

24 July 2024

FRP ADVISORY GROUP PLC

("FRP", the "Group" or the "Company")

Full Year Results

for the year ended 30 April 2024

FRP Advisory Group plc, a leading national specialist business advisory firm, is pleased to announce its full year results for the year ended 30 April 2024 ("FY2024").

Geoff Rowley, Chief Executive Officer of FRP Advisory Group plc, said:

"The Group made excellent progress in the financial year to 30 April 2024, growing revenues and profits for another consecutive year as we remained focused on the execution of our proven strategy: achieving strong organic growth, supplemented by selective acquisitions.

All five of our pillars made a positive contribution in the year. Our restructuring team continued to be the most active in the UK administration appointment market, FRP Corporate Finance was ranked as the 24th most active financial adviser in the UK M&A market, and our Forensic Services team was very active on a high number of investigation and litigation / arbitration confidential projects. Trading for the first full year of the combined Financial Advisory pillar has been positive, with heightened activity across all service lines

The results achieved are testament to the efforts of our colleagues, who consistently provide a high-quality service to achieve the best possible outcome for our clients. During FY2024 the Group promoted 15 colleagues to Partner across various locations and service lines, demonstrating our commitment to supporting internal career progression and longer-term succession planning.

In the new financial year, activity levels across all our locations and pillars are encouraging, with trading in line with the Board's expectations. Our M&A pipeline also remains healthy, giving us confidence of making further positive progress against our strategy."

Financial highlights

	2024 £m	2023 £m	% change
Revenue	128.2	104.0	23%
Adjusted underlying EBITDA*	37.1	27.0	37%
Reported EBITDA	33.3	18.5	80%
Adjusted Profit before tax**	33.7	24.1	39%
Reported Profit before tax	29.9	15.6	92%
Adjusted Total EPS (pence)***	9.94	7.83	27%
Basic EPS (pence)	9.35	5.58	67%
Total dividend relating to the year (pence)	5.0	4.6	9%
Net cash	29.7	22.9	30%

- Another year of sustainable growth:
 - Revenue increased by 23% to £128.2 million (2023: £104.0 million) with 19% organic and 4% inorganic.
 - Adjusted underlying EBITDA* rose by 37% to £37.1 million (2023: £27.0 million).
 - £1.4 million average revenue per Partner for the year (2023: £1.3 million).
 - £29.9 million reported profit before tax for the year (2023: £15.6 million).
- Strong balance sheet maintained with year-end net cash of £29.7 million (2023: £22.9 million).
- Increased returns to shareholders:
 - Total dividends of 5.0p relating to FY2024 (2023: 4.6p), comprising three interim dividends of 0.9p per eligible Ordinary Share and a final proposed dividend of 2.3p per eligible Ordinary Share for the year ended 30 April 2024 recommended by the Board.

* Adjusted Underlying Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) excludes exceptional costs and a share-based payment expense that arises from a) the Employee Incentive Plan (EIP) funded on IPO and b) deemed remuneration amortisation linked to acquisitions. See table in the Financial Review below.

** Reported Profit before tax plus share-based payments and exceptional items

*** Earnings adjusted by adding back share-based payments and related deferred tax. Earnings per total weighted shares in issue. See Note 6 for more details.

Operational highlights

- Delivering on our strategy to achieve strong organic growth, supplemented by selective acquisitions.
- Continued growth of the FRP team, supporting ongoing trading growth.
 - FRP team grew by 19% (additional 106 colleagues year-on-year) to 657 excluding Consultants (2023: 551).
 - Growth was driven by demand-led lateral hiring and two acquisitions (65 new colleagues via two acquisitions).
 - Colleague utilisation increased to 68% (2023: 65%).
 - As at 30 April 2024, the Group had 92 Partners (2023: 78), 430 other fee earners (2023: 361) and 135 support staff (2023: 112).
 - At year-end FRP's UK footprint covered 27 locations (2023: 25) plus two international and offshore offices in Cyprus and the Isle of Man.
 - During FY2024 15 colleagues were promoted to Partner across various locations and service lines, demonstrating the Group's commitment to supporting internal career progression and longer-term succession planning
- Restructuring team continue to be the most active in the UK administration appointment market.
 - Market share in the number of administration appointments increased to 16% (2023: 14%).
- FRP Corporate Finance ranked as the 24th most active financial adviser in the UK M&A market.
 - Corporate Finance and Debt Advisory teams were involved in 76 successful transactions (2023: 73) with an aggregate deal value of £1.4 billion (2023: £1.8 billion) and £0.6 billion of debt raised (2023: £0.8 billion).
- Our Forensic Services team has been very active on a high number of confidential projects.
- Strengthened operational infrastructure to support further growth.
 - Launched a Project Management Office ("PMO") to oversee key projects including: key system changes, data governance, data strategy and implementing operational efficiencies leveraging the latest technological tools.
 - Managed Security Operations Centre (SOC), in place.
 - Network Transformation to CATO SASE (continued roll out).
 - Hired a new People Director on 1 May 2024 to help progress the Group's future people proposition.

