Real expertise. Real results.

FRP Advisory Group plc
Annual Report and Financial Statements 2022
For the year ended 30 April 2022

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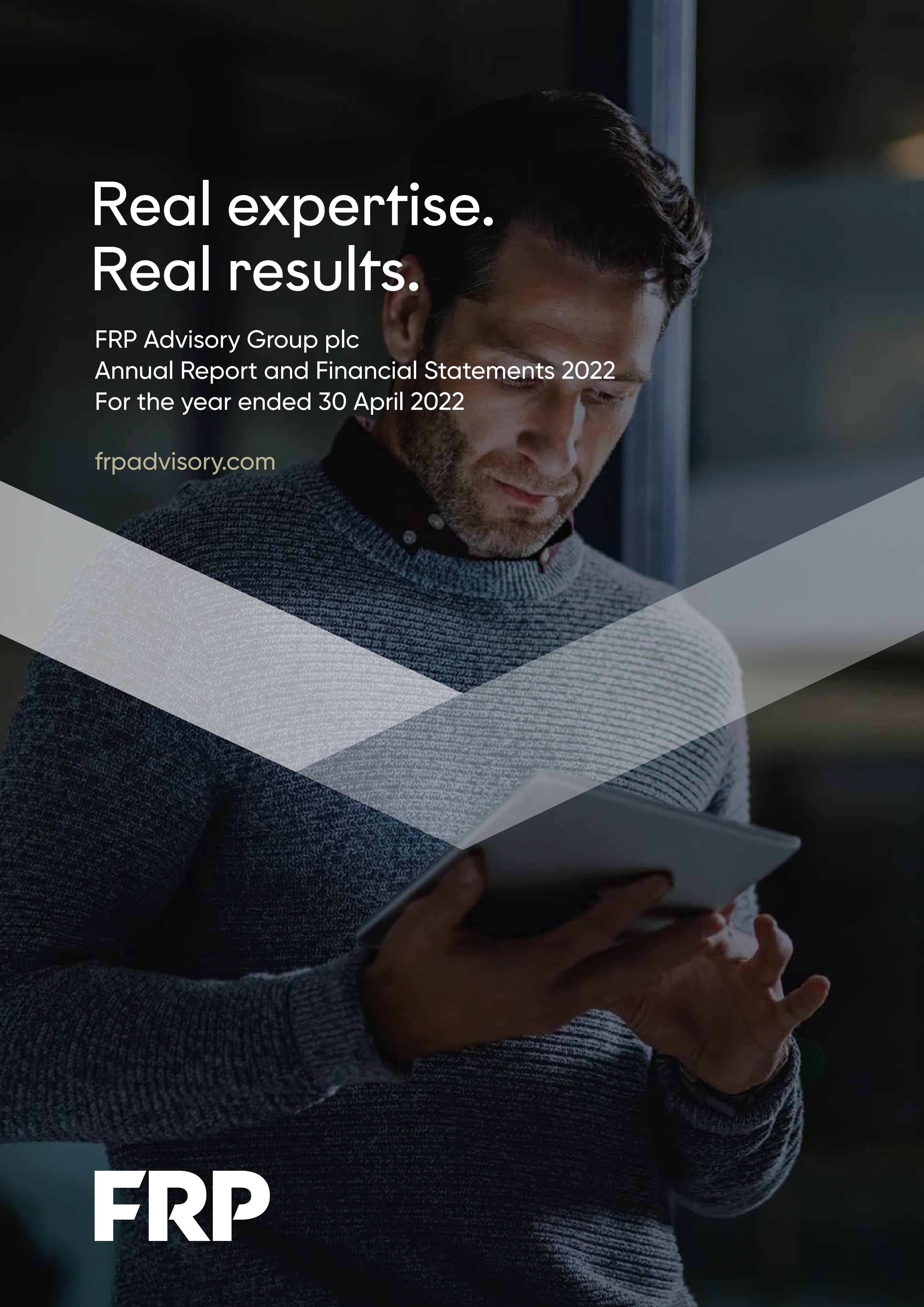


FRP

Real expertise.
Real results.

At FRP we provide solutions to create, preserve and recover value.

Specialising in restructuring, corporate finance, debt, forensics and pensions, we deliver strategic solutions across a broad range of situations.

Our five pillar services complement each other. We draw on experts within each of our service areas to put the best people in place for each circumstance.

Contents

Our highlights

For the year ended 30 April 2022 (FY2022)

Financial highlights

£95.2m

Revenue +21%
(2021: £79.0m)

£25.7m

Adjusted underlying EBITDA* +12%
(2021: £23.0m)

£15.1m

Reported profit before tax
(2021: £16.6m)

7.57p

Adjusted total EPS **
(2021:7.11p)

5.35p

Basic EPS
(2021: 6.06p)

4.3p

Total dividends relating to FY2022
(2021: 4.1p)

£18.1m

Net cash position
(2021: £16.4m)

- £95.2 million revenue (2021: £79.0 million) an increase of 21%: 11% organic, 10% inorganic.
- Adjusted underlying EBITDA* rose by 12% to £25.7 million (2021: £23 million).
- Net cash of £18.1 million. Cash of £24.9 million less a balance remaining on a term loan of £6.8 million (2021: £24.4 million cash less structured debt of £8 million) after:
  - paying down all except £1.3 million of IPO liabilities relating to Cessation profits owed to Partners and related tax liabilities. As at May 2022 all Partner IPO liabilities have been repaid.
  - acquiring one business.
  - the Group also has an undrawn revolving credit facility ("RCF") of £10 million.
- £1.2 million average revenue per Partner as at year end (2021: £1.1 million).
- £15.1 million reported profit before tax for the year (2021: £16.6 million).
- Total dividends of 4.3p relating to FY2022 (2021: 4.1p), made up of three Interim dividends of 0.8p per eligible Ordinary Share and a final dividend of 1.9p per eligible Ordinary Share for the year ended 30 April 2022 recommended by the Board.

* Adjusted underlying Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) excludes share based payment expenses that arises from a) the Employee Incentive Plan (EIP) funded on IPO and b) deemed remuneration amortisation linked to acquisitions. See table on page 22.

** Earnings adjusted by adding back share based payments and related deferred tax. Earnings per total weighted shares in issue. See note 11 for more details

Operational highlights

- Delivering on our strategy to achieve both organic and inorganic growth.
- 10% increase in FRP team size, supporting ongoing growth.
  - The FRP team grew by 47 year on year to 504 excluding consultants (2021: 457).
  - Growth was driven by demand-led lateral hiring and one acquisition. At 30 April 2022 the Group had 80 Partners (2021: 73), 317 other fee earners (2021: 288) and 107 support staff (2021: 96).
  - At year end FRP's UK footprint covered 26 locations (2021: 22).
- Restructuring team again the most active in the administration appointment market
  - Market Share in the number of FRP Administration appointments was consistent on an underlying basis at 13%, in a subdued Administrations market.
- FRP Corporate Finance has grown its market share to rank as the 12th most active financial adviser in the UK M&A market
  - The Corporate Finance and Debt Advisory teams were involved in 99 successful transactions with an aggregate deal value of £3 billion and £1.3 billion of debt raised.
  - Nationally the Corporate Finance and Debt Advisory teams now comprises 73 fee earners (including 21 Partners) across 10 locations.
- The Group has been progressing projects to improve operational efficiencies and risk management, which include:
  - The rollout of four new systems: a new CRM system, a new HR system, a Document Management System and an upgraded time recording system.
  - Adopting a new Enterprise Risk Management (ERM) framework, which has enabled ISO 31000 certification in July 2022.

