic lives through operating expenses.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Customer lists
Customer lists that are acquired by the Group as part of a business combination are stated at cost less accumulated amortisation and impairment losses (see accounting policy 'Impairment of assets'). Cost reflects Management's judgement of the fair value of the individual intangible asset calculated by reference to the net present value of future benefits accruing to the Group from the utilisation of the asset, discounted at an appropriate discount rate.

Brand value
Certain acquisitions have retained their trading name due to the value of the brand in their specific market place.

Brand value is amortised over a period of up to 15 years based on the Directors assessment of the future life of the brand, supported by trading history.

Internally generated computer software
Costs associated with maintaining computer software programs are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to sell or use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years. Computer software under development is not amortised. Amortisation starts from the date on which the software is available for use. If a decision is made to halt development then the cost is immediately expensed.

Amortisation
Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each statement of financial position date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Customer lists	3 to 11 years
Brands	15 years
Computer software	3 years

1.11 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in profit or loss.

1.12 Impairment excluding investment properties

Financial assets (including receivables)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether it is impaired. Management assess impairment of financial assets based on a broad range of information, including past events, current conditions and forecasts of the future cash flows of the asset that can be estimated reliably.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Under IFRS 9 the Group recognises expected credit losses (ECLs) on receivables through application of the simplified method. The ECLs are determined using historic credit loss experience adjusted for forward-looking factors and specific provisions based on management knowledge and expertise.

Intangibles and property, plant and equipment (non-financial assets)
The carrying amount of the Group's assets including property, plant and equipment and intangibles other than goodwill is reviewed at each year end date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss where it relates to an amount charged to profit or loss.

Goodwill (non-financial asset)
Goodwill is capitalised as an intangible asset and is not amortised but tested for impairment annually and when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. For impairment testing purposes, goodwill is allocated to cash-generating units. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit or loss on sale.

1.13 Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit and loss in the periods during which services are rendered by employees.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions
The Group operates several equity settled share based compensation plans.

The grant date fair value of share-based payment awards made to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date, measured at the grant date fair value of the award.

At each reporting date, the Group revises its estimates of the number of share incentives which are expected to vest. The impact of the revision of original estimates is recognised in the income statement with a corresponding adjustment to equity.

1.14 Own shares held by EBT trust (treasury reserve)

Transactions of the Group-sponsored EBT trust are included in the Group financial statements. In particular, the trust's purchases and sales of shares in the Company are recognised directly within equity.

1.15 Contingent consideration treated as remuneration

Certain acquisitions made by the Group include an element of consideration, known as an earn-out, that is contingent on the financial performance of the acquired business meeting pre-determined targets over a specified period. Where the earn-out is also contingent on the continued employment of the seller(s) following the acquisition, this is then treated as a non-underlying remuneration charge (see note 1.21), accrued over the retention period (i.e. the period over which the effective employment condition is applicable) as a liability. Where initial consideration transferred is also subject to these same employment conditions, this too is treated as a non-underlying remuneration charge, with the prepaid consideration transferred being released to the statement of profit and loss over the retention period.

Notes to the consolidated financial statements continued

1.16 Provisions

Professional indemnity provision
A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Where material, the impact of the time value of money is taken into account by discounting the expected future cash flow at a pre-tax rate, which reflects risks specific to the liability.

Insurance cover is maintained in respect of professional negligence claims. This cover is principally written through insurance companies with coverage of up to £150 million for each claim. Premiums are expensed as they fall due with prepayments or accruals being recognised accordingly. Expected reimbursements are recognised once they become receivable. The liability and the associated reimbursement asset are shown separately in the financial statements. Where outflow of resources is considered probable and reliable estimates can be made, provision is made for the cost (including related legal costs) of settling professional negligence claims brought against the Group by third parties and disciplinary proceedings brought by regulatory authorities. Amounts provided for are based on Management's assessment of the specific circumstances in each case. No separate disclosure is made of the detail of such claims and proceedings, as to do so could seriously prejudice the position of the Group. In the event the insurance companies cannot settle the full liability, the liability will revert to the Group.

Dilapidations provision
The Group recognise a provision for the future costs of dilapidations on leased office space. The provision is an estimate of the total cost to return applicable office space to its original condition at the end of the lease term, spread over the term of the lease. The estimated total cost is based on previous dilapidation expense per square foot of office space.

1.17 Revenue recognition

IFRS 15 Revenue from contracts with customers
Under IFRS 15 *Revenue from contracts with customers*, revenue is recognised either over time or at a point in time. The model uses a contract based five-step analysis of transactions to determine when, and how much, revenue is recognised; this includes the matching of stand-alone process for services provided to the satisfaction of performance obligations.

The Group considers that there are two contract types in issue in the performance of the Group's professional services, being non-contingent and contingent contracts.

Non-contingent contracts
Non-contingent work is typically recognised over the duration of the contract in line with the number of hours charged to the engagement at a pre-established rate. Under IFRS 15 the hours worked on these engagements are considered to be the satisfaction of the performance obligation, therefore where collection of revenue is considered probable, it is recognised in line with the hours performed.

Contingent contracts
Contingent work is typically recognised at a point in time, once the pre-agreed stages of the contract performance are reached or concluded as a result of an event linked to each work type performance. In line with IFRS 15 the Group recognises revenue on these contracts at a point in time once the uncertainty over the contingent event has been satisfied as this is the point at which the performance obligation is considered to have been met.

Recognition of accrued revenue
The standard requires the recognition of both contract assets and liabilities. Whilst IFRS 15 requires that when an entity has an unconditional right to consideration then at this point the contract asset would become a trade receivable regardless of whether a bill has been issued. However, the Group does not consider the right to be unconditional until the point of billing at which point the fee amount has been agreed and confirmed with the customer. Therefore, these unbilled amounts are recognised as contract assets as opposed to trade receivables. The Group have also recognised a contract liability under the standard that represents the amount of income that has been invoiced in advance of the service being performed.

Recoverable expenses
Recoverable expenses and disbursements represent charges from other professional service firms, sub-contractors and out of pocket expenses incurred in respect of assignments and expected to be recovered from clients.

Other income
Rental income, generated through the subletting of office space, is recognised in line with IFRS 16, on a straight line basis over the lease term.

1.18 Short term and low value lease payments

Payments made on short term and low value leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease in prior year comparatives and where current year leases meet the short-term lease criteria under IFRS 16.

1.19 Financial income and expenses

Financial expenses comprise interest payable and exchange losses that are recognised in the statement of profit and loss. Financial income comprises interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.20 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.21 Non-underlying items

Non-underlying items are non-trading and or non-cash items disclosed separately in the Consolidated Income Statement where the quantum, nature or volatility of such items would otherwise distort the underlying trading performance of the Group. The following are included by the Group in its assessment of non-underlying items:

- Consideration treated as remuneration: such charges are treated as non-underlying in order to reflect the commercial substance of the transaction. All former vendors who remain employed by the group are paid at market rates and the earn-out remuneration is a function of the interpretation of IFRS, and related emerging guidance only.
- Share based payment charges: such charges are treated as non-underlying as the gain realised on the options granted is settled in shares not cash and therefore does not impact the income statement. The IFRS 2 charge is taken to the income statement, these expenses are treated as non-underlying items as they are either non-cash or non-recurring in nature.
- Amortisation in respect of intangible fixed assets: these costs are treated as non-underlying as they are non-cash items and do not need to be replaced on the statement of financial position once fully written down, therefore this cost will ultimately disappear from the statement of comprehensive income.

The tax effect of the above is also included if considered significant.

1.22 Exceptional items

Exceptional items are one off transactions, unrelated to the underlying trading performance of the Group disclosed separately in the Consolidated Statement of Profit and Loss where the quantum, nature or volatility of such items would otherwise distort the underlying trading performance of the Group.

The following are included by the Group in its assessment of exceptional items:

- Gains or losses arising on disposal, closure, restructuring or reorganisation of businesses that do not meet the definition of discontinued operations.
- Impairment charges in respect of intangible fixed assets: these costs are treated as exceptional due to their one off nature.
- Non-typical expenses associated with acquisitions.
- Costs incurred as part of significant refinancing activities.

The tax effect of the above is also included if considered significant.

Details in respect of the non-underlying items recognised in the current and prior year are set out in note 6 to the Financial Statements.

1.23 Ordinary dividends

Dividends are recognised as a liability in the period in which they are approved by the Company's shareholders.

2. Accounting developments

New and revised IFRS in issue but not yet effective

There have been no changes to international accounting standards this year that have a material impact on the group's results. No forthcoming new international accounting standards are expected to have a material impact on the financial statements of the group.

Notes to the consolidated financial statements
continued

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements under IFRS requires management to make estimates and assumptions which affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgement at the date of preparation of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The key areas where a higher degree of judgement or complexity arises, or where estimates and assumptions are significant to the consolidated financial statements are discussed below.

Estimates

Impairment assessment of trade receivables (note 20) and unbilled revenue (note 19)
The carrying amount of trade receivables on client assignment is held at selling price less lifetime estimated credit losses (ECLs). The inclusion of the ECLs contributes to reducing the risk relating to the amounts of debts that are recoverable or not recoverable.

ECLs have been estimated based on historic credit losses within each operating segment for each ageing bracket. These credit losses calculated have then been adjusted where appropriate for the inclusion of management and legal professional judgement to account for any forward looking information on specific clients.

Management have performed sensitivity analysis over the ECL applied to trade receivables:

	Increase/(decrease) in value of trade receivables £'000
+1% increase in ECL	(582)
-1% decrease in ECL	582

Management have also applied the same expectation of credit losses for trade receivables to contract assets to assess the recoverability of unbilled revenue recognised in the consolidated accounts.

Management have performed sensitivity analysis on the expectation of recoverability applied to the contract assets balance:

	Increase/(decrease) in value of contract assets £'000
+1% increase in ECL rate	(235)
-1% decrease in ECL rate	235

Management believe that the provision in place is sufficiently prudent and therefore any increase in the rate applied is unlikely.

Unbilled revenue on client assignments (note 19)
The valuation of unbilled revenue involves detailed understanding of contractual terms with clients, and affects the amount of revenue recognised. The valuation is based on an estimate of the amount expected to be recoverable from clients on unbilled items based on such factors as time spent, the expertise and skills provided and the stage of completion of the assignment. The principal uncertainty over this estimation is a result of the amounts not yet being billed to, or recognised by the client. The extent of such uncertainty is increased on contingent engagements as there is no certainty that the amount will be recoverable at all until the contingent event is satisfied. Management look to reduce this level of uncertainty by conducting comprehensive risk assessments over each engagement undertaken to minimise the overall risk held by the Group. Provision is made for such factors as historical recoverability rates, contingencies, agreements with clients, external expert's opinion and the potential credit risks, following interactions between legal staff, finance and clients. In assessing whether unbilled time is recognised as unbilled revenue, management are required to make estimates in determining the point at which the contingency is resolved and when the fair value of consideration can be measured reliably.

Where a case is contingent at the statement of financial position date, no revenue is recognised. Where entitlement to income is certain it is recognised at selling price.

Valuation of intangibles (note 15)
Measurement of intangible assets relating to acquisitions: In attributing value to intangible assets arising on acquisition, management has made certain assumptions in terms of cash flows attributable to intellectual property and customer relationships. The key assumptions made relate to the valuation of the brand, where the acquired brand is retained by the entity, and the customer list. The value of such intangibles has been estimated based on the amount of revenue expected to be generated by them. The revenue estimations rely on annual growth rates. Management have selected the appropriate rates based on a combination of observed historical growth, industry norms and forecasted influencing factors. The rates applied reflect previous growth rates, with sensitivities indicating that variations in the actual rate achieved are unlikely to materially impact the valuation of the intangible assets.

4. Revenue and operating segments

The Chief Operating Decision Maker ("CODM") is the Strategic Board. The Group have the following four strategic divisions, comprising both legal and consultancy services, which are its reportable segments, and referred to as its Platforms.