Post balance sheet events

- A dividend of £2.2 million, equivalent to 0.9p per eligible Ordinary Share, was declared on 14 February 2024 and paid on 14 June 2024.
- On 13 May 2024, we announced our ninth acquisition since IPO in 2020, of Southampton based Hilton-Baird Group for a consideration of £7 million plus an amount for the net assets acquired on completion, and a three-year performance based earn-out linked to profit. The total consideration is split between cash of approximately £5.6 million, the issue of new ordinary shares worth £2.8 million and a performance based earn-out. Established in 1997, Hilton-Baird provides commercial finance and credit insurance brokerage, outsourced risk and receivables audit, as well as credit management and commercial debt collection services to a national client base.
- On 23 May 2024, we announced a secondary placing of approximately 20.4 million ordinary shares, pursuant to which new lock-in agreements were signed, providing that the selling shareholders (including Geoff Rowley, Chief Executive Officer and Jeremy French, Chief Operating Officer), are not permitted to dispose of further Ordinary Shares on or before 31 July 2026, save in certain limited circumstances (including with the consent of the Company's Remuneration Committee).
- In June 2024, the Board launched a Save As You Earn (SAYE) scheme which was available for all colleagues and we were pleased to see a strong level of colleague participation.
- On 19 July 2024 we announced the acquisition of Lexington Corporate Finance for a consideration of £3 million plus an additional amount for the net assets acquired on completion of approximately £0.5 million. The total consideration for the acquisition is split between cash of approximately £2.2 million and the issue of new ordinary shares with a value of approximately £1.3 million. The Group's first acquisition in Wales, Lexington is based in Cardiff and provides corporate finance services to clients, both locally and nationwide.

The information contained within this announcement is deemed by the Group to constitute inside information under the Market Abuse Regulation No. 596/2014.

Management will host a presentation for analysts this morning at 09:30am, for details, please contact FRP@mhpgroup.com.

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Notes to Editors

FRP is a leading national specialist business advisory firm established in 2010. It offers a range of advisory services to companies, lenders, investors and other stakeholders, as well as individuals. These services include:

- Restructuring advisory: corporate financial advisory, formal insolvency appointments, informal restructuring advisory, personal insolvency and general advice to all stakeholders. The Restructuring team serves the full range of UK clients across all sectors, with assignments ranging from personal clients, SMEs to larger corporates.
- Corporate finance: mergers & acquisitions (M&A), strategic advisory and valuations, financial due diligence, capital raising, special situations M&A and partial exits.
- Debt advisory: raising and refinancing debt, debt amendments and extensions, restructuring debt, asset based lending and corporate and leveraged debt advisory.
- Forensic services: forensic investigations, compliance and risk advisory, dispute services and forensic technology.
- Financial advisory: transaction services including financial due diligence, lender services, financial modelling, valuations, pensions and company-side advisory services.

Chairman's report

I am pleased to present FRP Advisory Group plc ("FRP") and its subsidiaries' fourth Full Year Results and my first as Chair.

Overview

The financial year 2024 was challenging for businesses, with the impact of further increases in interest rates, inflationary pressure, higher costs of living and general market confidence weighing on sentiment. FRP's services support clients through their entire corporate lifecycle and this resilience enabled the Group to deliver another year of strong growth, both organically and through some selective acquisitions in Sheffield, the Isle of Man, and just after year-end, in Southampton and Cardiff.

In the new financial year there has been a change of government in the UK. The outcomes of this for business are yet to be seen. We therefore expect mid-market corporate finance activity to continue and demand for our restructuring services to also stay strong as FRP continues to support businesses facing challenges.

Continued profitable growth

We are pleased the Group has delivered another year of strong growth, with revenues of £128.2 million, up 23% from the previous year (2023: £104.0 million). This performance was driven by 19% organic growth with 4% coming from acquisitions. Following an acquisition by the Group we treat the first 12 months contribution as inorganic, with month 13 onwards becoming organic.

Adjusted underlying EBITDA of £37.1 million grew by 37% from the previous year (2023: £27.0 million). Reported EBITDA was £33.3 million (2023: £18.5 million). During the year we were pleased to welcome 106 new colleagues; the overall headcount grew 19% in the year to 657 (2023: 551) and the number of Partners increased by 14 to 92.

Strong balance sheet

The largest asset on FRP's balance sheet is unbilled revenue or Work in Progress (WIP). WIP days are typically four to seven months within the restructuring industry, and FRP maintains the discipline of a robust monthly WIP valuation process. Cash collections in the second half were particularly strong and as a result, WIP days were approximately five months (FY 2023: approximately five months). Going into FY2025 it is expected WIP will grow in the first half due to the Group's continuing growth.

The Group's balance sheet is strong with net cash balances at 30 April 2024 of £29.7 million (2023: £22.9 million), consisting of gross cash of £32.9 million less a balance remaining on a term loan of £3.2 million. The Group also has an undrawn £10 million revolving credit facility and an accordion acquisition facility that enables the Group to act swiftly on any acquisitions that meet FRP's criteria. These facilities were refinanced in July 2023 for 3 years on improved terms.

Consistently delivering on our growth strategy

Our strategy remains to seek steady and sustainable growth through organic initiatives and selective acquisition opportunities. During the year, the Group completed two restructuring acquisitions, and since year end has completed one debt advisory and one corporate finance acquisition.

FRP continues to seek acquisitions that meet the Group's strict criteria of cultural alignment, strategic fit and mutually acceptable economics. The Group has a healthy M&A pipeline and an active dialogue across a range of opportunities. The acquisitions strengthen the Group's pillars, footprint and broaden the referral network.

Further details are set out in the Strategic Report in the 2024 Annual Report.

Dividend

In line with the dividend policy, the Group pays quarterly dividends, which have progressed yearly since IPO.

The Board recommends a final dividend of 2.3p per eligible Ordinary Share for the financial year ended 30 April 2024. Subject to approval by shareholders at the AGM, the final dividend will be paid on 25 October 2024 to shareholders on the Company's register at close of business on 26 September 2024. If the final dividend is approved, the total dividends paid by the Company relating to FY 2024 will be 5.0p per eligible Ordinary Share (FY 2023: 4.6p).

Robust corporate governance

The Board firmly believes that a robust governance structure is required to optimise decision making to the benefit of the business and its wider stakeholders. To support this, FRP adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code on admission to AIM and shareholders can find more information on our governance arrangements in the Corporate Governance Statement. Further information on our Corporate Governance structure is also available on our website at <https://www.frpadvisory.com/investors/corporate-governance/>.

Our Environmental, Social and Governance ("ESG") responsibilities include committing the Group to be carbon neutral by 2030.