Post balance sheet events

- In May 2022 the final £1.3 million payment of the IPO liability relating to the Cessation profits owed to Partners was paid down.
- On 4 May 2022 393,700 new ordinary shares were issued as part of the acquisition of BridgeShield Asset Management Limited.
- In June 2022, the company executed a secondary placing and given the demand from investors, also raised an additional £7.5 million gross through the issue of new shares. Partner shareholders were invited to sell 20% of their holding in return for signing an extended lock-in to June 2024. This has enabled us to introduce new institutional shareholders onto the share register and further bolster our strong balance sheet as we continue to target acquisitions. Currently 48.6% of the Group's shareholder base is now subject to lock-in arrangements, including the Group Employee Benefit Trust (10.8%).
- On 21 June 2022 4,412,176 ordinary shares were transferred to the Employee Benefit Trust for nil consideration, from a former Partner of the Group.
- The Board recommends a final dividend of 1.9p per eligible ordinary share for the financial year ended 30 April 2022. Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022. If the final dividend is approved, the total dividends declared by the Company relating to the financial year ended 30 April 2022 will be 4.3p per eligible ordinary share.

FRP Advisory

At FRP, our approach is honest, clear and considered. It's how we get tangible results for our clients. We always give advice that helps clients make important decisions quickly.

We're all about being transparent.

Recognising a need for transparency in difficult situations is how FRP came about and it is integral to the solutions we provide.

Every client always receives clear, honest and strategic advice.

Each of our partners works directly with clients to make important decisions quickly.

They understand the intricacies of each situation and have the insights and expertise to find the right solution.

Above all, we focus on doing the right thing. We work with clients throughout their business lifecycle, and they rely on us to be both understanding and strategic in our next steps.

397

Fee earners nationwide

Each with a wealth of experience navigating complex situations.

As at 30 April 2022.

504

Team members (excluding consultants)

Each with a wealth of experience navigating complex situations.

As at 30 April 2022.

26

UK locations

National coverage, International experience and local knowledge.

As at 30 April 2022.

Corporate Finance

Our advice creates value. Whatever opportunities and challenges lay ahead, our independence and objectivity build solutions and get results.

Debt Advisory

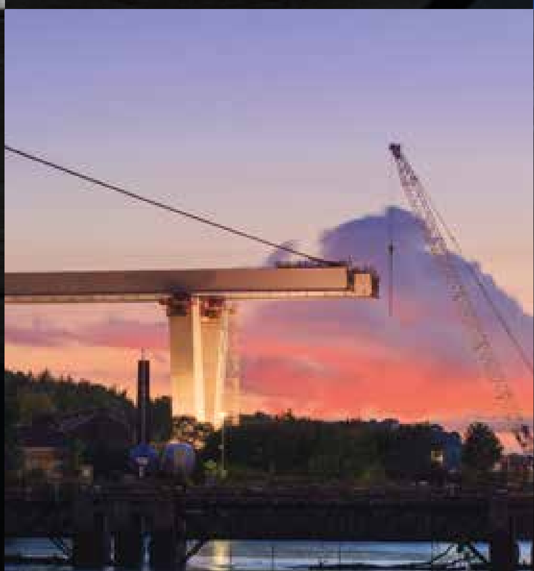
No matter how complex the situation, our experience and expertise delivers straight answers and clear strategies.

Pensions Advisory

We take a straightforward approach to providing solutions that preserve and improve the strength of support for a company's pension scheme.

Forensic Services

You can't plan for every event, but we can help you react to the unexpected.



Restructuring Advisory

When businesses face challenges, we unravel the complexities, solve problems and aim to protect value.

Chairman's Statement

I am pleased to present FRP Advisory Group plc ("FRP") and its subsidiaries' third annual report.

Nigel Guy
Non-Executive Chairman

Overview

Since our IPO in March 2020, both FRP and the business community at large have wrestled with the challenges of operating in a global pandemic and increasingly volatile economic environment. Few had the ability to revert to a well-thumbed play book and for most it was a case of needing to show clear and decisive leadership, coupled with flexibility and responsiveness. It is against this background that I am delighted to report on another year of excellent progress for FRP. In achieving this, I am hugely appreciative and proud of the commitment, professionalism and dedication of our FRP colleagues, who continued to focus on the needs of our clients in an ever-changing environment.

The UK restructuring market during this period has remained subdued. For much of the pandemic government support measures created liquidity, enabling businesses to manage through the crisis. However, for a period following the removal of the UK Government support measures, the expected influx of corporate failures did not occur as lenders, Government forbearance and available liquidity continued to provide a lifeline for many businesses. This artificially low level of insolvency appointments started to increase during the second half of calendar 2021 and into 2022, driven by an increase in creditors voluntary liquidations ("CVLs"). The Administration market is one of FRP's key areas of focus, as it enables us to work with slightly larger businesses, where we can deploy the wide range of skill sets contained across the FRP national network. Here, as expected, the increased activity has been slower to return, although this market is now starting to show clear signs of returning to growth. Notwithstanding this, we are pleased to be able to report we maintained our administration market share during the year. If business leaders thought the better times were returning as the pandemic's threat receded, then sadly they were disappointed as new challenges arose. These included supply chain disruption, energy cost increases, labour shortages, rising inflation and interest rates, all emerging at the same time as war on the doorstep of Europe creating further turmoil. It is therefore unsurprising that following the removal of UK government support measures and the onset of serious headwinds facing UK corporates, the Group has seen an increase in the level of enquiries for restructuring services in recent months. In May and June 2022 the administration appointments show this market is up on prior year but still below pre-pandemic 2019 levels.

Despite challenging trading conditions for certain parts of the economy, FRP Corporate Finance had a busy and successful year, significantly growing its market share to rank as the 12th most active financial adviser in the UK M&A market. We have invested in this service line over the last couple of years, both organically and through acquisition. Within the UK mid-market arena there continues to be strong liquidity despite softening in the public markets. The opportunity for corporate M&A occurs across all economic cycles and the FRP team is available to help more clients reach their strategic ambitions. The private equity funds have significant sums of uninvested capital available, which they are always looking to put to work at the right price, that reflects the prevalent market outlook. Debt Advisory, which also works in similar markets to both Restructuring and Corporate Finance, is also well placed to support businesses in the more challenging environment over the coming months. Our developing pillars, Pensions Advisory and Forensic Services continue to be important cogs in ensuring that we can offer a full range of advisory services to our introducer base and their clients. Connecting our five specialist service pillars across our national office network where we can, remains core to our operating strategy.