The following summary describes the operations of each reportable segment as reported up to 30 April 2024 and also the new service lines:

Reportable segment/Platforms	Legal service lines	Consultancy service lines
Corporate	**Banking** **Commercial** **Corporate** **Restructuring advisory** **Taxation**	**GEG Services** **International Investment Services**
Business services	Austen Hays Commercial Dispute Resolution Complex International Litigation IP Regulatory Reputation, media and privacy law	Adamson Jones Symbiosis IP
People	**Employment** **Pensions** **Private client**	**Entrust Pension** **Kiddy and Partners** **T-three**
Property	Real Estate Residential Development Construction Planning Real Estate Dispute Resolution	Capitus Hamer/Persona RJA Smithers Purslow Vinden

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

	2024 £'000	2023 £'000
United Kingdom	**156,760**	151,489
Europe	**9,016**	5,459
Middle East	**1,797**	2,390
North and South America	**2,478**	1,675
Asia	**1,878**	1,163
Other	**563**	507
	172,492	162,683

Notes to the consolidated financial statements
continued

The Group has no individual customers that represent more than 10% of revenue in either the 2024 or 2023 financial year. The Group's assets and costs are predominately located in the UK save for those assets and costs located in the United Arab Emirates (UAE) via its Dubai subsidiary. Net Group assets of £0.09m (2023: Net Group assets of £0.08m) are located in the Group's Dubai subsidiary. Revenue generated by the Group's Dubai subsidiary to customers in the UAE totalled £1.80m (2023: £2.39m) as disclosed above as due from the customers in the Middle East.

2024

	Business Services £'000	Corporate £'000	People £'000	Property £'000	Total £'000
Segment revenue from services transferred at a point in time	5,648	15,845	7,918	18,936	**48,347**
Segment revenue from services transferred over time	19,241	21,219	11,636	72,049	**124,145**
Total Segment revenue	24,889	37,064	19,554	90,985	**172,492**
Segment contribution (as reported internally)	7,523	13,975	5,772	33,240	**60,510**
Costs not allocated to segments:					
Other operating income					**153**
Personnel costs					**(18,087)**
Depreciation and amortisation					**(8,015)**
Other operating expenses					**(16,788)**
Share based payment charges					**(1,686)**
Gain on bargain purchase					**3,609**
Contingent consideration treated as remuneration					**(6,956)**
Exceptional items					**(1,563)**
Net financial income					**2,778**
Profit for the financial year before taxation					**13,955**

2023

	Business Services £'000	Corporate £'000	People £'000	Property £'000	Total segments £'000	Other expense and movement in unbilled revenue £'000	Total £'000
Segment revenue from services transferred at a point in time	4,952	16,578	8,409	17,002	46,941	1	**46,942**
Segment revenue from services transferred over time	16,872	22,200	12,027	64,642	115,741	-	**115,741**
Total segmental revenue	21,824	38,778	20,436	81,644	162,682	1	**162,683**
Segment contribution (as reported internally)	5,330	13,948	5,983	31,037	56,298	1	**56,299**
Costs not allocated to segments:							
Other operating income							**49**
Personnel costs							**(11,091)**
Depreciation and amortisation							**(7,246)**
Other operating expenses							**(15,104)**
Share based payment charges							**(1,984)**
Gain on bargain purchase							**1,389**
Contingent consideration treated as remuneration							**(6,190)**
Net financial income							**90**
Profit for the financial year before taxation							**16,212**

Group entities may be engaged on a contingent basis; in such cases the Group considers the satisfaction of the contingent event as the sole performance obligation within the contract. Fees are only billed once the contingent event has been satisfied. The initial financing of these engagements is met by the Group. Due to the nature and timing of the billing, such engagements influence the contract asset balance held in the balance sheet at year end. In the majority of cases the contingent event is expected to be concluded within one year of the engagement date. The Group operates standard payment terms of 30 days. £11.1 million (2023: £16.4m) of the current period revenue is derived from services satisfied, in part, in the previous period.

Services transferred over time

For non-contingent engagements, fee earners' hourly rates are determined at the point of engagement with all hours attributed to the engagement fully and accurately recorded. The recorded hours are then translated into fees to be billed and invoiced on a monthly basis. The Group typically operates on 30 days credit terms, in line with IFRS 15 the performance obligations are fulfilled over time with revenue being recognised in line with the hours worked.

Notes to the consolidated financial statements
continued

Contract assets

Under IFRS 15 the Group recognises any goods or services transferred to the customer before the customer pays consideration, or before payment is due, as a contract asset. These assets differ from accounts receivables. Accounts receivable are the amounts that have been billed to the client and the revenue recognised, whereas these contract assets are amounts of work in progress where work has been performed, yet the amounts have not yet been billed to the client. Due to the nature of the services delivered by the Group the significant component of the cost of delivery is staff costs. As a result, there is little to no judgement exercised in determining the costs incurred as they are driven by the time recorded by fee earners. Contract assets are subject to impairment under IFRS 9.

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

Contract Liabilities

Under IFRS 15 the Group is required to recognise contract liabilities based on those amounts recognised against contracts for which the satisfaction of performance obligations has not yet been met. These liabilities relate to the deferred income recognised within Kiddy & Partners, T-three Consulting Limited and GEG Services Limited as a result of their billing structure. The amounts recognised reflect the agreed cost of the services to be performed and are realised in line with the ongoing cost of delivery. Due to the nature of the services provided, the main component of this cost of delivery is staff costs, as a result there is little to no judgement exercised in determining the value of the liability held at year end.

Practical expedients under IFRS 15

Under IFRS 15 companies are required to disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period. However, only a small proportion of revenue contracts in issuance are for fixed amounts, rather the company has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the business' performance completed to date. Therefore, the Group considers it impractical to estimate the potential value of unsatisfied performance obligations and has elected to apply the practical expedient available under IFRS 15.

5. Other operating income

	2024 £'000	2023 £'000
Rental and service charge income	**153**	49

6. Expenses and auditor's remuneration

Included in operating profit are the following:

	2024 £'000	2023 £'000
Depreciation on tangible assets (see note 13)	**1,140**	936
Depreciation on right-of-use asset (see notes 13 and 29)	**3,949**	3,976
Short term and low value lease payments (see note 29)	**76**	82
Operating lease costs on property (see note 29)	**116**	166
Loss on sale of fixed assets	**-**	82

	2024 £'000	2023 £'000
Non-underlying items		
Amortisation of intangible assets (see note 15)	**2,483**	2,073
Share based payment charges – Gateley Plc	**1,625**	1,984
Share based payment charges – Gateley RJA Limited	**61**	-
Gain on bargain purchase	**(3,609)**	(1,389)
Consideration treated as remuneration	**6,956**	6,190
	7,516	8,858
Exceptional items		
Acquisition costs	**37**	-
Reorganisation costs	**1,159**	-
One off remuneration charge – Gateley RJA Limited	**367**	-
Total non-underlying and exceptional items	**9,079**	8,858

Acquisition costs relate to third-party professional fees in connection with prospecting and completing acquisitions during the period.

Share based payment charges in Gateley Plc represent charges in accordance with IFRS 2 in respect of unexercised SAYE, CSOP, LTIP and RSA Plan (See note 8).

Share based payment charges in Gateley RJA Limited represent shares awarded to staff following the successful acquisition of the Company (See notes 7 and 8).

Reorganisation costs relate to restructuring and integration projects around the Group.

Auditor's remuneration

	2024 £'000	2023 £'000
Fees payable to the Company's Auditor in respect of audit services:		
Audit of these financial statements	**115**	107
Audit of financial statements of subsidiaries of the Company	**23**	22
	138	129
Amounts receivable by the Company's auditor and its associates in respect of:		
Other assurance services	**37**	34

Other assurance services relate to Solicitors Accounts Rules review with associated reporting to legal regulators. This work is entirely assurance focused.

Notes to the consolidated financial statements continued

7. Personnel costs

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

	Number of employees 2024	2023
Legal and professional staff	**1,068**	1,000
Administrative staff	**468**	439
	1,536	1,439

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	**94,402**	83,942
Social security costs	**10,928**	9,984
Pension costs	**3,160**	2,839
	108,490	96,765
Non-underlying items (see note 6)		
Share based payment expense – Gateley Plc	**1,625**	1,984
Share based payment expense – Gateley RJA Limited	**61**	-
	110,176	98,749

Details of the Directors' remuneration and share interests are given in the Summary of Directors' remuneration for the year within the Directors' Remuneration Report on page 48.

8. Share based payments

Group

At the year end the Group has eleven unexercised grants across four different equity-settled share based payment schemes.

Save As You Earn scheme ('SAYE')
The Group operates a HMRC approved SAYE scheme for all staff. Options under this scheme will vest if the participant remains employed for the agreed vesting period of three years. Upon vesting, each option allows the holder to purchase the allocated ordinary shares at a discount of 20% of the market price determined at the grant date.

During the year 1,766,571 SAYE 19/20 options vested with 1,395,589 being exercised by 30 April 2024 leaving 370,982 options still to be exercised. New shares were issued to satisfy these options being 1,395,589 10p shares with a nominal value of £139,559.

Company Share Option Plan ('CSOP')
The Group operates an HMRC approved CSOP scheme for associates, senior associates, legal directors, equivalent positions in Gateley Group subsidiary companies and Senior Management positions in our support teams. Options under this scheme will vest if the participant remains employed for the agreed vesting period of three years. Upon vesting, each option allows the holder to purchase the allocated ordinary shares at the price on the date of grant.

Long Term Incentive Plan ('LTIP')
The Group operates an LTIP for the benefit of Executive Directors and Senior Management. Awards under the LTIP may be in the form of an option granted to the participant to receive ordinary shares on exercise dependent upon the achievement of profit related performance conditions.

Performance conditions
Options granted under the LTIP are only exercisable subject to the satisfaction of the following performance conditions which will determine the proportion of the option that will vest at the end of the three-year performance period. The awards will be subject to an adjusted fully diluted earnings per share performance measure as described in the table below:

Adjusted, fully diluted earnings per Share Compound Annual Growth Rate (CAGR) over the three year period ending 30 April 2025/26	**Amount Vesting %**
Below 5%	**0%**
5%	**25%**
Between 5% and 10%	**Straight line vesting**
Above 10%	**100%**

The options will generally be exercisable after approval of the financial statements during the year of exercise. The performance period for any future awards under the LTIP will be a three-year period from the date of grant. Vested and unvested LTIP awards are subject to a formal malus and clawback mechanism.

During the year 742,998 LTIP 2020 options vested with 727,790 being exercised by 30 April 2024. New shares were issued to satisfy these options being 727,790 10p shares with a nominal value of £72,779.

Restricted Share Award Plan ('RSA Plan')
The Group operates an RSA Plan for the benefit of Senior Management. Awards under the RSA Plan entitle the option holder to participate in dividends however, the shares are restricted for a period of 5 years from issue, such that they cannot be traded.

The annual awards granted under all schemes are summarised below:

	Weighted average remaining contractual life	Weighted average exercise price	Originally granted Number	Lapsed/ exercised at 30 April 2023 Number	At 1 May 2023 Number	Granted during the year Number	Lapsed during year Number	Exercised in the year Number	At 30 April 2024 Number
SAYE									
SAYE 19/20 – 30 September 2019	0 years	£1.28	822,625	(774,066)	48,559	-	-	(48,559)	**-**
SAYE 20/21 – 6 November 2020	0 years	£1.02	2,337,197	(463,339)	1,873,858	-	(107,287)	(1,395,589)	**370,982**
SAYE 21/22 - 25 August 2021	0.3 years	£1.70	673,077	(172,062)	501,015	-	(219,751)	-	**281,264**
SAYE 22/23 - 22 September 2022	1.4 years	£1.55	1,070,154	(36,850)	1,033,304	-	(426,326)	(2,129)	**604,849**
SAYE 23/24 - 3 November 2023	2.5 years	£1.14	-	-	-	1,801,308	(95,668)	-	**1,705,640**
			4,903,053	(1,446,317)	3,456,736	1,801,308	(849,032)	(1,446,277)	**2,962,735**
CSOPS									
CSOPS 20/21 – 7 July 2020	0 years	£1.35	976,797	(245,014)	731,783	-	(58,818)	(438,263)	**234,702**
CSOPS 22/23 - 14 December 2022	1.6 years	£1.74	300,000	(10,000)	290,000	-	(40,000)	-	**250,000**
			1,276,797	(255,014)	1,021,783	-	(98,818)	(438,263)	**484,702**