Our people

As a people business, FRP recognises the importance of keeping our colleagues motivated, engaged and incentivised to perform at their best. We work hard to retain our friendly, collaborative, entrepreneurial and meritocratic culture.

To reflect the Group's increase in size, (FRP has doubled its team size since IPO) a new People Director was hired in order to support the business in its next stage of growth. A colleague engagement survey was recently completed with excellent feedback. Suggestions from colleagues will be combined with existing initiatives to support and improve colleague wellbeing, personal development and activities related to Equality, Diversity and Inclusion (ED & I).

In June 2024 the Board launched a Save As You Earn (SAYE) scheme which was available for all colleagues and we were pleased to see a strong level of colleague participation.

We believe that we are an attractive destination for qualified and skilled people, with our regional office network and strong culture offering considerable appeal in the marketplace. Retaining and developing our team in a world where the competition for talent will become more intense is a key priority and greater investment in this area continues.

Following the year end, we completed an oversubscribed secondary placing for certain Directors and Partners, which was well received by both new and existing investors, demonstrating ongoing faith in FRP. Under the terms of the placing, selling shareholders entered into new lock-in agreements which restrict the disposal of shares on or before 31 July 2026 (except under certain exceptional circumstances), aligning us even more closely with the interests of our wider shareholder base.

Board changes

On 2 January 2024, Nigel Guy retired from his role of Non-Executive Chairman. Nigel joined FRP shortly after the management buyout completed in 2010 and became Chair of FRP Advisory Group plc following the IPO in March 2020. He was instrumental in delivering our growth strategy, taking FRP from a small partnership to one of the UK's largest national independent advisory firms. As a result of this, on 2 January 2024, as part of the Board's succession planning, I was delighted to join the Board as Non-Executive Chair.

At the close of the financial year, Claire Balmforth retired as an independent Non-Executive Director and Louise Jackson was appointed as a new independent Non-Executive Director on 1 May 2024.

On behalf of the Board and everyone at FRP, I would like to thank Nigel and Claire for their contribution over the years and we wish them both a long and happy retirement.

Annual General Meeting

The Company's Annual General Meeting will be held on 26 September 2024. The Notice of Annual General Meeting will be posted in due course to those shareholders who opted to receive hard copy communications and a copy will also be made available on our website at <https://www.frpadvisory.com/investors/financials-documents/>.

Looking ahead

In our new financial year, activity levels have been encouraging and trading is in line with the Board's expectations including the financial contribution of recently acquired businesses where integration is progressing as planned. The short and medium-term outlook for our business remains positive and we are confident of continued progress.

Penny Judd

Non-Executive Chair
23 July 2024

Chief Executive Officer's report

We have achieved another strong set of results by staying focused on doing the basics well and giving clients honest, clear and considered advice.

For another year, FRP has delivered growth in both revenues and profit, an excellent performance that is testament to the strength of our people, our business model and a strategy that consistently delivers for our clients and wider stakeholders.

We saw positive contributions from each of our five service pillars, Corporate Finance (currently 18 partners), Debt Advisory (9 partners), Financial Advisory (7 partners), Forensic Services (5 partners) and Restructuring Advisory (63 partners). This was delivered through the efforts of our teams, who continue to work collaboratively across the Group, an approach that underpins FRP's adaptability and success. Connectivity between our service pillars and geographic locations is a key differentiator which consistently enables us to achieve more for our clients.

During the year, we saw an uplift in revenue of 23% compared with the previous year, to £128.2 million (2023: £104.0 million), 19% of which was organic growth and 4% inorganic, including the first 12 months' revenue from new acquisitions. Adjusted underlying EBITDA was £37.1 million, up 37% on 2023 (£27.0 million), reflecting focused cost control and considered investment to support growth. On a reported basis, EBITDA was £33.3 million (2023: £18.5 million).

We maintained our focus on the basics, applying the rigorous monthly valuation of our unbilled revenue ("work in progress" or "WIP") and turning this into cash. Overall our WIP days are comfortably in line with the industry range of 4 to 7 months, at year end approximately 5 months.

Investing for growth

Expanding the business through considered acquisitions has long been a key element of FRP's strategy.

Our overarching goal remains unchanged; to generate sustainable profitable growth through a combination of quality organic growth and selective acquisitions. We will only ever consider acquiring businesses that represent a strong cultural and

strategic fit, on commercial terms that are mutually acceptable to both parties. Adhering to these strict selection criteria, we have expanded our Group significantly in recent years. We have established a bigger geographical footprint, gained market share, and widened our client service offering.

In line with this strategy, during FY2024 we acquired two high quality firms to FRP - Wilson Field Group in September 2023, and GWC, in March 2024; our seventh and eighth acquisitions since IPO, respectively.

Based in Sheffield, Wilson Field Group provides restructuring and debt advisory services to clients locally and across the UK. Through the acquisition, we have gained a channel through which we can deepen our referral relationships and also, a highly complementary digital platform. Two of the firm's Directors, Nick Wilson and Kelly Burton joined FRP as Partners on completion, with 61 further colleagues also joining the Group following completion.

GWC, based in Douglas, provides advisory and insolvency services across the Isle of Man. The acquisition strengthens our offshore presence and enables us to better support on international matters, complementing our existing work through global advisory organisation, Eight International. The firm's owner, Gordon Wilson joined FRP as a Partner following the deal, and brought a further 8 colleagues to the Group.

Since the year-end, we completed the acquisition of commercial finance and risk management specialist Hilton-Baird Group, which is based in Southampton and operates across the UK. Retaining the Hilton-Baird brand, the business sits within FRP's Debt Advisory pillar. Four of the firm's Directors, Alex Hilton-Baird, Evette Orams, Graham Bird, and Ian Tramaseur have joined FRP as Partners, with the rest of the Hilton-Baird team of 36 colleagues also joining the Group.