+21%

Revenue growth.
11% organic and 10% inorganic.

+10%

Team growth.

Continued profitable growth

We are pleased with the levels of growth during the year, with revenues of £95.2 million, up 21% from the previous year (2021: £79.0 million). The growth was driven by organic (11%), underpinned by the support offered on some larger projects, with 10% coming from the acquisitions. Following an acquisition we treat the first 12 months contribution to the Group as inorganic, month 13 onwards becomes organic.

Adjusted underlying EBITDA of £25.7 million grew by 12% from the previous year (2021: £23.0 million). Reported EBITDA was £17.7 million (2021: £18.4 million). During the year we were pleased to welcome 47 new colleagues and the overall headcount grew 10% in the year, to 504 (2021: 457). In addition, the Partner cohort expanded by 7, to 80.

Strong balance sheet

The Group's balance sheet remains strong with net cash balances at 30 April 2022 of £18.1 million (2021: £16.4 million), consisting of gross cash of £24.9 million less a balance remaining on a term loan of £6.8 million. The Group also has an undrawn revolving credit facility ("RCF") of £10 million with Barclays Bank.

Our balance sheet was strengthened further post period end, with the successful raising of £7.5 million gross through a significantly oversubscribed placing of new shares. I would like to both welcome and thank our new and existing shareholders who participated in the Placing and look forward to continuing on our growth journey with them.

Shortly after year end the Group repaid all IPO liabilities due to Partners, with a final payment of £1.3 million in May 2022. Net cash of £18.1 million (2021: £16.4 million), an undrawn £10 million RCF, the recent placing raising £7.5 million and the ability to issue further equity, gives the Group sufficient options to act as acquisition opportunities arise, subject to our selective criteria of cultural fit, strategic fit and mutually acceptable transaction economics.

Strategy

Our strategy remains to seek steady and sustainable growth through organic initiatives and selective acquisition opportunities. We are delighted to welcome the team from BridgeShield Asset Management Limited which we acquired in April 2022 as well as colleagues in a further four new locations bringing our office footprint to 26 locations. The Group explored several acquisition opportunities where we did not transact due to our highly selective approach of cultural fit, strategic fit, and acceptable deal economics. We continue to explore opportunities nationally across each of our five service pillars.

Further details are set out in the Strategic Report on pages 22 to 35.

Dividend

The dividend policy of the Group from 2021 is to pay dividends quarterly. The anticipated dividend pay-out ratio is c.70% of the Group's reported profit after tax, to eligible shareholders.

The FRP Group Employee Benefit Trust which was seeded by Partners on IPO and holds shares backing employee options, has waived its right to dividends and the corresponding amount was retained by the Group. Once the employee shares vest, on or after 6 March 2023, these shares will then attract dividend rights.

The Board recommends a final dividend of 1.9p per eligible ordinary share for the financial year ended 30 April 2022. Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2022 will be 4.3p per eligible ordinary share (2021: 4.1p).

Robust corporate governance

The Board firmly believes that a robust governance structure is appropriate to optimise decision making for the business and its wider stakeholders. To support this, FRP adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code in 2020 and you can find more information on our governance arrangements in the Corporate Governance Statement on pages 45 to 48. Further information on our Corporate Governance structure is also available on our website at www.frpadvisory.com/investors/corporate-governance/.

Greater focus is being placed on our Environmental, Social and Governance responsibilities and we have committed to the Group being carbon neutral by 2030.

Our people

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

The Board were delighted to implement an Employee Incentive Plan in 2020. This enabled granting employees at IPO options over FRP shares which were backed 1:1 by FRP shares in issue and held within an Employee Benefit Trust (EBT). Employees were granted options subject to their service, which become exercisable 3 years from IPO. As the EBT had headroom and the ability to be replenished if IPO Partners left, the Board has been able to make additional awards to new joiners (including Partners) since IPO to ensure colleagues have an ownership stake (including indirectly via options) in the business.

We believe that we are becoming an increasingly 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 will be made in the coming years.

Annual General Meeting

The Company's Annual General Meeting will be held on 15th September 2022. 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 www.frpadvisory.com/investors/financials-documents/.

Looking ahead

Despite the negative and uncertain outlook being faced currently by the UK economy, I am positive that FRP's relevant and collective skill set remains highly sought after by our clients and advisers. Although we have only been listed for just over two years, FRP has been in existence as an independent business for 12 years and during this time has seen many changes in the economic landscape and has flexed its business model accordingly to maximise its competitive advantage. As a result, I remain confident in our ability to both navigate uncertain times and indeed deploy our considerable expertise exactly where it is needed. Current year trading reflects this and is in line with expectation. We are grateful for the trust that our clients continue to demonstrate in us and once again thank all of our colleagues without whom our success would not be possible.

Nigel Guy
Non-Executive Chairman
22 July 2022

£18.1m

Net cash.
After funding one acquisition and paying down all except £1.3m of IPO liabilities to Partners and related tax.

4.3p

Dividends.
Total FY2022 Dividends

Chief Executive Officer's Report

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

Geoff Rowley
Chief Executive Officer

Resilient and diversified business

With roots in restructuring, FRP has now evolved into a leading business advisory firm with specialists supporting businesses throughout the corporate lifecycle across our five complementary service pillars.

The five service pillars are: Corporate Finance, Debt Advisory, Forensic Services, Pensions Advisory and Restructuring Advisory. We specialise in finding strategic solutions to a range of situations for clients of all sizes, including personal clients, SME's, our core mid-market and high-profile more complex, appointments.

We believe our agile, collaborative and entrepreneurial approach sets us apart from our peers.

Selective acquisitions, in line with our strategy

Our focus is organic growth, supplemented with selective acquisitions that meet our strict criteria of:

- A cultural fit,
- A strategic fit, and
- Mutually acceptable transaction economics.

The acquisition of BridgeShield Asset Management Limited on 28 April 2022 expands our service offering to cover Property Asset Management services to specialist lenders nationally. The firm's two Directors, Ben Hubbard and Nick McAuliffe, joined FRP as Partners. The team, including three colleagues and two consultants are based at FRP Leigh-on-Sea.

Our strong balance sheet gives us the flexibility to move quickly should further acquisition opportunities arise.

Continued growth in UK footprint and team

At 30 April 2022, FRP had 26 offices and 504 colleagues, excluding consultants. The team grew 10% or by 47 colleagues year on year (2021: 457).

Highlights were:

- In October 2021 we opened a new office in Cambridge, led by a new lateral Partner hire, Dan Bowtell, giving us a wider footprint in East Anglia.
- In November 2021 we opened a new office in Glasgow, comprising two Partners Michelle Elliot and Stuart Robb, and 12 colleagues. All three of our Scottish offices now share business and market intelligence, giving us greater visibility and impact in their localities.
- In March 2022 we opened an office in Southampton with the appointment of a new Partner, Sandy Kinninmonth.
- In April 2022, we extended our footprint in the North East, with a new office in Sunderland.
- Also in April 2022, we acquired BridgeShield Asset Management Limited with Nick McAuliffe and Ben Hubbard joining FRP as Partners. FRP Leigh-on-Sea is a second Essex location alongside FRP Brentwood.