Notes to the consolidated financial statements continued

	Weighted average remaining contractual life	Weighted average exercise price	Originally granted Number	Lapsed/ exercised at 30 April 2023 Number	At 1 May 2023 Number	Granted during the year Number	Lapsed during year Number	Exercised in the year Number	At 30 April 2024 Number
LTIPS									
LTIPS 20/21 – 22 July 2020	0 years	£0.00	1,405,766	(303,519)	1,102,247	-	(374,457)	(727,790)	**-**
LTIPS - 27 April 2022	1.0 years	£0.00	1,115,000	(90,000)	1,025,000	-	(135,000)	-	**890,000**
LTIPS 23 Feb 2023	1.8 years	£0.00	1,320,000	-	1,320,000	-	(190,000)	-	**1,130,000**
			3,840,766	(393,519)	3,447,247	-	(699,457)	(727,790)	**2,020,000**
RSA Plan									
RSA Plan - 27 April 2022	3.0 years	£0.00	1,422,560	-	1,422,560	-	(237,500)	-	**1,185,060**
RSA Plan 23 February 2023	3.8 years	£0.00	1,175,000	(50,000)	1,125,000	-	(187,500)	-	**937,500**
RSA Plan 21 September 2023	4.4 years	£0.00	-	-	-	790,131	-	-	**790,131**
			2,597,560	(50,000)	2,547,560	790,131	(425,000)	-	**2,912,691**

Fair value calculations

The award is accounted for as equity-settled under IFRS 2. The fair value of awards which are subject to non-market based performance conditions is calculated using the Black Scholes option pricing model. The inputs to this model for awards granted during the financial year are detailed below:

	SAYE	RSA Plan
Grant date	03/11/2023	21/09/2023
Share price at date of grant	£1.31	£1.54
Exercise price	£1.14	£nil
Volatility	18.9%	18.9%
Expected life (years)	3.3	5.0
Risk free rate	4.36%	4.43%
Dividend yield	4.50%	0.00%
Fair value per share		
Market based performance condition	-	-
Non-market based performance condition/no performance condition	£0.23	£1.535

Expected volatility was determined by using historical share price data of the Company since it listed on 8 June 2015. The expected life used in the model has been based on management's expectation of the minimum and maximum exercise period of each of the options granted.

The total charge to the income statement for all schemes now in place, included within non-underlying items, is £1,686,000 (2023: £1,984,000).

9. Financial income and expense

Recognised in profit and loss

	2024 £'000	2023 £'000
Financial income		
Interest income	**4,999**	1,735
Total financial income	**4,999**	1,735
Financial expense		
Interest expense on bank borrowings measured at amortised cost	**(1,051)**	(495)
Interest on lease liability	**(1,170)**	(1,150)
Total financial expense	**(2,221)**	(1,645)
Net financial income	**2,778**	90

10. Taxation

	2024 £'000	2023 £'000
Current tax expense		
Current tax on profits for the year	**4,341**	4,974
Under provision of taxation in previous period	**73**	58
Total current tax	**4,414**	5,032
Deferred tax expense		
Origination and reversal of temporary differences	**(646)**	(472)
Over/(under) provision on share-based payment charges	**113**	(588)
Total deferred tax expense	**(533)**	(1,060)
Total tax expense	**3,881**	3,972

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2024 £'000	2023 £'000
Profit for the year (subject to corporation tax)	**13,955**	16,212
Tax using the Company's domestic tax rate of 25% (2023: 19%)	**3,489**	3,080
Expenses not deductible for tax purposes	**206**	1,422
Under provision of taxation in previous period	**73**	58
Over/(under) provision on share-based payment charges	**113**	(588)
Total tax expense	**3,881**	3,972

The Finance Act 2021 increased the main rate of corporation tax to 25% from 1 April 2023.

Notes to the consolidated financial statements
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11. Earnings per share

Statutory earnings per share

	2024 Number	2023 Number
Weighted average number of ordinary shares in issue, being weighted average number of shares for calculating basic earnings per share	**130,127,316**	125,244,334
Shares deemed to be issued for no consideration in respect of share based payments	**1,980,638**	3,283,007
Weighted average number of ordinary shares for calculating diluted earnings per share	**132,107,953**	128,527,341

	2024 £'000	2023 £'000
Profit for the year and basic earnings attributable to ordinary equity shareholders	**10,074**	12,240
Non-underlying and exceptional items (see note 6)		
Operating expenses	**9,079**	8,858
Tax on non-underlying and exceptional items	**(391)**	(168)
Underlying earnings before non-underlying and exceptional items	**18,762**	20,930

Earnings per share is calculated as follows:

	2024 Pence	2023 Pence
Basic earnings per ordinary share	**7.74**	9.77
Diluted earnings per ordinary share	**7.63**	9.52
Basic earnings per ordinary share before non-underlying and exceptional items	**14.42**	16.71
Diluted earnings per ordinary share before non-underlying and exceptional items	**14.20**	16.28

12. Dividends

	2024 £'000	2023 £'000
Equity shares:		
Final dividend in respect of 2022 (5.5p per share) - 22 October 2022	**-**	6,835
Interim dividend in respect of 2023 (3.3p per share) - 24 March 2023	**-**	4,169
Final dividend in respect of 2023 (6.2p per share) - 23 October 2023	**7,997**	-
Interim dividend in respect of 2024 (3.3p per share) - 21 March 2024	**4,338**	-
	12,335	11,004

The board proposes to recommend a final dividend of 6.2p (2023: 6.2p) per share at the AGM. If approved, this dividend will be paid in October 2024 to shareholders on the register at the close of business on 11 October 2024. The shares will go ex-dividend on 10 October 2024. This dividend has not been recognised as a liability in these final statements.

13. Property, plant and equipment

	Leasehold improvements £'000	Equipment £'000	Fixtures and fittings £'000	Right-of-use assets £'000	Total £'000
Cost					
Balance at 1 May 2022	340	7,232	5,628	35,428	**48,628**
Additions	-	827	485	6,447	**7,759**
Disposal	(27)	(323)	(88)	(1,722)	**(2,160)**
As at 30 April 2023	**313**	**7,736**	**6,025**	**40,153**	**54,227**
Balance at 1 May 2023	313	7,736	6,025	40,153	**54,227**
Additions	-	699	346	472	1,517
Arising through business combinations	34	90	-	-	**124**
Disposal	-	(22)	-	(630)	**(653)**
As at 30 April 2024	**347**	**8,503**	**6,371**	**39,994**	**55,215**
Depreciation and impairment					
Balance at 1 May 2022	231	6,407	5,228	10,801	**22,667**
Depreciation charge for the year	16	562	358	3,976	**4,912**
Eliminated on disposal	(27)	(247)	(82)	(1,722)	**(2,078)**
Balance at 30 April 2023	**220**	**6,722**	**5,504**	**13,055**	**25,501**
Balance at 1 May 2023	220	6,722	5,504	13,055	**25,501**
Depreciation charge for the year	29	823	287	3,949	**5,089**
Arising through business combinations	15	59	-	-	**74**
Eliminated on disposal	-	(22)	-	(630)	**(652)**
Balance at 30 April 2024	**264**	**7,582**	**5,791**	**16,374**	**30,011**
Net book value					
At 30 April 2023	93	1,014	521	27,098	**28,726**
At 30 April 2024	**83**	**921**	**580**	**23,621**	**25,204**

Notes to the consolidated financial statements
continued

14. Investment property

	£'000
Fair value	
Balance at 1 May 2022 and 30 April 2023	164
Balance at 1 May 2023 and 30 April 2024	**164**

The Group's interest in its freehold property at 216 Capella House, Celestia Falcon Drive, Cardiff Bay, Cardiff, CF10 4RE was valued as at 30 April 2024 at £164,000 (2023: £164,000) by the Directors based on current open market values for existing use. However, it was noted that a valuation by a qualified individual with relevant experience has not been performed during the year on the basis that it is not expected by the Directors to have materially changed. Rental income of £nil (2023: £nil) was received during the year. Services charges of £3,089 (2023: £3,089) were incurred during the year.

15. Intangible assets and goodwill

	Goodwill £'000	Customer lists £'000	Brands £'000	Total £'000
Deemed cost				
At 1 May 2022	1,550	16,261	3,518	**21,329**
Arising through business combinations	-	1,000	-	**1,000**
At 30 April 2023	1,550	17,261	3,518	**22,329**
Arising through business combinations	-	3,322	-	**3,322**
At 30 April 2024	**1,550**	**20,583**	**3,518**	**25,651**
Amortisation				
At 1 May 2022	-	7,317	10	**7,327**
Charge for the year	-	1,838	235	**2,073**
At 30 April 2023	-	9,155	245	**9,400**
Charge for the year	-	2,248	235	**2,483**
At 30 April 2024	**-**	**11,403**	**480**	**11,883**
Carrying amounts				
At 30 April 2023	1,550	8,106	3,273	**12,929**
At 30 April 2024	**1,550**	**9,180**	**3,038**	**13,768**

Within intangible assets includes a Gateley Smithers Purslow customer list asset of £4m (2023: £4.5m) which has a remaining life of 9 years, and a Gateley RJA customer list asset of £3m (2023: £nil) which has a remaining useful life of 4 years and 3 months. The entirety of the brand intangible relates to Gateley Smithers Purslow and has a remaining life of 13 years.

Goodwill is allocated to the following cash generating units:

	2024 £'000	2023 £'000
Property Group		
Gateley Capitus Limited	**-**	-
Gateley Hamer Limited	**-**	-
GCL Solicitors (acquisition of trade and assets)	**-**	-
Persona Associates Limited	**40**	40
Gateley Vinden Limited	**934**	934
Tozer Gallagher (acquisition of trade and assets)	**-**	-
Gateley Smithers Purslow Limited	**-**	-
Gateley RJA Limited	**-**	-
	974	974
Employment , Pensions and Benefits Group		
Kiddy & Partners Limited	**-**	-
International Investment Services Limited	**-**	-
T-three Consulting Limited	**-**	-
	-	-
Business services Group		
Gateley Tweed (acquisition of goodwill)	**576**	576
Adamson Jones IP Limited	**-**	-
Symbiosis IP Limited	**-**	-
	576	576
	1,550	1,550

Impairment testing

The Group tests goodwill annually for impairment. The impairment test involves determining the recoverable amount of the cash generating unit (CGU) to which the goodwill has been allocated. The Directors believe that each operating segment represents a cash generating unit for the business and as a result, impairment is tested for each segment, and all the assets of each segment are considered.

The recoverable amount is based on the present value of expected future cash flows (value in use) which was determined to be higher than the carrying amount of goodwill so no impairment loss was recognised.

Notes to the consolidated financial statements
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Value in use was determined by discounting the future cash flows generated from the continuing operation of the Group and was based on the following key assumptions:

- A pre-tax discount rate of between 12 and 21% (2023: 12-21%) was applied in determining the recoverable amount. The discount rate is based on the Group's average weighted cost of capital of 10.18% and adjusted according to the risks attributable to each CGU.
- The values assigned to the key assumptions represent management's estimate of expected future trends and are based on both external (industry experience, historic market performance and current estimates of risks associated with trading conditions) and internal sources (existing management knowledge, track record and an in-depth understanding of the work types being performed).
  - Growth rates of between 2% to 10% (2023: 2-10%) are based on management's understanding of the market opportunities for services provided pertaining to the industry in which each CGU is aligned.
  - Increases in costs are based on current inflation rates and expected levels of recruitment needed to generate predicted revenue growth.
  - Attrition rates are based on the historic experience and trends of client activity over a two to three year period and applied to future fee forecasts.
  - Cash flows have been typically assessed over a five-year period which management extrapolates cash using a terminal value calculation based on an estimated growth rate of 2%. The expected current UK economic growth forecasts for the legal services market is 2%.
- The Group has conducted a sensitivity analysis on the impairment test of the CGU carrying value. The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

16. Acquisitions

During the year ended 30 April 2024 the Group completed two acquisitions. Gateley (Holdings) Plc completed the acquisition of the entire share capital of Austen Hays Limited on 23 August 2023 for total consideration of £1. As this is immaterial to the financial statements no further disclosures have been made in respect of this acquisition.

Acquisition of Gateley RJA Limited

On 19 July 2023 Gateley (Holdings) Plc acquired the entire issued share capital of Richard Julian and Associates Limited ('RJA'). RJA specialises in the provision of quantity surveying and project management services to organisations in the affordable housing sector.

The primary reason for the business combination is discussed within the CEO's review on page 28.