We have also completed the acquisition of Lexington Corporate Finance based in Cardiff which provides corporate finance services to clients both locally and nationwide. One of the firm's Directors and Founder, Gary Partridge, will join FRP as a Partner. All other members of the Lexington team will also join FRP, including 14 colleagues.

During the year, we grew our team by 19% overall, adding 106 colleagues across our network of offices, which at year end, comprised 27 in the UK, including a new office in Salisbury, which was opened in June 2023 to support team and business growth from Southampton, and two international offices.

The deeply collaborative culture of the business can only be facilitated by a strong group wide infrastructure and support. To support this, the Group launched a Project Management Office ("PMO") during the year to oversee key projects including key system changes, data governance, data strategy and implementing operational efficiencies leveraging the latest technological tools.

Navigating an uncertain and evolving world

Market sentiment continued to be fragile, as the challenges that have been facing businesses in recent years persisted through FY2024. However, there were also encouraging signs of improvement, with an increase in corporate M&A as a result of relative stability returning, particularly in the second half of the financial year. As a result, demand for services across all of our pillars remained very robust, clearly demonstrating FRP's ability to operate across the entire corporate lifecycle.

Financial Advisory

Our Financial Advisory pillar, a key growth area for the Group, comprises pensions advisory, valuation services, transaction services, lender services, board and c-suite advisory and financial modelling.

Trading for the first full year of the combined Financial Advisory pillar has been positive, with heightened activity across all service lines. As well as demand for due diligence services being high throughout the period due to the current risk environment, we have also seen more transactions take place as buyers and lenders become increasingly active.

Our valuation specialists have been very active, both with mainstream projects and preparing valuations which underpin restructuring plans and schemes of arrangement. Our pensions advisory specialists meanwhile continue to work with trustees and corporates, increasingly those moving towards buying-out schemes with insurers and assisting those navigating the changing regulatory environment.

FRP's Financial Advisory team now comprises 7 Partners.

Restructuring

During the year, the impact of sustained interest rate rises, inflationary pressures, higher costs of living and lack of market confidence continued to weigh on businesses. This caused the total number of company administrations to rise by 22%, with Construction and Retail ostensibly the most impacted sectors. One of the key challenges for companies in this environment has been the ability to raise finance, with lenders' appetite for risk changing. Whilst there are more positive signs emerging in the economy, we believe many businesses will continue to face challenges through the current year and beyond, as they navigate their way through higher costs of borrowing and an increased cost base.

FRP's Restructuring team, which provides corporate finance advisory, formal insolvency appointments, informal restructuring advisory and personal insolvency support, has been active nationwide, and across all sectors. Notable high-profile appointments include the Body Shop, WiggleCRC, Inland Homes plc, Just Cashflow and Readers Digest, and we have also been engaged on many mid-sized high quality projects across the UK. FRP strengthened its market leading position in the administrations market, remaining the most active administration appointment taker in the UK by volume of appointments, and growing its market share to 16% (2023: 14%), which includes group appointments (Source: London and Regional Gazettes).

Growth in the higher volume liquidations market, which are typically lower value and less complex, continues, including Creditors Voluntary Liquidation's and Compulsory Liquidations which increased by 3% in the financial year (Source: London and Regional Gazettes).

FRP's Restructuring team now comprises 63 Partners.

FRP Corporate Finance

FRP Corporate Finance is the brand which contains both the corporate finance and debt advisory pillars.

As economic conditions in the UK began to stabilise and market sentiment improved through the year, our Corporate Finance team, which works on M&A, strategic advisory and valuation, financial due diligence, capital raising, special situations M&A and partial exits, became more active, particularly in the second half. There is cautious optimism and momentum continuing into financial year 2025.

FRP Corporate Finance ranked as the 24th most active financial adviser in the UK M&A market (Source: *Experian Market IQ*). The team was involved in 76 successful transactions with an aggregate deal value of £1.4 billion and £0.6 billion of debt raised (FY2023: £1.8 billion deal value and £0.8 billion of debt raised), representing approximately 1% market share of the UK M&A market, by number of appointments (Source: *Experian Market IQ*). The average deal value of approximately £20 million for the year maintains FRP Corporate Finance's position in the heart of the lower mid-market.

The Corporate Finance team also continued its commitment to the private equity community with over half of the deals in the period involving private equity, including buy-side, sell-side, and debt advisory transactions.

The sectors where FRP Corporate Finance was most active in the year included:

- Business Services - 39% of transactions
- Industrials & Manufacturing - 14 %
- Consumer Retail and Leisure - 14%
- Technology - 12%

There was also an increase in activity in the Automotive and Energy sectors.

Corporate Finance

Corporate Finance remains a UK member firm of Alliance of International Corporate Advisors ("AICA"), an integrated network of middle-market M&A advisory firms, and in the financial year over 40% of its disposals were to international buyers. FRP Corporate Finance Partner Simon Davies was elected as the Chairman of the AICA for a two-year term of 2023 and 2024 and in November 2023, FRP Corporate Finance hosted the AICA European conference in London.

The Corporate Finance team now comprises 18 Partners.

Debt Advisory

The Debt advisory team works closely with the Corporate Finance pillar, with cross collaboration on a number of projects. It also supports other service pillars and following year end the Debt Advisory team now comprises 9 Partners including 4 recently joined from Hilton-Baird.

Forensic Services

The Forensic Services team had a very busy year across a multitude of high-profile investigations and litigation / arbitration disputes. We hired new colleagues across multiple locations to meet the increase in demand for our services, including two lateral Partner hires to further increase our strength in investigations, and also to provide additional focus to serving private client assignments.

Forensic Services has seen a very busy year spanning a multitude of investigations and litigation/ arbitration disputes. We have been instructed on a number of investigations typically with an element of alleged fraud with clients requiring independent investigations, often driven by concerns from auditors. We have deployed both forensic accounting and forensic technology skills to many of our cases and utilised teams from across our offices. We have also seen an increase in contentious insolvency projects requiring our forensic accounting and technology expertise.