Strong trading results

FRP's revenue grew 21% year on-year to £95.2 million (2021: £79.0 million). 11% was organic, inorganic growth was 10%. Following an acquisition we treat the first 12 months contribution to the Group as inorganic, month 13 onwards becomes organic. Adjusted underlying EBITDA grew 12% year-on-year to £25.7 million (2021: £23.0 million). We maintain a focus on cost control, whilst modestly investing where necessary to continue sustainable profitable growth. On a reported basis, EBITDA was £17.7 million (2021: £18.4 million), with the decline due to an increase in non-cash share based payment charges.

Across all offices there is a constant focus on accurate monthly unbilled revenue (work in progress, WIP) valuation and managing cash collections. I am pleased to report that after completing one acquisition in this Financial year, we closed the year with net cash of £18.1 million (2021: £16.4 million). I am also pleased to report that in May 2022 all IPO liabilities to Partners (and HMRC) have now been repaid.

+12%

Growth in adjusted underlying EBITDA.

13%

Market share of administration appointments in FY2022.

Restructuring Market

Significant government support measures were made available to both sound and struggling businesses alike during the pandemic, which have continued to impact the more complex Administration market. Despite this, FRP's Restructuring team had another strong year.

The higher volume and typically more straightforward liquidation market (including Company Voluntary Liquidation's ("CVLs") and Compulsory Liquidations) increased by 68% in our financial year, however the more complex Administration market, where FRP are particularly active, declined by 22% year-on-year. Despite this, FRP's Administration market share, by number of appointments, was consistent year-on-year on an underlying basis at 13%. (Source: London and Regional Gazettes). We continued to serve the full range of UK clients across all sectors, including personal clients and SMEs, along with the core mid-market and high-profile appointments.

UK M&A Market

In the financial year, FRP Corporate Finance was launched, which integrated the existing Corporate Finance team with the JDC and Spectrum acquisitions in the prior year. The Corporate Finance team was involved in 99 successful transactions with an aggregate deal value of £3 billion and £1.3 billion of debt raised. This level of activity gives FRP Corporate Finance a 1% market share of the UK M&A market, by number of appointments (Source: Experian). The average deal value of £30 million places FRP Corporate Finance in the heart of its target SME market, with deals ranging in value from £3 million to £150 million.

FRP Corporate Finance remains strong in 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.

- Notable FRP Corporate Finance transactions in H2 2022 included:
  - Sell-side adviser to Emma's Diary, an online communication platform for pregnant women and new mothers, in its sale to Everyday Health Group Pregnancy & Parenting.
  - Sell-side adviser to Mr Fothergill's Seeds, a supplier of garden products, in a £100 million+ buyout backed by Harwood Private Capital.
  - Debt adviser on the £357.5 million ABL facility to help fund the acquisition of McKesson UK, the parent company of Lloyds Pharmacy Group, by AURELIUS.
  - Sell-side adviser to Ludlow Healthcare Group, a specialist care provider, to Holmleigh Care Group.
  - Sell-side adviser to SSQ, a legal recruitment consultancy, to an Employee Ownership Trust.
- FRP's Corporate Finance and Debt Advisory teams now comprise 76 fee earners (including 21 Partners) across 10 locations and we have seen a positive impact on revenue from our FY2021 acquisitions.

Forensic Services and Pensions Advisory Markets

The Forensic Services team continue to be engaged on a variety of complex disputes and investigations, many of which are confidential in nature. The last year has seen the team grow their footprint in the Midlands and in East Anglia. Over the next year or so, more international opportunities are expected, as we continue to integrate this service with 8 International, a global advisory organisation that was set up to meet a growing demand for dedicated financial and operational support from businesses with an international footprint.

The Pensions Advisory team has continued to provide services to scheme trustees and sponsoring employers navigating through the ever changing regulatory landscape. The implementation of the Pension Schemes Act 2021 legislation continues to bring a new dynamic to stakeholder considerations on corporate transactions and the team have been working with their colleagues in Corporate Finance and Debt Advisory to support their clients. Since last reporting, the Pensions Advisory team have assisted clients to complete transactions, agree significant forbearance to support sponsoring employers' strategies but equally, particularly in the food and on-line retail sectors, advised trustees in securing scheme buy-out obligations.

Empowering our outstanding people

As a professional services business, we understand that our people are central to our success and our most valuable asset. As well as offering competitive financial rewards, we offer opportunities for our team members to grow within the business and reach their full potential.

During FY2022 the Group conducted a cultural survey with colleagues. Overall, the feedback was very positive with colleagues feeling the internal culture was excellent. However, we acknowledge that there will always be room for improvement and the Board is constantly seeking feedback on ways the business can develop. Here are a few things that were implemented in FY2022:

- Hired a specialist Learning & Development Senior Manager as we continue to invest in this area, to support the continued development of our nationwide team.
- Rolled out Ideadrop – an innovation platform for colleagues to share ideas.
- Established an Environment, Social and Governance ("ESG") committee.
- Continued support of colleagues in acquiring professional qualifications and supporting their career aspirations, including for promising young stars to become future Directors and Partners of the business.

We work hard to attract and retain highly skilled professionals by creating a rewarding, high-performance environment. We believe highly engaged colleagues deliver excellent client service and results, and in turn, strengthen our reputation in the market.

I am immensely grateful for all the hard work and commitment of all colleagues, who contribute so much to the Group's success.

Outlook

FRP continues to demonstrate resilience, with a track record of growth regardless of the economic conditions. At FRP our five service pillars work together to provide solutions that achieve the best possible outcomes; while colleagues are able to work seamlessly and service clients remotely we all appreciate the ongoing value of working together physically with clients and colleagues. As a UK focused business, the Russia/Ukraine conflict does not have a material impact on FRP's operations.

The medium term outlook for our key markets remains positive. Our Corporate Finance team have an excellent pipeline to help clients realise their strategic ambitions. Despite softening in the capital markets, mid-market M&A activity levels are strong with institutional lenders and private equity well financed with significant capital to deploy; plus there is also considerable overseas interest in UK assets. Our Restructuring team are well-positioned to service the expected increase in demand stemming from the increasing challenges and disruption emerging in the economy. However, uncertainties still remain over how long the available corporate liquidity and government backed loans can sustain troubled businesses or how proactive key creditors like HMRC and institutional lenders will be on addressing over-due debts.

The Group has a strong balance sheet and a network of offices that are connected to ensure each project is serviced by the right team of specialists from across the UK. In the current financial year, we plan to continue making progress in areas which we can control to deliver our strategy of sustainable profitable growth.

Current year trading to date is in line with Board expectation.