The amounts recognised in respect of identifiable assets acquired and liabilities assumed are as set out in the table below:

	Pre-acquisition carrying amount £'000	Policy alignment and fair value adjustments £'000	Total £'000
Intangible asset relating to customer list	-	3,322	**3,322**
Property, plant and equipment	82	-	**82**
Cash	1,239	-	**1,239**
Trade receivables	583	-	**583**
Prepayments and accrued income	89	-	**89**
Total assets	1,993	3,322	**5,315**
Trade payables	(7)	-	**(7)**
Accruals and other payables	(399)	-	**(399)**
Corporation tax	(227)	-	**(227)**
Other taxes and social security	(242)	-	**(242)**
Deferred tax	-	(831)	**(831)**
Total liabilities	(875)	(831)	**(1,706)**
Total identifiable net assets at fair value	1,118	2,491	**3,609**
Negative goodwill arising on acquisition			**(3,609)**
Total consideration			**-**
Satisfied by:			
Initial cash consideration paid			**2,035**
Issue of 1,192,163 new 10p ordinary shares in Gateley (Holdings) Plc			**1,896**
Contingent cash consideration payable			**1,034**
Contingent share consideration payable			**1,035**
Less: amounts subject to continuing employment conditions			**(6,000)**
Total consideration			**-**
Net cash outflow arising on acquisition			
Cash paid			**(2,035)**
Net cash acquired			**1,239**
Net cash outflow arising on acquisition			**(796)**

A contingent consideration arrangement was entered into as part of the acquisition. A further £2.1 million could be payable with any payment subject to RJA achieving at least £4 million of revenue over the first 12 months post-acquisition, and not less than £5 million of revenue for the following 12 months. Such payment is to be split in shares and cash as agreed between the Sellers and the Company, providing no Seller is entitled to receive more than 50% of their total consideration in cash.

The negative goodwill of £3,609,000 has been recognised immediately in the statement of profit and loss and included within non-underlying expenses.

From the date of acquisition Gateley RJA Limited has contributed £4.2m of revenue to the Group's Statement of Comprehensive Income together with after tax profit of £0.7m. If the acquisition had been completed on the first day of the financial year, Group revenue and profit after tax would have been higher by £1.1m and £0.2m respectively.

Notes to the consolidated financial statements
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17. Other intangible assets

	IT development costs £'000	Computer software £'000	Total £'000
Cost			
Balance at 1 May 2022	258	440	698
Additions	24	763	787
At 30 April 2023	282	1,203	**1,485**
Additions	-	-	**-**
At 30 April 2024	**282**	**1,203**	**1,485**
Amortisation			
Balance at 1 May 2022	-	134	134
Charge for the year	40	221	261
At 30 April 2023	40	355	**395**
Charge for the year	80	363	**443**
At 30 April 2024	120	718	**838**
Net book value at 30 April 2023	242	848	1,090
Net book value at 30 April 2024	**162**	**485**	**647**

The Group's amortisation policy, as disclosed in note 1.10, is to amortise other intangible assets from the date they are made available for use.

18. Other investments

The Group holds other investment interests in the following third party investments:

	£'000
Fair value	
Balance at 1 May 2022	173
Loss on revaluation - FVOCI	(26)
Balance at 30 April 2023	**147**
Gain on revaluation - FVOCI	**128**
Balance at 30 April 2024	**275**

£nil (2023: £nil) – Gateley Investments Limited holds a 1.9% investment in the ordinary shares of Manchester Biotech Limited (formerly PeptiGelDesign Ltd).

£275,433 (2023: £146,535) – Gateley Plc holds a 3.0% investment in the ordinary shares in Incanthera Plc, acquired on 26 February 2020.

19. Contract assets and liabilities

	Contract assets £'000	Trade receivables £'000	Contract liabilities £'000
As at 30 April 2024	**23,543**	**58,056**	**(409)**
As at 30 April 2023	20,388	54,167	(499)

Contract assets

Contract assets consist of unbilled revenue in respect of professional services performed to date.

Contract assets in relation to non-contingent work are recognised at appropriate intervals, normally on a monthly basis in arrears, in line with the performance of the services and engagement obligations. Where such matters remain unbilled at the period end the asset is valued on a contract-by-contract basis at its expected recoverable amount.

Contract assets in relation to contingent work are recognised at a point in time once the uncertainty over the contingent event has been satisfied and all performance obligations satisfied, such that it is no longer contingent, these matters are valued based on the expected recoverable amount. Due to the complex nature of these matters, they can take a considerable time to be finalised therefore performance obligations may be settled in one period but the matter not billed until a later financial period. Until the performance obligations have been performed the Group does not recognise any contract asset value at the year end.

During the year, contract assets of £nil (2023: £nil) were acquired in business combinations.

The Group applies the simplified approach to providing for the expected credit losses on contact assets.

An impairment loss of £656,000 has been recognised in relation to contract assets in the year (2023: loss £542,000). This is based on the expected credit loss under IFRS 9 of these types of assets. The contract asset loss is estimated at 2.8% (2023: loss 2.7%) of the balance.

Contract assets recognised under IFRS 15
Under IFRS 15 the Group is required to recognise contract assets, as detailed in note 1.17.

	2024 £'000	2023 £'000
Contract asset value at 1 May	**20,388**	17,239
Contract assets arising on acquisition	**-**	-
Contract asset value added in the year	**24,759**	22,333
Contract asset value realised in the year	**(21,604)**	(19,184)
Contract asset value at 30 April	**23,543**	20,388

The Group have applied ECLs to unbilled revenue in order to account for the potential default on amounts not yet billed to the client. The ECLs have been calculated on the same basis as those applied to trade receivables.

Contract liabilities

When matters are billed in advance or on a basis of a monthly retainer, this is recognised in contract liabilities and released over time when the services are performed.

Contract liabilities recognised under IFRS 15

Under IFRS 15 the Group is required to recognise contract liabilities.

	2024 £'000	2023 £'000
Contract liabilities at 1 May	**499**	569
Contract liabilities gained in the year	**879**	469
Contract liabilities credited to P&L in year	**(969)**	(539)
Contract liabilities at 30 April	**409**	499

Notes to the consolidated financial statements continued

20. Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Trade receivables	**58,056**	54,167
Prepaid consideration subject to earn-out service conditions	**6,717**	6,015
Prepayments	**7,249**	5,777
Other receivables including insurance receivables	**2,083**	233
	74,105	66,192

	£'000	£'000
Amounts falling due after one year:		
Prepaid consideration subject to earn-out service conditions	**8,368**	7,080

Trade receivables

Trade receivables are recognised when a bill has been issued to the client, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Trade receivables also includes disbursements.

Bills are payable within thirty days unless otherwise agreed with the client.

All trade receivables are repayable within one year.

Movement in loss allowance

	2024 £'000	2023 £'000
Brought forward provision	**(3,825)**	(3,941)
Recognition of provisions for businesses acquired	**-**	-
Provision utilised	**1,187**	908
Charged to statement of profit and loss	**(1,062)**	(984)
Provisions released	**443**	192
	(3,257)	(3,825)

The Group applies the simplified approach to providing for the expected credit losses under IFRS 9. Management have also elected to apply an uplift to the IFRS 9 provision in the current year to account for the specific risks in the subsidiary entities where the application of IFRS 9 alone is not considered appropriate.

2024	Not passed due	Past due 0-30 days	Past due 31-120 days	Past due greater than 120 days	Total
Expected credit loss rate	2.32%	2.53%	2.69%	14.86%	
Estimated total gross carrying amount £'000	35,813	6,777	4,343	14,380	**61,313**
Lifetime ECL £'000	831	172	117	2,137	**3,257**

2023	Not passed due	Past due 0-30 days	Past due 31-120 days	Past due greater than 120 days	Total
Expected credit loss rate	2.98%	4.93%	5.96%	17.58%	
Estimated total gross carrying amount £'000	33,175	6,594	5,943	12,280	**57,992**
Lifetime ECL £'000	987	325	354	2,159	**3,825**

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

All the Group's trade and other receivables have been reviewed for indicators of impairment. The specifically impaired trade receivables are mostly due to customers experiencing financial difficulties.

An impairment loss of £1,062,000 has been recognised in relation to trade receivables in the year (2023: £984,000). This is based on the expected credit loss under IFRS 9 of these types of assets. The trade receivables loss is estimated at 1.7% (2023: 1.7%) of the balance.

21. 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. For more information about the Group's exposure to interest rate and foreign currency risk, see note 27.

	2024		2023	
	Fair value £'000	Carrying amount £'000	Fair value £'000	Carrying amount £'000
Non-Current liabilities				
Bank borrowings	**12,908**	**12,908**	6,813	6,813

On 18 April 2022, the Company entered into a Revolving Credit Facility which provides total committed funding of £30m until April 2025. Interest is payable at a margin of 1.95% above the SONIA reference rate. A commitment fee of one third of the applicable margin is payable on the undrawn amounts.

As at 30 April 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non-current	
30 April 2024	Within 6 months £'000	6 to 12 months £'000	1 – 5 years £'000	Later than 5 years £'000
Bank borrowings	-	14,133	-	-
Leases	2,721	2,720	19,855	7,926
Trade and other payables	12,839	-	-	-
Total	15,560	16,853	19,855	7,926

Notes to the consolidated financial statements continued

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

	Current		Non-current	
30 April 2023	Within 6 months £'000	6 to 12 months £'000	1 – 5 years £'000	Later than 5 years £'000
Bank borrowings	-	-	7,997	-
Leases	2,044	2,044	19,219	11,437
Trade and other payables	9,665	1,364	-	-
Total	11,709	3,408	27,216	11,437

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

22. Trade and other payables

	2024 £'000	2023 £'000
Current		
Trade payables	**12,839**	9,370
Other taxation and social security payable	**8,143**	9,913
Other payables	**-**	295
Contingent consideration treated as remuneration	**324**	1,364
Accruals	**11,397**	4,492
Contract liabilities	**409**	499
	33,112	25,933

23. Deferred tax

Deferred tax assets and liabilities are summarised below:

Deferred tax asset

The deferred tax asset recognised in the consolidated statement of financial position represents the future tax impact of issued share based payments schemes that are yet to vest.

	Share-based payments £'000
At 1 May 2022	**638**
Credited during the year in the Consolidated income statement	**590**
Debited during the year to retained earnings	**(398)**
At 1 May 2023	**830**
Debited during the year in the Consolidated income statement	**(114)**
Debited during the year to retained earnings	**(343)**
At 30 April 2024	**373**

Deferred tax liability

The deferred tax liability recognised in the Consolidated Statement of Financial Position represents the future tax impact of the Group's benefit from customer lists obtained through acquisitions.

	Customer lists £'000
At 1 May 2022	3,089
Arising through business combinations – Symbiosis IP Limited	250
Credited during the year in the Consolidated income statement	(398)
At 30 April 2023	2,941
Arising through business combinations – Gateley RJA Limited	**831**
Credited during the year in the Consolidated income statement	**(804)**
At 30 April 2024	**2,968**

24. Provisions

	2024 £'000	2023 £'000
Current provision		
Professional indemnity provision	**175**	107
Total current provision	**175**	107
Non-current provision		
Professional indemnity provision	**3,088**	903
Dilapidations provision	**637**	387
Total non-current provision	**3,725**	1,290
Total provisions	**3,900**	1,397

Professional indemnity estimated claim cost

	2024 £'000	2023 £'000
Brought forward	**1,010**	750
Provisions made during the year	**2,253**	350
Provisions reversed during the year	**-**	(90)
At end of year	**3,263**	1,010
Non-current	**3,088**	903
Current	**175**	107
	3,263	1,010

The Group from time to time receives claims in respect of alleged professional negligence which it defends where appropriate but makes provision for the best estimate of probable amounts considered likely to be payable as set out above. Inevitably, these estimates depend on the outcome and timing of future events and may need to be revised as circumstances change. A different assessment of the likely outcome in each case or of the probable cost involved may result in a different level of provision recognised. Professional indemnity Insurance cover is maintained in respect of professional negligence claims.

Notes to the consolidated financial statements
continued

Dilapidations provision

The Group has leases for a number of offices, some of which include dilapidation clauses. The Group maintains the office buildings throughout each lease term with regular maintenance, however a cost is likely to arise at the end of the lease term in order to return the space to its original condition. Management have therefore elected to introduce a dilapidations provision to account for the future cost. The provision is based on management's estimate of the total costs across all applicable lease to be recognised on a straight line basis over the total lease terms.