Our team has grown substantially in the last year: we hired forensic accounting professionals across multiple locations to meet the increase in demand for our services including two lateral partner hires to further increase our bench strength in investigations, and also to provide additional focus to serving the private client market. We announced a number of promotions across the team including promotion of a home-grown team member to Partner.

FRP's Forensic Services team now comprises 5 Partners.

Investing in our people

Fundamentally, it is our people who power FRP. It is their outstanding work every day that underpins the success that we have been delivering consistently for so many years. I would like to wholeheartedly thank all colleagues, including those who have joined us during the year, for their continued efforts.

In recognition of these efforts, during the year we promoted 15 colleagues to Partners, 13 to Directors and announced a further 72 promotions across a wide range of senior and specialist roles, from Office Managers to Associate Directors/Senior Managers. Immediately following the year-end, on 1 May 2024, 7 further promotions to Partner were announced, just one part of a total of 87 promotions across the Group.

This was a record number of promotions for FRP and when combined with our ongoing investment in Learning and Development (L&D), demonstrates clearly the Group's long-term commitment to developing talent and providing attractive career paths.

Our specialist L&D Senior Manager, Kevin Elliott, implemented more focused training options to reflect individual career progression, incorporating a flexible approach to development across our five service pillars. Continued support of colleagues in acquiring professional qualifications and supporting their career aspirations remains a priority, enabling promising young stars to become future Directors and Partners of the business.

Colleague engagement, developing talent and managing succession is a key focus of the Group. During the year, many new programmes were added to our Learning Management System and over a hundred colleagues participated in a leadership programme.

FRP has also been working on wellbeing initiatives through a partnership with the Charlie Waller Trust, the launch of a Balanced Minds Committee and launching a Mind.Set podcast series online. The Group made two senior hires on 1 May 2024, both with significant HR and people leadership experience. Claire Dale joined as new People Director to lead on FRP's "People proposition" and Louise Jackson, former Group Director of Talent and Leadership at Selfridges, joined as a new Non-Executive Director and Remuneration Committee chair.

To promote continued collaboration across the Group the senior leaders (all Directors and Partners), gather regularly, the last function being November 2023.

We are also delighted to see our people being recognised externally, with our Glasgow Restructuring partner, Michelle Elliot, winning 'Corporate Leader of the Year' at the Scottish Women's awards in September 2023.

Our Forensic Services team has been ranked in Band 2 in the 2023 Chambers and Partners Litigation Support Guide, marking the fifth consecutive year that the firm has been recognised by the international legal directory. In addition, Forensic Services Partner Faye Hall, was listed in Private Client Global Elite Directory 2024 for the first time.

We remain committed to ensuring FRP is an inclusive and diverse place to work, aiming to reflect the diversity we see across our client base in our workforce. To support this commitment, our recently appointed people director is leading on these.

Building a more sustainable business

As a responsible business, FRP continuously strives to carefully manage its impact on the environment, and the communities in which it operates. To see more details please see the ESG report.

In line with our efforts to maintain exemplary governance standards, on 2 January 2024, we welcomed Penny Judd to our Board as Non-Executive Chair, following the retirement of Nigel Guy. Penny brings more than 35 years' experience in compliance, regulation, corporate finance and audit. She currently holds non-executive positions at a number of AIM businesses, and has held several senior executive positions, including Managing Director and EMEA Head of Compliance at Nomura International plc, Managing Director at UBS and Head of Equity Markets at the London Stock Exchange. I would once again like to thank Nigel Guy for his many years of leadership of the Board, including through the Group's IPO process.

We also welcomed Louise Jackson as a Non-Executive Director and member of the Group's management board. Louise also brings extensive experience to the FRP Board, and as noted above has particular expertise in Human Resources across retail, travel, media and business services.

Outlook

Our strategy is built around steady and sustainable growth through both organic initiatives and selective acquisition opportunities. Part of the organic growth strategy is to ensure that FRP's offices, across its 28 locations in the UK and two international locations, are connected and work well together. This supports our delivery of sustainable profitable growth by drawing on specialists from our five service lines as necessary, in order to provide each assignment with the right team, to deliver the best possible service and outcome.

Our M&A pipeline remains healthy, and we are in active discussions at varying stages regarding a number of opportunities that will further enhance our ability to support clients through their entire corporate lifecycles.

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Trading in the first few months of the current financial year has been positive, with good activity levels and is in line with the Board's expectations. This includes the financial contribution of recently acquired businesses where integration is progressing as planned.

We remain fully committed to retaining our healthy collegiate culture where we promote the development, health and well-being of our colleagues. As demand for our services continues to increase, and as a people business, this approach will be critical to meeting our goals.

Geoff Rowley
Chief Executive Officer
23 July 2024

Financial review

The following is an extract from the Strategic Report, which can be found in the Company's Annual Report.

Revenue

FRP's revenue grew 23% year-on-year to £128.2 million (2023: £104.0 million). 19% was organic growth and 4% inorganic, the latter defined as an acquisition's first 12 months' contribution to the Group.

Adjusted underlying Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)

The Group grew profitably with adjusted underlying EBITDA* rising by 37% to £37.1 million (2023: £27.0 million). We continue to maintain a focus on cost control, while also investing in the business to support future sustainable growth.

£m	2024	2023
Reported Profit before tax	29.9	15.6
Add back depreciation, amortisation and interest	3.4	2.9
Reported EBITDA	33.3	18.5
Add share-based payment expense relating to the Employee Incentive Plan (EIP)	2.2	6.3
Add share-based payment expense - Deemed remuneration	1.6	2.1
Add back exceptional items	-	0.1
Adjusted underlying EBITDA*	37.1	27.0

* Adjusted underlying EBITDA excludes exceptional costs and a share-based payment expense that arises from a) the Employee Incentive Plan (EIP) funded on IPO and b) deemed remuneration amortisation linked to acquisitions.