Geoff Rowley
Chief Executive Officer
22 July 2022

Corporate Finance

Sale of specialist care provider

Ludlow Street Healthcare Group provides specialist care, education and treatment for adults with complex needs associated with mental ill-health, learning disabilities, autism, acquired brain injury and neurodegenerative conditions. The Group cares for adults across England and Wales through three mental health hospitals, 16 community-based care homes and a residential further education college.

FRP Corporate Finance managed the entire sale and negotiation process through to completion, working closely with management to prepare the business for sale, whilst identifying and approaching potential buyers.

The team subsequently selected London-based infrastructure investment manager Ancala Partners LLP and its Gloucester-based portfolio company Holmleigh Care Group – a residential and supported living provider sharing Ludlow's passion for providing safe, compassionate and dignified care – as the most appropriate buyer.

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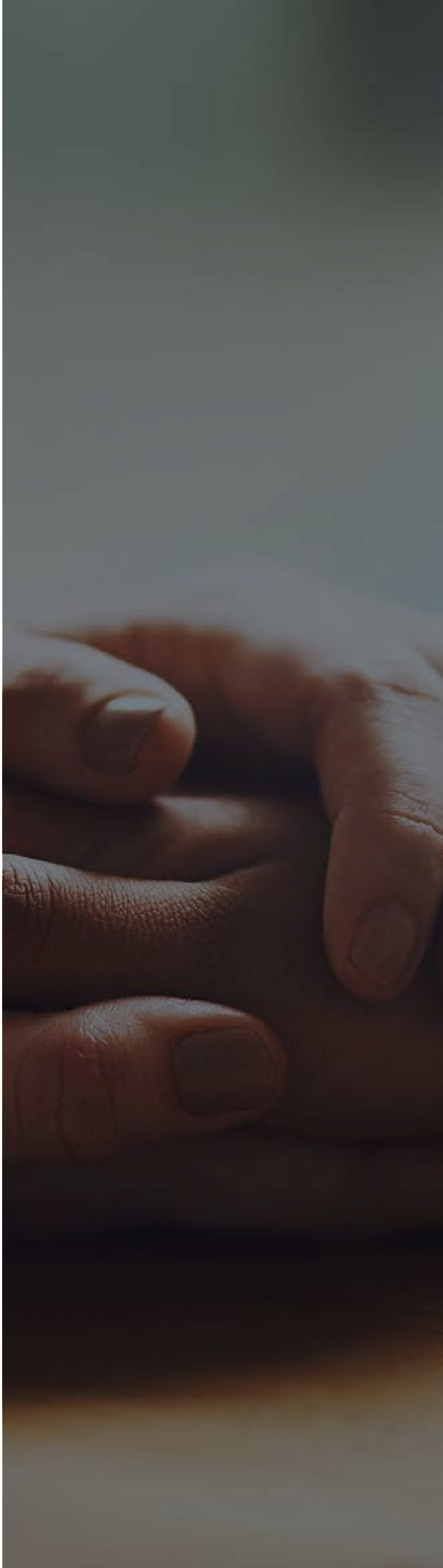
Despite the challenges presented by COVID-19, FRP generated significant levels of interest.

Mark Naughton
Corporate Finance



Corporate Finance

Buyout of international horticultural supplier

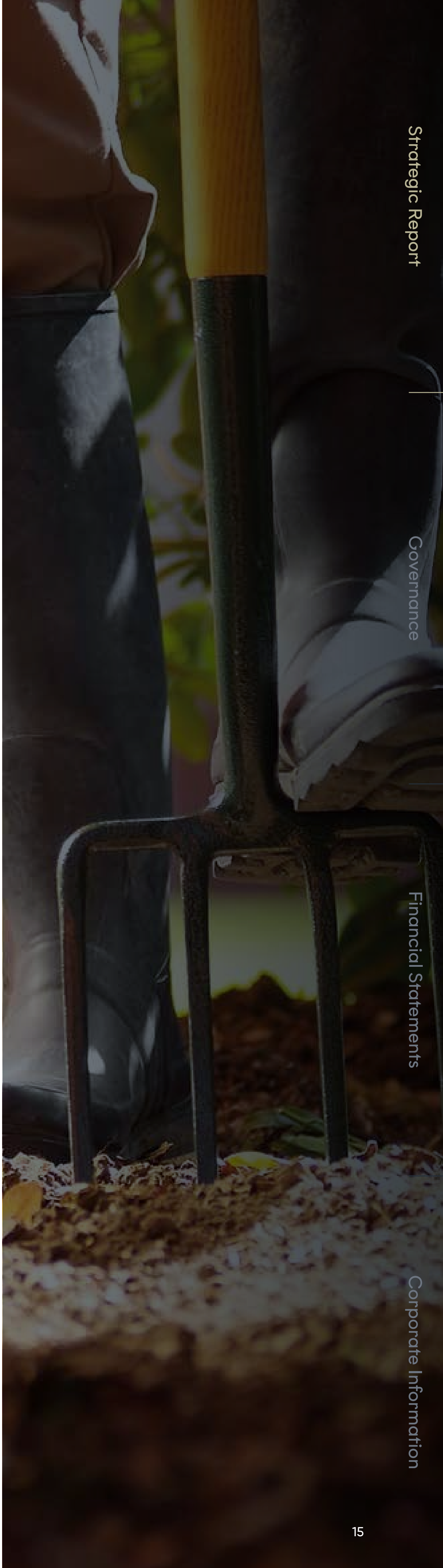
Mr Fothergill's is a £50 million turnover business, exporting to 20 countries globally and employing more than 250 people. The business supplies horticultural products via its direct-to-consumer channels and over 3,000 partners, including large national retailers and garden centres.

Having advised Mr Fothergill's board and shareholders in recent years to aid the business' strategic development, FRP's Corporate Finance team was engaged to act as lead advisers on an equity led management buyout (MBO) of the company.

The team ran a competitive process to source the right investment partner to fund a private equity backed buy-out of the founding shareholders. They negotiated and managed the deal from the start to a successful completion, achieving a £100 million+ buyout of the founding shareholders, and equity incentivisation for the senior management team going forward.

£100 million+

The management buyout of Mr Fothergill's Seeds.



Corporate Finance

Multinational merger

Solent Global (Solent), a provider of branded, licensed and white label products to the consumer sector, merged with Sweden's Humble Group in a multi-million pound deal, supported by FRP's Corporate Finance and Debt Advisory teams.

Established over 25 years ago and with operations across the globe, Solent manufactures an innovative portfolio of health and beauty, household, impulse snacking and general merchandise products for retailers including M&S and Morrisons.

The FRP team prepared a focused information memorandum and ran the management presentation process to obtain an indicative offer from Humble. Humble also needed to undertake fundraising to support the acquisition, but the multimillion-pound deal was still completed in 10 weeks, from first informal offer to closure.

Following the merger, the combined group will be operating businesses and distribution in more than 10 markets globally, with the aim of creating a £1 billion market share by 2025.

£117 million

The maximum total purchase price paid by Humble AB for Solent.