	2024 £'000	2023 £'000
At 1 May	**387**	214
Provision made in the year	**250**	173
At 30 April	**637**	387

25. Net debt

	2024 £'000	2023 £'000
Cash and cash equivalents	**16,674**	11,105
Debt		
Total loans brought forward	**(38,786)**	(34,641)
Revolving credit facility	**(6,095)**	(1,098)
New lease liability in the year	**(1,642)**	(7,597)
Repayment of lease liability	**5,091**	4,550
Total loan carried forward	**(41,432)**	(38,786)
Brought forward from previous year	**(27,681)**	(18,536)
Movement during year	**2,923**	(9,145)
Net debt at the year end	**(24,758)**	(27,681)

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long term borrowings £'000	Short term borrowings £'000	Lease liabilities £'000	Total £'000
1 May 2023	6,813	-	31,973	**38,786**
Cashflows:				
Repayments	(5,000)	-	(5,091)	**(10,091)**
Receipt of revolving credit facility	11,000	-	-	**11,000**
Non-cash				
Reclassification to short term borrowings	-	-	-	**-**
Loan arrangement fee unwind	95	-	-	**95**
New lease liability in the year	-	-	1,642	**1,642**
Reclassification to short term borrowings	(12,908)	12,908	-	**-**
30 April 2024	-	12,908	28,524	**41,432**

	Long term borrowings £'000	Short term borrowings £'000	Lease liabilities £'000	Total £'000
1 May 2022	5,715	-	28,926	**34,641**
Cashflows:				
Repayments	(2,000)	-	(4,550)	**(6,550)**
Receipt of revolving credit facility	3,000	-	-	**3,000**
Non-cash				
Fair value on acquisition	98	-	-	**98**
New lease liability in the year	-	-	7,597	**7,597**
30 April 2023	6,813	-	31,973	**38,786**

26. Share capital

Authorised, issued and fully paid

	2024 Number	2024 £	2023 Number	2023 £
Ordinary shares of 10p each				
Brought forward	**126,636,157**	**12,663,615**	124,556,879	12,455,687
Issued on acquisition of Richard Julian and Associates Limited	**1,192,163**	**119,216**	-	-
Issued as part of contingent consideration of Gateley Smithers Purslow Limited	**1,661,790**	**166,179**	-	-
Issued on acquisition of Symbiosis IP Limited	**-**	**-**	523,012	52,301
Issued as part of contingent consideration of Tozer Gallagher LLP	**-**	**-**	25,071	2,507
Issued on vesting of RSA Plan	**790,131**	**79,013**	1,175,000	117,500
Issued on vesting of SAYE	**1,591,555**	**159,156**	356,195	35,620
Issued on vesting of LTIP	**727,790**	**72,779**		
Issued on vesting of CSOPS	**438,263**	**43,826**	-	-
At 30 April	**133,037,849**	**13,303,784**	126,636,157	12,663,615

The Company has one class of Ordinary shares which carry no right to fixed income. Each share has full rights in respect to voting.

On 19 July 2023 the Company acquired the entire issued share capital of Richard Julian and Associates Limited in part for the issue of 1,192,163 10p ordinary shares.

On 2 November 2023 the Company issued 1,661,790 10p ordinary shares to satisfy the contingent consideration on the acquisition of Gateley Smithers Purslow Limited.

Between 1 May 2023 and 30 April 2024 1,591,555 10p ordinary shares were issued upon vesting of the 2019/2020 SAYE schemes to participants.

On 27 September 2023 727,790 10p ordinary shares were issued upon vesting of the 2020 LTIP scheme to participants.

On 21 September 2023 790,131 10p ordinary shares were issued upon issue of the FY24 RSA Plan to participants.

Notes to the consolidated financial statements
continued

27. Financial instruments and related disclosures

Financial risk management

The board has overall responsibility for the oversight of the Group's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risk is maintained and reviewed by the board, who also monitor the status of agreed actions to mitigate key risks.

Management's objective in managing financial risks is to ensure the long-term sustainability of the Group.

As the Group's principal financial instruments comprise cash, client receivables and unbilled revenue, the main risks are those that relate to credit in regard to receivables and contract assets.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to its trade receivables.

The Group continuously monitors the credit quality of customers and risk attributable to specific debts. The Group's policy is to deal only with credit worthy counterparties, with standard credit terms being 30 days. The credit terms as negotiated with customers are subject to close monitoring and internal approval. The ongoing credit risk is managed through regular review of ageing analysis.

Trade receivables across the Group have been assessed with regard to credit risk characteristics which vary across segmental reporting lines according to the nature of the industry, size and financial position of the counterparty. The Group also considers days past due in making this assessment as well as historical credit losses experienced within over a period of 12 months before 30 April 2024.

The expected loss rates derived from this assessment are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. The Group has a policy of performing credit checks and the large spread of reputable clients ensures there are no unacceptable concentrations of credit risk.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The board considers financial instruments where contractual payments are significantly past due on a monthly basis to determine the risk of default. As part of this process and financial instruments that have had a significant increase in credit risk are identified. For these purposes default is considered to be where the counterparty to the financial instrument fails to fulfil part or all of their financial obligation. The Group will consider a financial asset to be credit impaired based on both the age of the item and specific knowledge held by the fee earner in relation to the client's ability and intention to meet their obligations.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

In circumstances where fee earners and the board find sufficient indicators that there is no longer reasonable expectation of recovery, the amounts are written off.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due by ensuring that there is sufficient cash or working capital facilities to meet the cash requirements of the Group.

Gateley Plc is financed through a combination of unsecured bank loans together with cash generated from operations. The board reviews the projected financing requirements annually when agreeing the Group's budget and, based on this review, sets the value of the future capital requirements of the business. The cash flow forecast for the entire Group is updated regularly and compared to the budget with any significant variance being reported to the board.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income. The Group's exposure to market risk predominantly relates to interest and currency risk. Management does not consider this to be a significant risk to the Group on the grounds of materiality.

Interest rate risk

The Group's bank borrowings incur variable interest rate charges linked to SONIA plus a margin. Management do not consider this to be a significant risk to the Group. See page 116 for further analysis.

Foreign currency risk

The Group has an overseas operation based in Dubai and another in the Republic of Ireland which, therefore, exposes the Group to changes in Sterling/Dirhams and Sterling/Euro exchange rates. Management does not consider this to be a significant risk to the Group due to the total value of transactions conducted in Dubai and the Republic of Ireland.

Fair value disclosures

The fair value of each class of financial assets and liabilities is the carrying amount, based on the following assumptions:

Trade receivables, trade payables, short term deposits and borrowings	The fair value approximates to the carrying value because of the short maturity of these instruments.
Long-term borrowings	The fair value of bank loans and other loans approximates to the carrying value reported in the statement of financial position.

Fair value hierarchy

Financial instruments carried at fair value should be measured with reference to the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair value of financial assets and liabilities are as follows (there is no difference between the carrying value of the financial assets and liabilities and their fair value):

	2024 £'000	2023 £'000
Quoted investments	**275**	147
Cash and cash equivalents	**16,674**	11,105
Contract assets	**23,621**	20,388
Trade receivables at amortised cost	**58,056**	54,167
Total financial assets	**98,626**	85,807
Trade and other payables	**(21,385)**	(15,521)
Current borrowings	**(12,908)**	-
Current financial liabilities	**(34,293)**	(15,521)
Long-term borrowings	**-**	(6,813)
Other payables due after more than one year	**-**	-
Total financial liabilities	**(34,293)**	(22,334)

Financial assets contain trade receivables and unbilled revenue whereas financial liabilities contain trade payables, other payables, contingent consideration and accruals.

Measurement of fair value of financial instruments

The Group performs valuations of financial items for financial reporting purposes, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The only instruments held at fair value are quoted investments and as these are immaterial to the financial statements no further disclosures have been made in respect of the specific valuation techniques used.

Financial instruments sensitivity analysis

In managing interest rate and currency risks, the Group aims to reduce the impact of short term fluctuations on its earnings. At the end of each reporting period, the effect of hypothetical changes in interest and currency rates are as follows:

Notes to the consolidated financial statements
continued

Interest rate sensitivity analysis
The table below shows the Group's sensitivity to interest rates on floating rate borrowings (i.e. cash and cash equivalents and bank borrowings which attract interest at floating rates) if interest rates were to change by +/- 1%. The impact on the results in the statement of profit and loss and other comprehensive income and equity would be:

	2024 Increase/ (decrease) in profit and loss £'000	2023 Increase/ (decrease) in profit and loss £'000
+1 % movement in interest rates	130	70
-1 % movement in interest rates	(130)	(70)

The group's borrowing facility consists solely of a revolving credit facility which provides committed funding of £30m until April 2025.

Foreign exchange rate sensitivity analysis

The Group had the following net currency denominated financial instruments at year end:

	2024 £'000	2023 £'000
Net currency	112	359

The effect of foreign currency fluctuations on the financial statements is immaterial.

28. Capital commitments

There were no capital commitments at 30 April 2024 (2023: £nil)

29. Lease liabilities – IFRS 16

The Group has leases for offices, vehicles and some IT equipment, with the exception of short-term leases and leases of low-value assets each lease is held on the balance sheet as a right-of-use asset and corresponding lease liability. Property leases have a remaining term of one to ten years. Leases of vehicles and IT equipment have a term of three to five years. Lease payments on all those recognised on the balance sheet are fixed. Unless there is a contractual right for the Group to sublet the asset to a third party, the right of use asset can only be used by the Group.

The table below provides additional information on the right-of-use assets by class of assets:

	Number of leased assets*	Average length of lease remaining	Opening lease asset £'000	Net additions £'000	Depreciation £'000	Closing lease asset £'000
Office buildings	12	4.5 years	27,088	-	(3,849)	23,239
IT equipment	1	0 years	9	-	(9)	-
Electric vehicles	13	2.4 years	-	472	(90)	382

* Where properties within the same building are leased on a floor by floor basis on the same contractual terms, the Group has elected to treat these as a portfolio and are counted as a single leased asset within the table

Lease liabilities are presented in the statement of financial position as follows:

	2024 £'000	2023 £'000
Current lease liability	4,346	3,257
Non-current lease liability	24,178	28,716

A number of property leases held by the Group include break or termination options. The lease liability has been calculated based on the likelihood of such option being exercised. An option would only be exercised when in line with the Group's wider strategy.

In line with IFRS 16 *Leases* the Group has elected not to recognise a lease liability for leases with a term of 12 months or less, or for leases of low value assets. The payments made under such leases are expensed to the profit and loss on a straight-line basis. Any variable lease payments incurred are expensed as incurred.

The table below shows amounts recognised in the Statement of Comprehensive Income for short term and low value leases as at 30 April 2024:

	Property £'000	Equipment £'000	Total £'000
Expenses relating to short-term leases	116	16	132
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	60	60
	116	76	192

The total minimum undiscounted lease payments at 30 April 2024 under non-cancellable operating lease rentals were:

	30 April 2024 £'000	30 April 2023 £'000
Within one year	5,441	4,088
In the second to fifth year inclusive	19,855	19,219
After five years	7,926	11,437
	33,222	34,744

30. Related parties

Gateley Plc entered into a lease agreement for the Leicester office, in which some of the directors have a beneficial interest. The annual rent charge under the lease is £60,000 (2023: £120,000) and the amounts outstanding at the year-end are £nil (2023: £nil).

Compensation paid to key management personnel

At the year end, Directors of Gateley (Holdings) Plc control 1.64% (2023: 3.40%) of the voting shares of the Company.

The key management personnel comprise the Strategic Board on the basis that they make any final key decisions.

Short term compensation paid to key management personnel during the year totalled £3.597m (2023: £3.155m).

Short term remuneration to key management personnel is included in personnel costs and analysed as follows:

	2024 £'000	2023 £'000
Wages and salaries	3,166	2,754
Social security	431	401
Pension costs	-	-
	3,597	3,155

31. Pensions

The Group participates in a defined contribution scheme operated by Aegon UK Plc, the assets of which are held separately from the Group. The amounts charged to the profit and loss account in respect of this scheme represent contributions payable in respect of the accounting year. The total annual pension cost for the defined contribution scheme was £3,159,992 (2023: £2,839,162) and the outstanding balance at the year end was £74,268 (2023: £54,216).

32. Post balance sheet events

The Directors are not aware of any material post balance sheet events.