FRP team growth

The FRP team grew by 19% through both demand-led lateral hiring and acquisition. We opened a new UK office in Salisbury, to support continued team and business growth from our Southampton office. We also have a Sheffield office, following the acquisition of the Wilson Field Group in September 2023. In March 2024, we acquired GWC in Douglas, Isle of Man, providing another offshore office.

The Group started the financial year with 551 colleagues, (excluding Consultants) operating out of 25 UK offices and one international office, in Cyprus. By 30 April 2024, there were 27 UK offices and two international and offshore offices, while the colleague number had increased to 657 (excluding Consultants), as set out in the table below:

Team	FY2024	FY2023
Partners	92	78
Colleagues - fee earners	430	361
Total fee earners	522	439
Colleagues - support	135	112
Total (exc. Consultants)	657	551

Balance sheet and cash flow

The Group's balance sheet remains strong with a net cash balance as at 30 April 2024 of £29.7 million (2023: £22.9 million), consisting of gross cash of £32.9 million, less the balance remaining on a term loan of £3.2 million (2023: £27.7 million gross and £4.8 million loan). The Group also has an undrawn RCF of £10 million and an accordion acquisition facility with Barclays Bank. These facilities were refinanced in July 2023 for 3 years.

The Group has improved its staff utilisation rate to 68% (2023: 65%) against a target of approximately 60%. The Group monitors utilisation and capacity and has a culture of internal collaboration whereby colleagues can be utilised across different locations. Utilisation is calculated as the percentage of available hours that FRP colleagues spend on chargeable activities. Available hours being a standard 7.5 hour day multiplied by the number of working days, less hours taken for holidays, study days and sickness.

The largest asset on FRP's balance sheet is unbilled revenue or Work in Progress (WIP). The majority of WIP relates to restructuring cases and represents the value of work done which the relevant insolvency practitioner believes will be signed off by the relevant creditors as part of the fee process. WIP days are typically 4-7 months within the restructuring industry and FRP maintain the discipline of a robust monthly WIP valuation process. Cash collections in the second half were particularly strong such that WIP days were approximately 5 months (FY 2023: approximately five months). Going into FY2025 it is expected both WIP and WIP days will grow in the first half due to the Group's continuing growth.

The Group has repaid all IPO liabilities due to Partners and now carries a liability to partners on go forward profits. This represents the Group's largest payables as FRP maintains a general supplier payment policy whereby suppliers are paid within 30 days in the absence of any other agreement.

Dividend

Given the Group's trading performance and strong balance sheet, the Board recommends a final dividend, in line with its stated dividend policy to pay quarterly dividends. Since IPO dividends paid have increased year-on-year.

The FRP Staff Employee Benefit Trust which was seeded by Partners on IPO, and which holds shares that back employee options, has waived its right to dividends and the corresponding amount was retained by the Group. As the employee share options became exercisable from 6 March 2023, these shares will attract dividend rights when converted. The Board recommends a final dividend of 2.3p per eligible Ordinary Share for the financial year ended 30 April 2024.

Subject to approval by shareholders, the final dividend will be paid on 25 October 2024 to shareholders on the Company's register at close of business on 26 September 2024. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2024 will be 5.0p per eligible Ordinary Share (2023: 4.6p).

Consolidated statement of comprehensive income

For the year ended 30 April 2024

	Notes	Year Ended 30 April 2024 £'million	Year Ended 30 April 2023 £'million
Revenue		128.2	104.0
Personnel costs		(69.6)	(64.3)
Depreciation and amortisation		(2.8)	(2.5)
Other operating expenses		(25.3)	(21.1)
Exceptional costs	4	-	(0.1)
Operating profit	3	30.5	16.0
Finance income	5	0.2	0.2
Finance costs		(0.8)	(0.6)
Net finance costs		(0.6)	(0.4)
Profit before tax		29.9	15.6
Taxation		(7.9)	(2.9)
Profit and total comprehensive income for the year attributable to the owners of the Group		22.0	12.7
Earnings per share (in pence)			
Total	6	8.78	5.13
Basic	6	9.35	5.58
Diluted	6	9.18	5.33

All results derive from continuing operations.

The notes form part of these financial statements.

Consolidated statement of financial position

As at 30 April 2024

	Notes	As at 30 April 2024 £'million	As at 30 April 2023 £'million
Non-current assets			
Goodwill		13.7	10.8
Other intangible assets		2.2	0.6
Property, plant and equipment		2.5	2.5
Right of use asset		8.1	6.5
Deferred tax asset		0.7	2.5

Total non-current assets		27.2	22.9
Current assets			
Trade and other receivables	7	70.2	58.3
Cash and cash equivalents		32.9	27.7
Total current assets		103.1	86.0
Total assets		130.3	108.9
Current liabilities			
Trade and other payables	8	35.4	29.7
Loans and borrowings		1.6	1.6
Lease liabilities		1.5	1.2
Total current liabilities		38.5	32.5
Non-current liabilities			
Other creditors		5.7	4.8
Loans and borrowings		1.6	3.2
Lease liabilities		6.6	5.3
Total non-current liabilities		13.9	13.3
Total liabilities		52.4	45.8
Net assets		77.9	63.1
Equity			
Share capital		0.2	0.2
Share premium		34.2	32.0
Own shares		(0.0)	(0.0)
Share-based payment reserve		2.9	1.3
Merger reserve		1.3	1.3
Retained earnings		39.3	28.3
Shareholders' equity		77.9	63.1

Approved by the Board and authorised for issue on 23 July 2024.