Forensic investigation leads to significant recovery for police

A British Overseas Territory police force appointed FRP to carry out a forensic investigation of a tobacco wholesaler and four individuals involved in the business.

FRP Forensic Services considered documents spanning 24 years and identified significant volumes of transactions that appeared not to have been accurately declared to relevant authorities, along with anomalies and unusual patterns of activity. Extensive analyses were performed to determine if movements of funds were in line with purported and declared earnings.

FRP's expert witness statement was utilised by the police force in bringing criminal charges against two of the individuals, for conspiracy to defraud and making arrangements to launder the proceeds of criminal conduct. The Supreme Court granted a confiscation order for over £1.7 million plus FRP's fees as part of civil recovery proceedings, which were initiated parallel to the criminal case.

£1.7 million

The confiscation order that was issued following FRP's forensic investigation.

Multilingual document reviews mitigated through use of technology

FRP Forensic Technology were engaged by an international law firm on a high-profile litigation. The end client was a multi-lingual businessman, operating across Europe. The matter concerned a dispute with a bank, based around its valuation of one of the client's businesses at the time of sale.

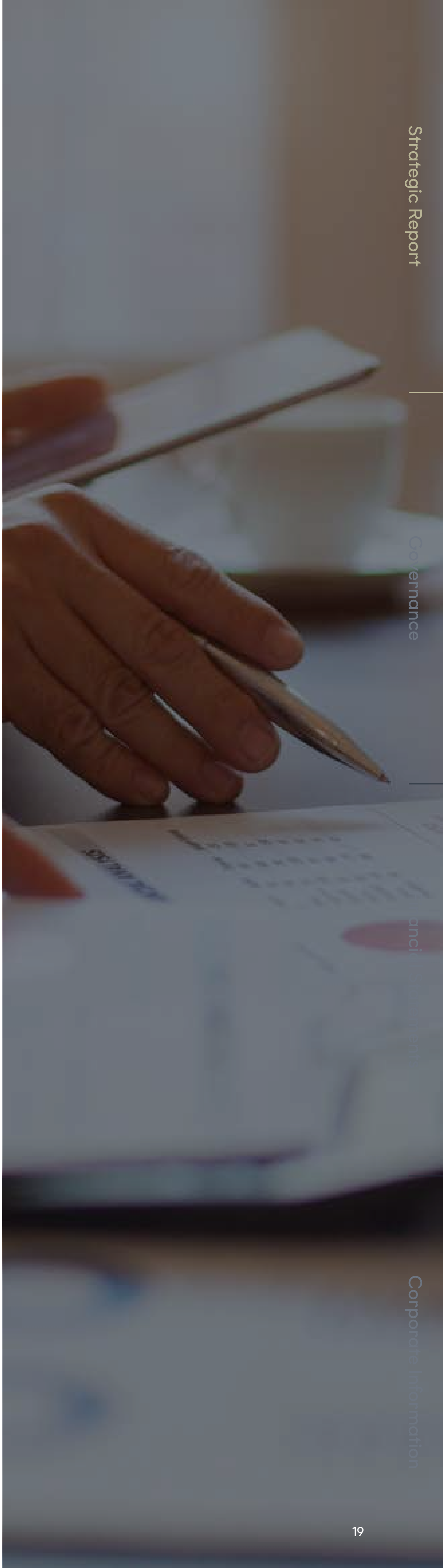
The FRP team collected and processed several million documents – in numerous languages - for review in Relativity, an eDiscovery platform. Two concurrent CAL projects (Continuous Active Learning) were set up enabling the legal team to meet the client's disclosure obligations. CAL ranks documents according to how relevent they are to the issues in the case, which assisted in prioritising key documents for assessors with the appropriate credentials and linguistic skills to review.

The law firm was able to produce the relevant documents ahead of the Court ordered disclosure exchange deadline.

FRP collected and processed several million documents in multiple languages.

Chris Osborne
Forensic Services

International document management business



The trustees of a pension scheme supported by a large UK employer needed to complete a valuation of the scheme, requiring help in assessing the employer covenant and in understanding the level of affordability of contributions to fund the scheme in the future. The employer, a market leading technology company, is a UK subsidiary of a large international group based in Japan and significant dividends had been paid from the UK to the rest of the group.

FRP Pensions Advisory was appointed as employer covenant adviser to the trustees and undertook a detailed review of the employer's financial position.

FRP's work identified that the employer's financial position had weakened significantly, largely as a result of dividends paid. The team sought to understand the reasons for the dividends, and it was evident that poor worldwide financial performance, coupled with significant levels of debt in the wider group, had resulted in pressure being exerted on the employer to make the dividend payments. After extensive negotiations, a more appropriate UK dividend policy was agreed and documented, together with an increased level of contributions to the pension scheme.

> FRP identified that an equitable employer dividend policy was essential for the scheme.

Gerald Smith
Pensions Advisory

Global leader in the construction of complex steel structures

Cleveland Bridge was a global leader in the design, engineering, fabrication and construction of steel bridges and complex structures, including the Wembley Stadium Arch, The Shard and Sydney Harbour Bridge.

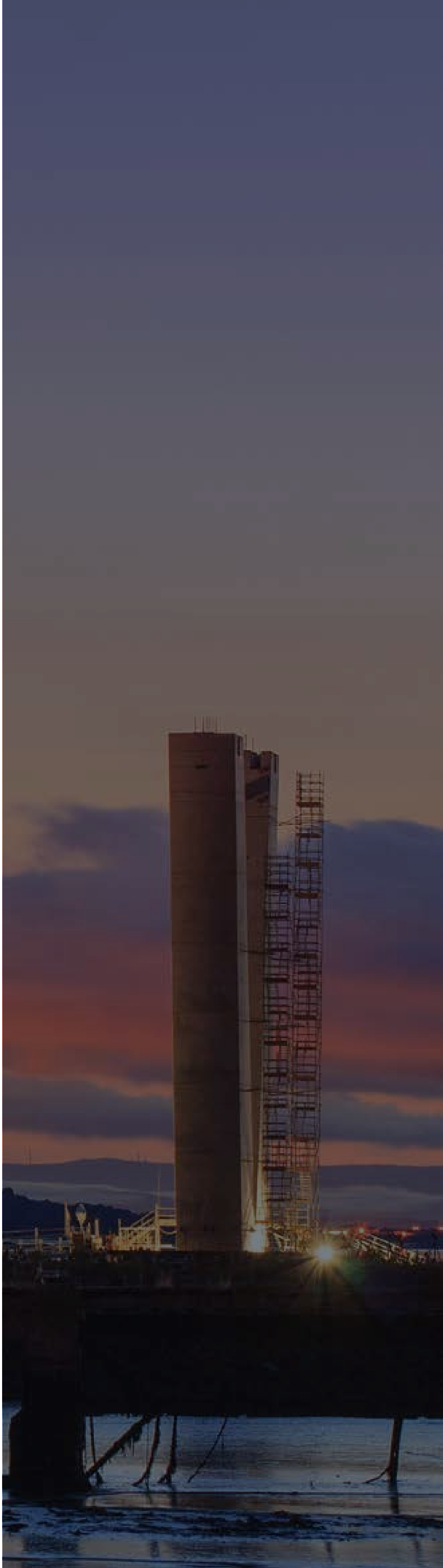
FRP was appointed to protect the business and assets, pending a review of their financial position and strategic options. The Restructuring team negotiated with customers to restart production, whilst marketing the business and assets for sale. Terms were agreed with suppliers to finish existing projects in the UK and overseas, maintaining jobs and collecting historic debts. Consultation with employees and key stakeholders continued throughout the process.