Parent company statement of financial position
at 30 April 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments	5	**47,727**	40,155
Total non-current assets		**47,727**	40,155
Current assets			
Other receivables	6	**28,373**	22,309
Cash and cash equivalents		**379**	-
Total current assets		**28,752**	22,309
Total assets		**76,479**	62,464
Non-current liabilities			
Other interest-bearing loans and borrowings	8	**-**	(6,813)
Total non-current liabilities		**-**	(6,813)
Current liabilities			
Other interest-bearing loans and borrowings	8	**(12,908)**	-
Other payables	7	**(561)**	(1,501)
Total current liabilities		**(13,469)**	(1,501)
Total liabilities		**(13,469)**	(8,314)
Net assets		**63,010**	54,150
Equity			
Share capital	9	**13,304**	12,664
Share premium		**35**	11,846
Other reserves		**19,383**	15,413
Share based payment reserve		**7,599**	5,913
Retained earnings		**22,689**	8,314
Total equity		**63,010**	54,150

Under section s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. The profit for the year to 30 April 2024 was £12,980,000 (2023: £13,391,000).

These financial statements were approved by the directors on 15 July 2024 and were signed and authorised on their behalf by:

Rodrick R Waldie
Chief Executive Officer

Neil A Smith
Chief Financial Officer

Company registered number: 09310078.

The accompanying notes on pages 127 to 136 form an integral part of these financial statements.

Parent company statement of changes in equity
for year ended 30 April 2024

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Other reserves £'000	Retained earnings £'000	Total Equity £'000
At 1 May 2022	12,456	11,342	4,813	14,465	5,927	**49,003**
Comprehensive income:						
Profit for the year	-	-	-	-	13,391	**13,391**
Total comprehensive income	-	-	-	-	13,391	**13,391**
Transactions with owners:						
Dividend paid	-	-	-	-	(11,004)	**(11,004)**
Issue of share capital	208	504	-	948	-	**1,660**
Share based payment transactions	-	-	1,100	-	-	**1,100**
Total equity at 30 April 2023	12,664	11,846	5,913	15,413	8,314	**54,150**
At 1 May 2023	12,664	11,846	5,913	15,413	8,314	**54,150**
Comprehensive income:						
Profit for the year	-	-	-	-	12,980	**12,980**
Total comprehensive income	-	-	-	-	12,980	**12,980**
Transactions with owners:						
Dividend paid	-	-	-	-	(12,335)	**(12,335)**
Issue of share capital	640	1,919	-	3,970	-	**6,529**
Cancellation of share premium account		(13,730)	-	-	13,730	**-**
Share based payment transactions	-	-	1,686	-	-	**1,686**
Total equity at 30 April 2024	13,304	35	7,599	19,383	22,689	**63,010**

The following describes the nature and purpose of each reserve within equity:

Share premium – Amount subscribed for share capital in excess of nominal value.

Other reserves – Represents the difference between the actual and nominal value of shares issued by the company in the acquisition of subsidiaries.

Share based payment reserve – Represents the accumulated share based payment charge and is not distributable.

Retained earnings – All other net gains and losses and transactions with owners not recognised anywhere else.

The accompanying notes on pages 127 to 136 form an integral part of these financial statements.

Parent company cash flow statement
for year ended 30 April 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the year		**12,985**	13,391
Interest expense		**1,051**	462
(Decrease)/Increase in liabilities		**(940)**	66
Increase in other receivables		**(1,875)**	(4,655)
Net cash flows from operating activities		**11,221**	9,264
Investing activities			
Initial consideration paid on acquisitions		**(2,035)**	-
Earn-out consideration paid - acquisition of subsidiary		**(3,790)**	-
Net cash used in investing activities		**(5,825)**	-
Financing activities			
Receipt of funds for issue of SAYE/RSA Plan/COP/LTIP shares		**2,274**	610
Receipt of revolving credit facility	8	**6,000**	1,000
Interest paid		**(956)**	(309)
Dividends paid		**(12,335)**	(11,004)
Net cash used in financing activities		**(5,017)**	(9,703)
Net increase/(decrease) in cash and cash equivalents		**379**	(439)
Cash and cash equivalents at beginning of the year		**-**	439
Cash and cash equivalents at end of year		**379**	-

The accompanying notes on pages 127 to 136 form an integral part of these financial statements.

Parent company notes to the financial statements
For the period ended 30 April 2024
(forming part of the financial statements)

1. Basis of preparation and material accounting policies

Gateley (Holdings) Plc (the "Company") is a company incorporated and domiciled in the UK under the Companies Act. The nature of the Group's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared in accordance with UK-adopted International Accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13 below.

The individual financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the financial statements, the results and financial position of the company are expressed in GBP, which is the functional and presentational currency of the Company.

Measurement convention
The financial statements are prepared on the historical cost basis except where Adopted IFRSs require an alternative treatment. The principal variations relate to financial instruments which are carried at fair value.

1.1 Going concern

See full explanation on page 246 of the Strategic Report.

Having reviewed the Company's forecasts, which includes an analysis of both short term cash flow forecasts and longer term cash flow forecasts, the risk and uncertainties surrounding the current and future demand for legal services, and other reasonably possible variations in trading performance, the Company expects to be able to operate within the Company's financing facilities and in accordance with the covenants set out in those facility agreements.

Sensitivity analysis has been performed in respect of specific scenarios which could negatively impact our future performance such as lower levels of revenue growth, lower than forecast receipts of cash, and reduced levels of gross margin expansion. In addition, the Directors have also considered mitigating actions such as lower capital expenditure and other short-term cash management activities within the Company's control. On this basis, the Directors have a reasonable basis to conclude that the Company is forecast to continue to trade in line with existing financing facilities for the foreseeable future and at least 12 months from the approval of these financial statements.

Accordingly the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the financial instruments are classified as a financial liability.

Parent company notes to the financial statements
continued

1.3 Non derivative financial instruments

Financial Assets
The Company's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are recognised when the Company becomes party to the contractual provisions of the instrument.

i) Investments
Fixed asset investments are stated at cost less provision for any impairment in value.

Investments in subsidiary undertakings are stated as fixed asset investments, at cost less amounts written off for impairment with any subsequent year adjustments stated directly into the profit and loss account. Investments are reviewed for impairment where events or circumstances indicate that their carrying amount may not be recoverable. In some instances investments are subject to contingent consideration, this is included in the cost of investment. The amount of contingent consideration due is assessed regularly by management based on actual and forecast performance. Any changes to contingent consideration due are recognised within the statement of profit and loss. Cost of investment also includes share-based payment charges of equity settled share based payment schemes to be settled on behalf of subsidiary companies.

ii) Other receivables
Other receivables (except unbilled amounts for client work) are initially recognised at their transaction value and carried at amortised cost under IFRS 9.

In line with IFRS 9, the Company recognises any expected credit loss against trade receivables in order to recognise the inherent risk that the Company may not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision recorded is based on a broad range of information including past events, current conditions and forecasts of the future cash flows of the asset and is recognised in the statement of profit and loss in other operating expenses.

iii) Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the cash flow statement, cash and cash equivalents includes bank overdrafts in addition to the definition above.

Financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

The Company's financial liabilities comprise borrowings and contingent consideration treated as remuneration. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method with the exception of contingent consideration that is measured at fair value through profit or loss.

1.4 Impairment

Financial assets (including receivables)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss scenario is likely to occur after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Under IFRS 9 the Group recognises expected credit losses (ECLs) on receivables through application of the simplified method. The amount of the provision recorded is based on a broad range of information including past events, current conditions and forecasts of the future cash flows of the asset.

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised on deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.6 Ordinary dividends

Dividends are recognised as a liability in the period in which they are approved by the Company's shareholders.

1.7 New and revised IFRS in issue but not yet effective

There have been no changes to international accounting standards this year that have a material impact on the Company's results. No forthcoming new international accounting standards are expected to have a material impact on the financial statements of the Company.

2. Expenses

Audit fees in relation to the audit of these accounts of £10,000 (2023: £10,000) have been borne by Gateley Plc. The company does not have any employees (2023: Nil).

3. Investment income

Intercompany dividends to the Company have been received from other Group entities as detailed below:

	2024 £'000	2023 £'000
Dividend received from Gateley Plc – 25 April 2023	-	8,600
Dividend received from Gateley Plc – 3 February 2023	-	350
Dividend received from Gateley Plc – 31 October 2022	-	4,500
Dividend received from Gateley Smithers Purslow Limited – 19 October 2022	-	200
Dividend received from Gateley Vinden Limited – 19 October 2022	-	350
Dividend received from Gateley Plc – 23 October 2023	1,000	-
Dividend received from Gateley RJA Limited – 16 November 2023	600	-
Dividend received from Gateley Plc – 12 February 2024	3,900	-
Dividend received from Gateley Plc – 30 April 2024	8,600	-
	14,100	14,000

Parent company notes to the financial statements continued

4. Taxation

The Company's profit for the year arises from the receipt of intercompany dividends and the issuance of new shares to Gateley EBT Limited, which are not chargeable to corporation tax. As a result, no provision for corporation tax is needed in these financial statements.

5. Investments

	£'000
At 1 May 2022	33,623
Share based payment charge	1,100
Capital contribution in respect of acquisition related remuneration	5,432
Balance at 30 April 2023	40,155
At 1 May 2023	40,155
Share based payment charge	1,686
Capital contribution in respect of acquisition related remuneration	5,886
Balance at 30 April 2024	47,727

Investments in subsidiaries

The Company has effective control of the following:

	Registered office	Ordinary share proportion held	Nature of business
Gateley Plc	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Legal services
Entrust Pension Limited	Ship Canal House 98, King Street, Manchester, M2 4WU	100%	Pension trustee services
Gateley Capitus Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Tax incentive services
Gateley Hamer Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Specialist property consultancy
Kiddy & Partners Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Human capital consultancy
Gateley Global Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	UK Investment consultancy
T-Three Consulting Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Human capital consultancy
Gateley Vinden Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Corporate advisory, dispute resolution and consultancy to the built environment in the property and construction markets
GEG Services Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	UK Investment services provider
Matsa Holdings Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Intermediate holding company
Thomas Alexander Holdings Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Intermediate holding company
Austen Hays Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Legal services
TVP Holdings Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Intermediate holding company
SP 2018 Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Intermediate holding company
Smithers Purslow Group Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Intermediate holding company
Gateley Smithers Purslow Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Architecture, building surveyance and civil & structural engineering
Byrom Clark Roberts Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Dormant
Ainsley Stokes Limited*	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Architecture, building surveyance and civil & structural engineering
Adamson Jones IP Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Patent attorney
Symbiosis IP Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Patent attorney
Gateley RJA Limited	One Eleven, Edmund Street, Birmingham, B3 2HJ	100%	Quantity surveyors
Gateley EBT Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Employee benefit trust
Gateley Investments Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Corporate investment company
Ensco Trustee Company Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Corporate trustee company
Gateley Secretaries Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading
Gateley Incorporations Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading
Gateley Custodian and Nominee Services Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading
Gateley Custodian and Nominee Services No.2 Limited*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading
Gateley Omega Limited (formerly Ensco 1413 Limited)	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading
Gateley Trust Corporation Limited	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading

Parent company notes to the financial statements
continued

	Registered office	Controlling interest held	Nature of business
Gateley UK LLP**	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Legal services via a branch in Dubai
Gateley (NI) LLP***	Imperial House, 4-10 Donegall Square East, Belfast, Northern Ireland, BT1 5HD	n/a	Legal services in Northern Ireland
Victoria Louise Garrad and Richard Julian Healey trading as Gateley Ireland***	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	n/a	Legal Services in Ireland
Gateley Heritage LLP*	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ	100%	Non-trading

* these investments are indirectly held at the year end.

** certain Directors of Gateley (Holdings) Plc and Gateley Plc as individuals are members of this entity, although effective control is held by Gateley (Holdings) Plc via a trust holding arrangement.

*** These entities are related entities of Gateley Plc since the majority of its Members are also board members of Gateley Plc. In substance they are controlled by Gateley Plc and so their results are included in the consolidated results of Gateley (Holdings) Plc. In accordance with local governance regulations, direct ownership in Gateley (NI) LLP and Gateley Ireland (a partnership in Ireland) is not permitted however both entities will be recognised as subsidiary undertakings of Gateley Plc under section 1162(4) of the Companies Act 2006 and thus subsidiary undertakings of the Group by virtue of section 1162(5) of the Companies Act 2006.