Jeremy French
Director

Gavin Jones
Director

Company Registration No. 12315862

Consolidated statement of changes in equity
For the year ended 30 April 2024

	Called up share capital	Share premium account	Own shares	Share- based payment reserve	Merger reserve	Retained earnings	Total equity
	£'million	£'million	£'million	£'million	£'million	£'million	£'million
Balance at 30 April 2022	0.2	23.7	(0.0)	(1.1)	1.3	20.4	44.5
Profit and total comprehensive income for the year	-	-	-	-	-	12.7	12.7
Other movements	-	-	0.0	-	-	(0.0)	-
Issue of shares	0.0	8.5	-	-	-	-	8.5
Share issue costs	-	(0.2)	-	-	-	-	(0.2)
Dividends	-	-	-	-	-	(9.8)	(9.8)
Share-based payment expenses	-	-	-	6.3	-	-	6.3
Deemed remuneration addition	-	-	-	(1.0)	-	-	(1.0)
Deemed remuneration	-	-	-	2.1	-	-	2.1
Transfer to retained earnings	-	-	-	(5.0)	-	5.0	-
Balance at 30 April 2023	0.2	32.0	(0.0)	1.3	1.3	28.3	63.1
Profit and total comprehensive income for the year	-	-	-	-	-	22.0	22.0
Other movements	-	-	0.0	-	-	(0.0)	-
Issue of shares	0.0	2.2	-	-	-	-	2.2
Dividends	-	-	-	-	-	(11.0)	(11.0)
Share-based payment expenses	-	-	-	2.2	-	-	2.2
Deemed remuneration addition	-	-	-	(2.2)	-	-	(2.2)
Deemed remuneration	-	-	-	1.6	-	-	1.6

Balance at 30 April 2024	0.2	34.2	(0.0)	2.9	1.3	39.3	77.9
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Consolidated statement of cash flows

For the year ended 30 April 2024

	Notes	Year Ended 30 April 2024 £'million	Year Ended 30 April 2023 £'million
Cash flows from operating activities			
Profit before taxation		29.9	15.6
Depreciation, amortisation and impairment		2.8	2.5
Share-based payments: employee options		2.2	6.3
Share-based payments: deemed remuneration		1.6	2.1
Net finance expenses		0.6	0.4
Increase in trade and other receivables		(9.0)	(11.6)
Increase / (decrease) in trade and other payables		6.9	(2.2)
Tax paid		(9.4)	(2.0)
Net cash from operating activities		25.6	11.1
Cash flows from investing activities			
Purchase of tangible assets		(0.9)	(0.6)
Acquisition of subsidiaries less cash acquired		(4.4)	(1.6)
Interest received		0.2	0.2
Net cash used in investing activities		(5.1)	(2.0)
Cash flows from financing activities			
Proceeds from share sales		-	7.5
Dividends paid	9	(11.0)	(9.8)
Principal elements of lease payments		(1.8)	(1.4)
Repayment of loans and borrowings		(1.6)	(2.0)
Interest paid		(0.9)	(0.6)
Net cash used in financing activities		(15.3)	(6.3)
Net increase in cash and cash equivalents		5.2	2.8
Cash and cash equivalents at the beginning of the year		27.7	24.9
Cash and cash equivalents at the end of the year		32.9	27.7

Extract of the notes to the Financial Statements

For the year ended 30 April 2024

1. Basis of preparation and accounting policies

FRP Advisory Group plc ("the Company") and its subsidiaries' (together "the Group") principal activities include the provision of specialist business advisory services for a broad range of clients, including restructuring and insolvency services, corporate finance, debt advisory, forensic services and financial advisory.

The Company is a public company limited by shares registered in England and Wales and domiciled in the UK. The address of the registered office is 110 Cannon Street, London, EC4N 6EU and the company number is 12315862.

The financial information set out in this extract does not constitute the Group's statutory financial statements for the year ended 30 April 2024 but is derived from those accounts, which are prepared in accordance with UK adopted International Accounting Standards ('IFRS') in conformity with the requirements of the Companies Act 2006. Statutory audited financial statement for FY 2024 will be available at www.frpadvisory.com/investors/ and delivered to the Registrar of Companies following the company's annual general meeting. The auditors have reported on these accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) of the Companies Act 2006.

This extract has been prepared in sterling, which is the presentational currency of the Group and amounts are rounded to the nearest £'million, unless otherwise stated. They have been prepared under the historical cost convention.

The extract incorporates the results of FRP Advisory Group plc and all of its subsidiary undertakings as at 30 April 2024. The main subsidiary is FRP Advisory Trading Limited, which has thirteen owned subsidiaries, FRP Debt Advisory Limited, FRP Corporate Advisory Limited, FRP Corporate Finance Limited, Litmus Advisory Limited, Abbott Fielding Limited, JDC Accountants & Business Advisors Limited, JDC Holdings Limited, Spectrum Corporate Finance Limited, BridgeShield Asset Management Limited, FRP Advisory (Cyprus) Limited, APP Audit Co Limited, Wilson Field Group Limited, and GW Holdings Ltd, as well as being a member of FRP Advisory Services LLP. The consolidation includes two acquisitions that were completed in the year Wilson Field, Sheffield in September 2023 and GWC in March 2024. The assets, liabilities and entities acquired have been consolidated within this extract, in accordance with IFRS.

Going concern

FRP Group has had a successful year, building on previous growth to deliver another growth year, and exceeding market expectations. The Group also maintained a positive cash inflow while also completing two acquisitions. At year end there was an undrawn RCF of £10 million and accordion loan facility of £15 million available, and the term loan balance had reduced to £3.2 million.

All five service pillars made positive contributions. The FRP team grew by 19% representing an additional 106 colleagues. FRP's offices, across 27 locations in the UK and 2 international and offshore locations, continue to work well together, drawing on specialists from different service lines as necessary, in order to provide each assignment with the right team to deliver the best possible service and outcome.

On 23 May 2024, we announced a secondary placing of approximately 20.4 million ordinary shares, pursuant to which new lock-in agreements provide that the selling shareholders, securing the Groups continuity further.