FRP's extensive marketing of the business resulted in competitive tension allowing an above-market value sale of the freehold property and maximised the outcome from the sale of plant and equipment. The company's primary funder was repaid in full under its security, with an enhanced return to the second ranking debenture holder and preferential creditors, achieved through trading outcomes.

"

The company's primary funder was repaid in full.

Martyn Pullin
Restructuring Advisory



Restructuring Advisory

Online brand saved as retailer closes high street stores

Debenhams was an iconic UK retail brand with an international footprint, extensive high street and shopping centre presence and significant online sales turnover. Tracing its UK retail roots back almost 250 years, it had faced tough trading conditions compounded by having to close all its 142 UK stores, due to COVID-19 lockdown restrictions introduced in March 2020.

FRP's Restructuring Advisory team led the administration process, with all work initially undertaken remotely to comply with Covid restrictions. Some management powers were delegated back to the directors to run the day-to-day business under FRP's supervision, while the Restructuring team dealt with a wide range of workstreams including suppliers (more than 250 merchandise suppliers as well as utilities and other services), Retention of Title claims relating to £55 million worth of stock, and technical challenges in maintaining the website and automated logistics processes. Even when Covid restrictions were lifted, it was clear some stores would remain closed.

With no buyer for the UK bricks and mortar business, FRP secured a cash deal with online retailer boohoo group plc to acquire the global rights to Debenhams brands and its websites.

Debenhams stores remained open until the stock liquidation was completed, before all stores were permanently closed. In addition, the Administrators subsequently completed the sale of the shares of Magasin du Nord, Debenhams' Danish subsidiary business, for an undisclosed sum.

> Trading the bricks and mortar retail business with diverging Covid rules around the UK created real challenges.

Alastair Massey
Restructuring Advisory

The Directors present their strategic report for the year ended 30 April 2022 ("FY2022").

Principal activities

During the year under review, the principal activities of FRP Advisory Group plc (the "Company"), together with its wholly owned subsidiaries (the "Group") consisted of the provision of professional business and advisory services under the following five service pillars:

- **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.
- **Pensions Advisory:** pension scheme transaction advisory, pension scheme restructuring advisory, covenant advisory and corporate governance.
- **Restructuring Advisory:** corporate financial advisory, formal insolvency appointments, informal restructuring advisory, personal insolvency and general advice to all stakeholders.

The Group considers that it can optimally support clients through collaborating internally and drawing in expertise from specialist teams across different areas of the business. Accordingly, each of the Group's five service pillars and nationwide footprint of offices are connected and available to work together in order to deliver the best possible client service.

The Group provides its professional services across all sectors and the full spectrum of all business sizes.

In July 2021, FRP joined 8 International, a global advisory organisation that was set up to meet a growing demand for dedicated financial and operational support from businesses with an international footprint. Since joining, we have been building relationships through physical meetings with member firms across Europe, engaged in joint marketing and co-hosting events. It has already led to us being appointed on a number of confidential projects.

Financial review

Revenue

FRP's revenue grew 21% year on-year to £95.2 million (2021: £79.0 million). 11% was organic growth and 10% inorganic, defined as an acquisition's first 12 months contribution to the Group. Inorganic growth was mainly due to the Corporate Finance businesses acquired in the prior year. Adjusted underlying EBITDA grew 12% year-on-year to £25.7 million (2021: £23.0 million). We continue to maintain a focus on cost control while modestly investing, to continue executing on delivering sustainable profitable growth.

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

The Group grew profitably with adjusted underlying EBITDA* rising by 12% to £25.7 million (2021: £23.0 million).

	2022 £m	2021 £m
Reported profit before tax	15.1	16.6
Add back depreciation, amortisation and interest	2.6	1.8
Reported EBITDA	**17.7**	**18.4**
Add share based payment expense relating to the Employee Incentive Plan (EIP)	5.4	3.7
Add share based payment expense - Deemed remuneration	2.6	0.9
Adjusted underlying EBITDA	**25.7**	**23.0**

* Adjusted underlying EBITDA excludes any exceptional costs and share based payment expenses 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 10% through both acquisition and demand-led lateral hiring and we opened four new offices in Cambridge, Glasgow, Southampton and Sunderland and a second Essex location in Leigh-on-Sea, following the acquisition of BridgeShield Asset Management Limited.

The Group started the financial year with 457 colleagues, (excluding consultants) operating out of 22 offices. By 30 April 2022, this number had increased to 504 (excluding consultants), operating out of 26 offices, as set out in the table below:

Group's employee numbers at year-end:	FY2022	FY2021
Partners	80	73
Colleagues - fee earners	317	288
Total fee earners	**397**	**361**
Colleagues - support	107	96
Total (exc. Consultants)	**504**	**457**

Balance sheet and cash flow

The Group's balance sheet remains strong with a net cash balance as at 30 April 2022 of £18.1 million (2021: £16.4 million), consisting of gross cash of £24.9 million less a balance remaining on a term loan of £6.8 million. The Group also has an undrawn RCF of £10 million with Barclays Bank.

The Group has repaid all IPO liabilities due to Partners, after a final payment of £1.3 million was made in May 2022.

Dividend

Given the trading performance and strong balance sheet, the Board intends to propose a final dividend, in line with its stated dividend policy to pay dividends quarterly. The expected dividend pay-out ratio is 70% of the Group's reported profit after tax, to eligible shareholders.

The FRP 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. Once the employee shares vest, on or after 6 March 2023, these shares will then attract dividend rights. The Board recommends a final dividend of 1.9p per eligible ordinary share for the financial year ended 30 April 2022. Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2022 will be 4.3p per eligible ordinary share (2021: 4.1p).

Business review

The Group's objective is to deliver shareholder value in the medium to long-term while protecting the Group from unnecessary risk. The business model underpinning this objective is to generate revenues from selling professional services. Fees are charged on a basis suitable to the engagement.

How we create value

1

Growing our fee earning capacity through the recruitment of high-quality individuals, teams and businesses and integrating them into our model.

2

Developing our five service pillars – Corporate Finance, Debt Advisory, Forensic Services, Pensions Advisory and Restructuring Advisory, to create an integrated business able to take advantage of opportunities across the economic cycle and the life cycle of individual businesses, as well as providing a broad range of expertise to deploy on any given engagement through service inter-pillar collaboration.

3

Investing in our team to enable them to provide the best possible service and fulfil their own ambitions.