6. Other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Amounts owed from Gateley Plc	**11,832**	9,051
Amounts owed from Gateley EBT Limited	**646**	517
Amounts owed from Gateley Vinden Limited	**50**	50
Amounts owed from Adamson Jones IP Limited	**2,000**	2,000
Prepaid consideration subject to earn-out service conditions	**5,831**	4,946
	20,359	16,564

	£'000	£'000
Amounts falling due after one year:		
Prepaid consideration subject to earn-out service conditions	**8,014**	5,745
	8,014	5,745

All intercompany receivables are anticipated to be due within one year and repayable on demand. No interest is charged on intercompany balances repayable on demand.

The Directors are satisfied that no provisioning for impairment is required in respect of the receivables at 30 April 2024 (2023: £Nil)

The carrying amount of financial assets (excluding investments) recorded in these accounts, which is net of any impairment losses, represents the Company's maximum exposure to credit risk. Financial assets include amounts due from Gateley Plc. The Company does not hold collateral over these balances.

7. Other payables

	2024 £'000	2023 £'000
Contingent consideration treated as remuneration due in one year	**324**	1,364
Other payables	**237**	137
	561	1,501

8. Other interest-bearing loans and borrowings

The contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost, are described below. For more information about the Group's exposure to interest rate and foreign currency risk, see note 27.

	2024 Fair value £'000	2024 Carrying amount £'000	2023 Fair value £'000	2023 Carrying amount £'000
Non-Current liabilities				
Bank borrowings	**12,908**	**12,908**	6,813	6,813

On 18 April 2022, the Company entered into a revolving credit facility which provides total committed funding of £30m until April 2025. Interest is payable at a margin of 1.95% above the SONIA reference rate. A commitment fee of one third of the applicable margin is payable on the undrawn amounts.

As at 30 April 2024, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

30 April 2024	Current		Non-current	
	Within 6 months £'000	6 to 12 months £'000	1 – 5 years £'000	Later than 5 years £'000
Other payables	**-**	**561**	**-**	**-**
Bank borrowings	**-**	**14,133**	**-**	**-**
Total	**-**	**14,694**	**-**	**-**

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting period as follows:

30 April 2023	Current		Non-current	
	Within 6 months £'000	6 to 12 months £'000	1 – 5 years £'000	Later than 5 years £'000
Other payables	-	1,364	-	-
Bank borrowings	-	-	7,997	-
Total	-	1,364	7,997	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Parent company notes to the financial statements
continued

9. Capital and reserves

Authorised, issued and fully paid

	2024 Number	2024 £	2023 Number	2023 £
Ordinary shares of 10p each				
Brought forward	126,636,157	12,663,615	124,556,879	12,455,687
Issued on acquisition of Richard Julian and Associates Limited	1,192,163	119,216	-	-
Issued as part of contingent consideration of Gateley Smithers Purslow Limited	1,661,790	166,179	-	-
Issued on acquisition of Symbiosis IP Limited	-	-	523,012	52,301
Issued as part of contingent consideration of Tozer Gallagher LLP	-	-	25,071	2,507
Issued on vesting of LTIP	727,790	72,779	-	-
Issued on vesting of RSA Plan	790,131	79,013	1,175,000	117,500
Issued on vesting of SAYE	1,591,555	159,156	356,195	35,620
Issued on vesting of CSOPS	438,263	43,826	-	-
At 30 April	133,037,849	13,303,784	126,636,157	12,663,615

The Company has one class of Ordinary shares which carry no right to fixed income.

On 19 July 2023 the Company acquired the entire issued share capital of Richard Julian and Associates Limited in part for the issue of 1,192,163 10p ordinary shares.

On 2 November 2023 the Company issued 1,661,790 10p ordinary shares to satisfy the contingent consideration on the acquisition of Gateley Smithers Purslow Limited

Between 1 May 2023 and 30 April 2024 1,591,555 10p ordinary shares were issued upon vesting of the 2019/2020 SAYE schemes to participants.

On 27 September 2023 727,790 10p ordinary shares were issued upon vesting of the 2020 LTIP scheme to participants

On 21 September 2023 790,131 10p ordinary shares were issued upon issue of the FY24 RSA Plan to participants.

10. Financial instruments and related disclosures

Financial risk management

The board has overall responsibility for the oversight of the Company's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risk is maintained and reviewed by the board, who also monitor the status of agreed actions to mitigate key risks.

Management's objective in managing financial risks is to ensure the long-term sustainability of the Company and Group.

As the Company's principal financial instruments comprise cash and inter-group receivables. The main risks are those noted below:

Credit risk

Credit risk is the risk of financial loss to the Company if a subsidiary to a financial instrument fails to meet its contractual obligation. The Company has a policy of monitoring subsidiaries who perform credit checks which together with the spread of reputable clients ensures there are no unacceptable concentrations of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that the Group has sufficient cash or loan facilities to meet all its commitments when they fall due by ensuring that there is sufficient cash or working capital facilities to meet the cash requirements of the Company.

Gateley Plc is financed through a combination of unsecured bank loans together with cash generated from operations. The board reviews the projected financing requirements annually when agreeing the Group's budget and, based on this review, sets the value of the future capital requirements of the business. The cash flow forecast for the entire Group is updated regularly and compared to the budget with any significant variance being reported to the board.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income. The Company's exposure to market risk predominantly relates to interest and currency risk. Management does not consider this to be a significant risk to the Company.

Interest rate risk

The Company's bank borrowings incur variable interest rate charges linked to SONIA plus a margin. Management do not consider this to be a significant risk to the Company or Group. See page 115 for further analysis.

Foreign currency risk

The Group has one overseas operation based in Dubai which, therefore, exposes the Group to changes in Sterling/ Dirhams exchange rates. Management does not consider this to be a significant risk to the Company or Group.

Fair value disclosures

The fair value of each class of financial assets and liabilities is the carrying amount, based on the following assumptions:

Inter Group receivables	The fair value approximates to the carrying value because of the short maturity of these instruments.

There are no financial instruments carried at fair value within this financial information.

The fair value of financial assets and liabilities are as follows (there is no difference between the carrying value of the financial assets and liabilities and their fair value):

	2024 £'000	2023 £'000
Cash and cash equivalents	379	-
Group receivables	14,528	11,618
Total financial assets	14,907	11,618
Current borrowings	(12,908)	-
Other payables	(561)	(1,501)
Current financial liabilities	(13,469)	(1,501)
Long-term borrowings	-	(6,813)
Other payables	-	(1,364)
Total non-current liabilities	-	(8,177)
Total financial liabilities	(13,469)	(9,678)

The Company itself does not have any exposure to foreign exchange rates. The Group's exposure is detailed in note 27.

Parent company notes to the financial statements continued

Financial instruments sensitivity analysis

In managing interest rate and currency risks, the Group aims to reduce the impact of short term fluctuations on its earnings. At the end of each reporting period, the effect of hypothetical changes in interest and currency rates are as follows:

Interest rate sensitivity analysis

The table below shows the Company's sensitivity to interest rates on floating rate borrowings (i.e. cash and cash equivalents and bank borrowings which attract interest at floating rates) if interest rates were to change by +/- 1%. The impact on the results in the statement of profit and loss and other comprehensive income and equity would be:

	2024 Increase/ (decrease) in profit and loss £'000	2023 Increase/ (decrease) in profit and loss £'000
+1 % movement in interest rates	**130**	70
-1 % movement in interest rates	**(130)**	(70)

The borrowing facility consists solely of a Revolving Credit Facility which provides committed funding of £30m until April 2025.

11. Share based payments

Details of the Group's share based payment schemes in operation are shown in note 8 of the Group financial statements. All shares are issued by Gateley (Holdings) Plc.

12. Related parties

None of the Executive Directors received any remuneration from the Company during the year, other than dividend income. They are however remunerated by Gateley Plc, further details can be found in note 30 of the Group financial statements.

13. Accounting estimates and judgements

The preparation of these financial statements under IFRS requires management to make estimates and assumptions which affect these financial statements. The key estimates and assumptions relate to the impairment assessment of investments.

Impairment of investments (note 5)

The total carrying amount of investments is held net of impairment losses. In determining whether investments are impaired requires an estimation of the future value arising from a subsidiary or the trade and assets acquired with it. The value in use calculation requires an estimate of the future cash flows expected to arise from a subsidiary or cash generating unit and the use of a suitable discount rate in order to calculate present value. Any change in estimates could result in an adjustment to recorded amounts. Management do not believe any impairment is necessary against the carrying value of its investments.

14. Contingent liability

A cross guarantee between the Company and Gateley Plc exists in respect of all loans and overdrafts. The value of the contingent liability at 30 April 2024 is £12,908,000 (2023: £6,813,000).

Appendix

Reconciliation of alternative performance measures

Underlying profit before tax

The Directors seek to present a measure of underlying profit performance which is not impacted by exceptional items or items considered non-operational in nature. These include non-trading, non-cash and one-off items disclosed separately in the consolidated income statement where the quantum, nature or volatility of such items are considered by management to otherwise distort the underlying performance of the Group. This measure is described as 'underlying' and is used by management to assess and monitor profit performance only at the before and after tax level. In line with the board's wish to simplify reporting of profits, the board have moved away from reporting adjusted Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA"), following the introduction of IFRS 16 'Leases'.

	2024 £'000	2023 £'000
Reported profit before tax	**13,955**	16,212
Adjustments for non-underlying and exceptional items:		
- Amortisation of intangible assets	**2,483**	2,073
- Share-based payment adjustment	**1,686**	1,984
- Gain on bargain purchase	**(3,609)**	(1,389)
- Consideration treated as remuneration	**6,956**	6,190
- Exceptional items	**1,563**	-
Underlying profit before tax	**23,034**	25,070

Amortisation of acquired intangible assets is identified as a non-cash item released to the income statement therefore such cost is removed when considering the underlying trading performance of the Group by adding to profit the annual amortisation charge.

Consideration treated as remuneration: such charges are treated as non-underlying in order to reflect the commercial substance of the transaction. All former vendors who remain employed by the Group are paid at market rates and the earnout remuneration is a function of the interpretation of IFRS, and related emerging guidance only.

The adjustment for share-based payments relates to the impact of the accounting standard for share-based compensation. The cost of all share-based schemes is settled entirely by the issue of shares where the proportions can vary from one year to another based on events outside of the businesses control e.g., share price. Under IFRS the anticipated future share cost is expensed to the income statement over the vesting period. The adjustment above addresses this by adding to profit the IFRS 2 charge in relation to outstanding share awards. This adjustment is made so that non-cash expenses are removed from profit.

Underlying operating profit

	2024 £'000	2023 £'000
Reported operating profit	11,177	16,122
Adjustments for non-underlying and exceptional items:		
- Amortisation of intangible assets	**2,483**	2,073
- Share-based payment adjustment	**1,686**	1,984
- Gain on bargain purchase	**(3,609)**	(1,389)
- Consideration treated as remuneration	**6,956**	6,190
- Exceptional items	**1,563**	-
Underlying operating profit	**20,256**	24,980

Appendix
continued

Cash generated from operations

a) Free cash flows

	2024 £'000	2023 £'000
Net cash generated from operations	18,887	14,065
Repayment of lease liabilities	(5,091)	(4,579)
Net interest received	4,043	1,364
Tax paid	(4,902)	(4,320)
Cash outflow paid on acquisitions	5,825	1,518
Purchase of property, plant and equipment	(1,045)	(1,312)
Purchase of other intangible assets	-	(787)
Free cash flows	**17,717**	5,949

b) Working capital measures

	2024 £'000	2023 £'000
WIP days		
Amounts recoverable from clients in respect of contract assets (unbilled revenue)	23,543	20,388
Unbilled disbursements	5,389	3,368
Total WIP	**28,932**	23,756
Annualised revenue	173,312	163,583
WIP days	**61**	53

	2024 £'000	2023 £'000
Debtor days		
Trade receivables	58,056	54,167
Less unbilled disbursements	(5,389)	(3,368)
Total debtors	**52,667**	50,799
Annualised revenue	173,312	163,583
Debtor days	**111**	113

	2024 £'000	2023 £'000
Gross lock-up days		
Total WIP	28,932	23,756
Total debtors	52,667	50,799
Total gross lock-up	**81,599**	74,555
Annualised revenue	173,312	163,583
Gross lock-up days	**172**	166

Annualised revenue reflects the total revenue for the previous 12-month period inclusive of pro-forma adjustments for acquisitions.