Management has conducted sensitivity analysis on forecast FY25 and FY26 performance, including reducing revenue, billing and recovery. The conclusion was that the Group has available cash resources to be able to continue in operation if exceptional items had a significant impact on the Group's performance.

The Group has a comprehensive risk review process and have put in place processes and controls to mitigate potential outcomes. This includes the risk of key work winners leaving the business, changes to legislation or failure to IT systems.

Having due consideration of the financial projections, the level of structured debt and the available facilities, it is the opinion of the directors that the group has adequate resources to continue in operation for a period of at least 12 months from signing these financial statements and therefore consider it appropriate to prepare the Financial Statements on the going concern basis.

Adjusted performance measures

Management believe that adjusted performance measures provide meaningful information to the users of the accounts on the performance of the business and are the performance measures used by the board.

The items excluded from adjusted results are exceptional items and share based payment expenses which arise either on acquisitions under IFRS relating to deemed remuneration, or Employee Incentive Programme (EIP) option awards funded by Partners on IPO and backed by shares within the Employee Benefit Trust (EBT). They are not influenced by the day-to-day operations of the group.

Accordingly, adjusted measures of Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA), Profit before Tax (PBT) and earnings per share exclude, where applicable these transactions.

These performance measures are not defined terms under UK-adopted International Accounting Standards and may therefore not be comparable with similarly titled profit measures reported by other companies.

2. Operating segments

The Group has one single business segment and therefore all revenue is derived from the provision of specialist business advisory services as stated in the principal activity. The Chief operating Decision Maker (CoDM) is the Chief Executive Officer. The Group has five service pillars which individually do not meet the definition of a disclosable operating segment.

All revenue is recognised in relation to contracts held with customers. No customer contributed 10% or more of the Group's revenue.

3. Operating profit

Operating profit has been arrived at after charging:

	Year Ended 30 April 2024 £'million	Year Ended 30 April 2023 £'million
Depreciation of owned assets	0.9	0.8
Depreciation of right-of-use-assets	1.8	1.6
Amortisation of intangible assets	0.1	0.1
Fees payable to the Group's auditor for the audit of the group accounts	0.2	0.1
Expenses relating to short term leases	0.0	0.4

4. Exceptional costs

	Year Ended 30 April 2024 £'million	Year Ended 30 April 2023 £'million
Operating items		
Costs in relation to June 2022 share placing	-	0.1
Total exceptional costs	-	0.1

5. Finance income and expense

	Year Ended 30 April 2024 £'million	Year Ended 30 April 2023 £'million
On short term deposits and investments	0.2	0.2
Total finance income	0.2	0.2
On bank loans and overdrafts measured at amortised cost	0.5	0.4
On lease liabilities	0.3	0.2
Total finance expense	0.8	0.6

6. Earnings per share

The earnings per share ("EPS") has been calculated using the profit for the year and the weighted average number of Ordinary Shares outstanding during the year, as follows:

£m	EPS 2024	Adjusted EPS 2024	EPS 2023	Adjusted EPS 2023
Reported Profit after tax	22.0	22.0	12.7	12.7
Add Share-based payments	-	3.8	-	8.4
Less deferred tax	-	(0.9)	-	(1.7)
Adjusted profit after tax	22.0	24.9	12.7	19.4
Average shares in issue	250,413,415	250,413,415	248,305,296	248,305,296
Total share EPS* (pence)	8.78	9.94	5.13	7.83
Weighted average shares in issue excluding EBT	235,141,714	235,141,714	228,182,054	228,182,054
Basic EPS (pence)	9.35	10.58	5.58	8.52
Dilutive potential ordinary shares under share option schemes	4,490,020	4,490,020	10,711,511	10,711,511
Weighted diluted shares in issue	239,756,378	239,756,378	238,893,564	238,893,564
Diluted EPS (pence)	9.18	10.39	5.33	8.14

The Employee Benefit Trust has waived its entitlement to dividends and is not included within weighted average shares in issue. It holds 9,896,589 shares of the 251,337,035 shares in issue at 30 April 2024 (2023: 20,123,242). When options are exercised by employees, dividend rights accrue.

*Total share EPS is an alternative performance measure used by management to assess performance.

7. Trade and other receivables

	Group as at 30 April 2024 £'million	Group as at 30 April 2023 £'million
Trade and other receivables		
Trade receivables	10.7	7.9
Other receivables	5.1	4.6
Unbilled revenue	53.6	45.8
Corporation tax receivable	0.8	-
	70.2	58.3

8. Trade and other payables

	Group as at 30 April 2024 £'million	Group as at 30 April 2023 £'million
Current liabilities		
Trade payables	1.8	1.9
Other taxes and social security costs	7.1	8.4
Liabilities to Partners	15.3	10.3
Deferred consideration	0.6	-
Other payables and accruals	10.6	9.1
	35.4	29.7
Non-current liabilities		
Other payables and accruals	0.9	0.7
Partner capital	4.8	4.1
	5.7	4.8

9. Dividends

For FY2024 a dividend of £2.1m, equivalent to 0.9p per eligible Ordinary Share, was declared on 28 September 2023 and paid on 22 December 2023.

A dividend of £2.1m, equivalent to 0.9p per eligible Ordinary Share, was declared on 14 December 2023 and paid on 22 March 2024.

A dividend of £2.2m, equivalent to 0.9p per eligible Ordinary Share, was declared on 14 February 2024 and paid on 14 June 2024.

The Board recommends a final dividend of 2.3p per eligible Ordinary Share for the financial year ended 30 April 2024. Subject to approval by shareholders, the final dividend will be paid on 25 October 2024 to shareholders on the Company's register at close of business on 26 September 2024. If the final dividend is approved, the total

the Company's register at close of business on 26 September 2024. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2024 will be 5.0p per eligible Ordinary Share.

NOTE

This preliminary statement was approved by the Board of Directors on 23 July 2024.

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