Notice of annual general meeting

NOTICE IS GIVEN that the Annual General Meeting of the above named Company will be held at One Eleven Edmund Street, Birmingham B3 2HJ on 23 September 2024 at 12:30 p.m. Shareholders will be asked to consider and, if thought fit, to pass the following resolutions of which resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions and resolutions 9 to 12 (inclusive) will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's annual accounts for the financial year ended 30 April 2024 together with the directors' report and the auditors' report on those accounts.
2. To approve the directors' remuneration report for the financial year ended 30 April 2024, which is set out in the Company's annual report for the financial year ended 30 April 2024.
3. To declare a final dividend for the year ended 30 April 2024 of 6.2p per share payable in October 2024 to shareholders on the register of members at the close of business on 11 October 2024. The shares will go ex-dividend on 10 October 2024.
4. To reappoint Edward Knapp (who retires in accordance with article 23.4.2 of the Company's articles of association and, being eligible, offers himself for re-election) as a director of the Company.
5. To reappoint Neil Andrew Smith (who retires in accordance with article 23.4.2 of the Company's articles of association and, being eligible, offers himself for re-election) as a director of the Company.
6. To appoint MacIntyre Hudson LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
7. To authorise the directors to fix the remuneration of the auditors of the Company.
8. **THAT**, in substitution for all existing and unexercised authorities and powers, the directors of the Company be generally and unconditionally authorised for the purpose of section 551 Companies Act 2006 (the **Act**) to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as **Relevant Securities**) up to an aggregate nominal value of £4,406,140.04 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company), such authority, unless previously renewed, varied or revoked by the Company in general meeting, to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 December 2025) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot relevant securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

9. To adopt the articles of association that are produced to the Annual General Meeting, marked "X" and initialled by the Chairman for the purposes of identification, as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association with effect from the conclusion of the Annual General Meeting.
10. **THAT**, if resolution 8 above is passed, and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) (**Equity Securities**) for cash under the authority given by that resolution 8 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:

    10.1 the allotment of Equity Securities or sale of treasury shares in connection with a rights issue or similar offer in favour of ordinary shareholders where the Equity Securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on that date provided that the directors of the Company may make such exclusions or other arrangements to deal with any legal or practical problems under the laws of any territory or the requirement of any regulatory body or any stock exchange or with fractional entitlements as they consider necessary or expedient;

Notice of annual general meeting
continued

10.2 the allotment of Equity Securities or sale of treasury shares (otherwise than under paragraph 10.1 above) up to an aggregate nominal amount of £1,335,193.95 representing approximately 10% of the current share capital of the Company; and

10.3 the allotment of Equity Securities or sale of treasury shares (otherwise than under paragraphs 10.1 or 10.2 above) up to a nominal amount equal to 20% of any allotment of Equity Securities or sale of treasury shares from time to time under paragraph 10.2 above such authority to be used only for the purposes of making a follow-on offer which the directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authorities, unless previously renewed, varied or revoked by the Company in general meeting, to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 December 2025) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Equity Securities to be allotted (and treasury shares to be sold) after the expiry of such period and the directors of the Company may allot Equity Securities (and sell treasury shares) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

11. **THAT**, if resolution 8 above is passed, and in addition to any authority granted under resolution 10 above, the directors of the Company be and are hereby generally and unconditionally empowered pursuant to section 570 of the Act to allot Equity Securities for cash under the authority given by that resolution 8 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment of Equity Securities, such authority to be:

11.1 limited to the allotment of Equity Securities or sale of treasury shares pursuant to the authority granted under resolution 8 up to an aggregate nominal amount of £1,335,193.95 representing approximately 10% of the current share capital of the Company used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice of Annual General Meeting of the Company; and

11.2 limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 11.1 above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph 11.1 above used only for the purposes of making a follow-on offer which the directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authorities, unless previously renewed, varied or revoked by the Company in general meeting, to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 December 2025) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Equity Securities to be allotted (and treasury shares to be sold) after the expiry of such period and the directors of the Company may allot Equity Securities (and sell treasury shares) in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

12. **THAT**, for the purposes of section 701 of the Act, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.10 each in the capital of the Company (**Ordinary Shares**) provided that:

12.1 the maximum number of Ordinary Shares which may be purchased is 13,351,940 (representing 10% of the Company's issued share capital);

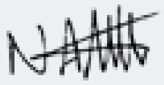
12.2 the minimum price which may be paid for each Ordinary Share is £0.10;

12.3 the maximum price which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of The London Stock Exchange plc for the five business days immediately preceding the day on which the Ordinary Share in question is purchased;

12.4 unless previously renewed, varied or revoked by the Company in general meeting, to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 23 December 2025); and

12.5 the Company may make a contract or contracts to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which contract or contracts will or maybe executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

BY ORDER OF THE BOARD



Neil Andrew Smith, Secretary

Date:
30 August 2024

Registered office:
One Eleven, Edmund Street, Birmingham, B3 2HJ

Notice of annual general meeting continued

NOTES:

Entitlement to Attend and Vote

1. To be entitled vote at the Meeting (and for the purposes of the determination by the Company of the votes that may be cast in accordance with Regulation 41 of the Uncertified Securities Regulations 2001), only those members registered in the Company's register of members at close of business on 19 September 2024 (or, if the Meeting is adjourned, close of business on the date which is two business days before the adjourned Meeting) shall be entitled to vote at the Meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to vote at the Meeting.

Voting on a poll

2. In line with best practice, voting at the meeting will be on a poll, rather than a show of hands. Each shareholder present at the meeting will be entitled to one vote for every Ordinary Share registered in his or her name and each corporate representative or proxy will be entitled to one vote for each Ordinary Share which he or she represents.

Website Giving Information Regarding the Meeting

3. Information regarding the Meeting, including the information required by Section 311A of the Act, is available from www.gateleyplc.com/investors.

Appointment of Proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting. You can appoint a proxy only using the procedures set out in these notes and the notes to the proxy form.

5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please indicate on your proxy submission how many shares it relates to.

7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of Proxy Using Hard Copy Proxy Form

8. A hard copy form of proxy has **not** been sent to you but you can request one directly from the registrars, Link Asset Services' general helpline team on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Or via email at shareholderenquiries@linkgroup.co.uk or via postal address at Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. For the purposes of determining the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

Appointment of a Proxy Online

9. You may submit your proxy electronically using the Share Portal service at www.signalshares.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies. Shareholders will need to use the unique personal identification Investor Code (**IVC**) printed on your share certificate. If you need help with voting online, please contact our Registrar, Link Asset Services' portal team on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. –5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Or via email at shareholderenquiries@linkgroup.co.uk.

Appointment of Proxies Through Crest

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 12:30 p.m. on 19 September 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

    CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

    In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Appointment of Proxies Through Proxymity Voting

11. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:30 p.m. on 19 September 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Appointment of Proxy by Joint Members

12. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, the first-named being the most senior.

Changing Proxy Instructions

13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services as per the communication methods shown in note 8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Notice of annual general meeting
continued

Termination of Proxy Appointments

14. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, at the address shown in note 8. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed, or a duly certified copy of such power or authority, must be included with the revocation notice. The revocation notice must be received by Link Asset Services no later than 48 hours before the Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate Representatives

15. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued Shares and Total Voting Rights

16. As at 30 August 2024, the Company's issued share capital comprised 133,519,395 Ordinary Shares. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company on 30 August 2024 was 133,519,395. The website referred to in note 3 will include information on the number of shares and voting rights.

Questions at the Meeting

17. Under Section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:

    - answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
    - the answer has already been given on a website in the form of an answer to a question; or
    - it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Website Publication of Audit Concerns

18. Under Section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Act (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

Documents on Display

19. Copies of the letters of appointment of the directors of the Company and a copy of the proposed new articles of association of the Company, together with a copy of the existing articles of association of the Company marked to show the changes being proposed will be available for inspection at the registered office of the Company from the date of this notice until the end of the Meeting.

EXPLANATORY NOTES ON CERTAIN BUSINESS OF THE ANNUAL GENERAL MEETING

Resolution 8 – Directors' power to allot relevant securities

Under section 551 of the Act, relevant securities may only be issued with the consent of the shareholders, unless the shareholders pass a resolution generally authorising the directors to issue shares without further reference to the shareholders. This resolution authorises the general issue of shares up to an aggregate nominal value of £4,406,140.04, which is equal to 33% of the nominal value of the current ordinary share capital of the Company. Unless previously revoked or varied, the authority will expire on the conclusion of the next Annual General Meeting of the Company or on the date which is 15 months after the resolution being passed (whichever is the earlier).

Resolution 9 – Adoption of new articles of association

The directors are proposing that the Company adopts new articles of association to allow the Company to hold general meetings (including annual general meetings) as a physical meeting and/or (as the directors determine) as an electronic meeting (that is, by means of some form of electronic platform).

The directors consider it prudent to obtain the flexibility to allow the Company to hold general meetings virtually. In the directors' opinion, virtual general meetings are environmentally friendly, provide easier access to a broader range of shareholders and are commensurate with the Company's ESG policies and responsible business principles. The directors are keen to adopt this change with these factors in mind, particularly given that the attendance by external shareholders at the last several AGMs has been less than one person on average.

Resolutions 10 and 11 – Disapplication of pre-emption rights on equity issues for cash

Section 561 of the Act requires that a company issuing shares for cash must first offer them to existing shareholders following a statutory procedure which, in the case of a rights issue, may prove to be both costly and cumbersome. These resolutions exclude that statutory procedure as far as rights issues are concerned. These special resolutions are drawn up in accordance with the Pre-Emption Group's Statement of Principles, and enable the directors to allot shares up to:

(a) an aggregate nominal value of £1,335,194.04, which is equal to 10% of the nominal value of the current ordinary share capital of the Company, which could be used for any purpose (together with an additional aggregate nominal value of £267,037.90, which is equal to 2% of the nominal value of the current ordinary share capital of the Company, which could only be used for making a follow-on offer to retail investors or existing investors not allocated shares in the offer); and

(b) an additional aggregate nominal value of £1,335,194.04, which is equal to 10% of the nominal value of the current ordinary share capital of the Company, which could only be used for an acquisition or specified capital investment (together with an additional aggregate nominal value of £267,037.90, which is equal to 2% of the nominal value of the current ordinary share capital of the Company, which could only be used for making a follow-on offer to retail investors or existing investors not allocated shares in the offer),

subject in each case to resolution 8 being passed. The directors believe that the limited powers provided by these resolutions will maintain a desirable degree of flexibility. Unless previously revoked or varied, the disapplications will expire on the conclusion of the next Annual General Meeting of the Company or on the date which is 15 months after the relevant resolution being passed (whichever is the earlier).

Notice of annual general meeting continued

Resolution 12 – Company's authority to purchase Ordinary Shares

In certain circumstances it may be advantageous for the Company to purchase its own shares and this resolution seeks the authority from shareholders to do so. The Company has sought authority to make market purchases up to an aggregate of 13,351,940 Ordinary Shares, representing approximately 10% of the Company's issued ordinary share capital as at 30 August 2024, being the latest practicable date prior to the publication of this notice.

Granting authority for the Company to purchase Ordinary Shares in the market is intended to allow the directors to take advantage of opportunities that may arise to increase shareholder value. The directors will exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the Company for the benefit of its members as a whole. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. The price paid for shares will not be less than the nominal value of £0.10 per share nor more than 5% above the average of the middle market quotation of the Company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the shares are purchased.

The Company may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. This gives the Company the ability to reissue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

The directors have no present intention of purchasing Ordinary Shares in the market. The authority given under this resolution will lapse, unless renewed, at the conclusion of the next Annual General Meeting of the Company or on the date which is 15 months after the relevant resolution being passed (whichever is the earlier).

Company information

Registration number
09310078

Registered office
One Eleven Edmund Street
Birmingham
B3 2HJ

Directors

RR Waldie	Chief Executive Officer
V L Garrad	Chief Operating Officer
NA Smith	Chief Financial Officer and Company Secretary
NT Payne	Non-Executive Chairman
JC Lake	Non-Executive Director
CR Jones	Non-Executive Director

Independent auditor
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148 Edmund Street
Birmingham
B3 2FD

Nominated advisor and broker
Panmure Liberum
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London
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