4

Operational efficiency through the provision of shared central services, compliance, marketing, and strategy management to enable fee earners to focus on clients, business development and professional development.

Our charging structure

Restructuring Advisory:

For advisory assignments, fees are generally agreed either on a fixed fee basis or by reference to time spent as agreed with the client. For formal insolvency proceedings work, fees are charged on the basis of time costs, fixed fees or percentage of realisations and/or distributions or a combination of bases as approved by creditors. The Group's fees for acting in connection with formal insolvency proceedings are paid from the proceeds of the sale of the insolvent estate's assets and rank ahead of distributions to creditors.

Other service pillars:

Fee structures for the other service pillars are charged on a project appropriate basis. Fee structures include time charged (potentially with a cap), fixed fees and part committed/ part contingent success fees based on transaction value.

Our assets

Our primary asset is our team

Their experience, their expertise, and their relationships, all of which add value to our brand and reputation daily, as well as generating revenue.

Our multi-pillar practice model of complementary services provides us with a broad knowledge base, the ability to draw on multiple sources of expertise on any given engagement and the ability to support businesses through their entire life cycle.

Our investment in our employees is supported by robust finances - a strong balance sheet and the availability of further debt funding.

Our values

Straight forward

We are transparent, clear and honest with our advice.

Confident

We base our advice on reliable information and evidence, using our specialists across all five service pillars.

Pragmatic

We take a practical approach and focus on achieving tangible outcomes for clients.

Real

We are real people who understand our clients' situations. We listen to their needs and work with them to find the best solution.

These values form the basis of how we operate as a business and extend beyond our client work to guide how we treat our people, shareholders and other stakeholders.

Our method

- We adhere to our core values – to be straightforward, confident, pragmatic, and real.
- We value our people.
- Our culture is supportive, inspiring, empowering and collaborative.
- We recognise and reward individual excellence and team performance.
- Career progression and personal development initiatives are provided by the FRP Academy, which includes the First in Leadership Mastery programme ("FILM") and other learning providers.
- We maintain close relationships with our referral network and Panel Partners.
- We seek to help our clients through their full lifecycle, leveraging different specialist teams depending on the circumstance.

Growth strategy

The Group's primary growth strategy comprises a combination of seeking organic growth and making carefully selected lateral hires and acquisitions of small partner groups and related employees from specialist restructuring advisory, corporate finance and other related businesses.

The Board is seeking sustainable and well-managed growth as a significant multi-pillar nationwide independent professional services group, providing a long-term income opportunity for shareholders.

Due to the fundraising conducted at the time of the IPO and its debt facilities, the Company has significant cash resources available to support its growth strategy and invest in its business through acquisitions, recruitment, supporting organic growth, and infrastructure, marketing and central services enhancements.

Organic growth

Identified opportunities exist for the Group to grow organically, in particular:

- Attracting new and retaining existing talent who want to be part of an independent, prominent and growing advisory firm.
- Continuing to open offices in regions not currently covered by the Group's existing office network, thereby increasing the Group's geographic coverage in restructuring and advisory work.
- Increasing the level of restructuring engagements from clients based outside of the UK.
- Continuing to serve the full range of clients including personal clients, SME's, our core mid-market and high-profile more complex, appointments.
- Developing the Group's other service pillars: Forensic Services and Pensions Advisory.
- Continuing to ensure the five complimentary service pillars and office network combine together to put the right team forward, on each assignment, in order to achieve the best possible outcome.

The Group saw market share gains and strong organic growth of 11%.

Acquisitive growth

Our FY2021 acquisitions contributed 10% revenue growth in the year to 30 April 2022. Following an acquisition we treat the first 12 months contribution to the Group as inorganic, month 13 onwards becomes organic.

Key markets overview and growth opportunities

Restructuring market growth

Within our financial year, the higher volume and typically less complex liquidation market (including Company Voluntary Liquidation's ("CVLs") and Compulsory Liquidations) increased by 68%. However the more complex Administration market, where FRP are particularly active, declined by 22% year-on-year. FRP's Administration market share, by number of appointments, was consistent year-on-year on an underlying basis at 13%. (Source: London and Regional Gazettes)

Significant government support measures were made available to both sound and struggling businesses alike during the pandemic, which have continued to impact the more complex Administration market. Despite this, FRP's Restructuring team had another strong year.

Our Restructuring team continued to serve the full range of UK clients across all sectors, including personal clients, SMEs, along with the core mid-market and high-profile appointments.

From North to South, a sample of appointments during the year included:

- Dawnfresh, a leading fish and seafood producer based in Scotland.
- Scotland's iconic Glenburn Hotel.
- Together Energy from Newcastle.
- Construction firm Cleveland Bridge in Teesside.
- Restaurant chain Corbin & King in London.
- High street camera retailer Jessops.
- Bemaco Steel based at Cardiff Docks.
- Safe Hands Funeral Plans from Kent.

FRP were also appointed by the court in the Special Administration of Xpress Money Services Limited, an FCA authorised payments service provider in the UK. The Group has also undertaken many confidential advisory assignments during the financial year.

Our Restructuring team are well-positioned to service the expected increase in demand stemming from the increasing challenges and disruption emerging in the economy. However, uncertainties still remain over how long the available corporate liquidity and government backed loans can sustain troubled businesses or how proactive key creditors like HMRC and institutional lenders will be on addressing over-due debts.

Corporate Finance market growth
FRP Corporate Finance had a busy and successful year, significantly growing its market share to rank as the 12th most active financial adviser in the UK M&A market.

In the financial year, FRP Corporate Finance was launched, which integrated the existing Corporate Finance team with the JDC and Spectrum acquisitions. The team was involved in 99 successful transactions with an aggregate deal value of £3 billion and £1.3 billion of debt raised. This level of activity gives FRP Corporate Finance a 1% market share of the UK M&A market, by number of appointments (Source: Experian). The average deal value of £30 million places FRP Corporate Finance in the heart of its target SME market, with deals ranging in value from £3 million to £150 million.

FRP Corporate Finance remains strong in 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.

Notable FRP Corporate Finance transactions in H2 2022 included:

- Sell-side adviser to Emma's Diary, an online communication platform for pregnant women and new mothers, in its sale to Everyday Health Group Pregnancy & Parenting.
- Sell-side adviser to Mr Fothergill's Seeds, a supplier of garden products, in a £100 million+ buyout backed by Harwood Private Capital.
- Debt adviser on the £357.5 million ABL facility to help fund the acquisition of McKesson UK, the parent company of Lloyds Pharmacy Group, by AURELIUS.
- Sell-side adviser to Ludlow Healthcare Group, a specialist care provider, to Holmleigh Care Group.
- Sell-side adviser to SSQ, a legal recruitment consultancy, to an Employee Ownership Trust.

Our Corporate Finance team have an excellent pipeline to help clients realise their strategic ambitions. Despite softening in the capital markets, mid-market M&A activity levels are strong with institutional lenders and private equity well financed with significant capital to deploy; plus there is also considerable overseas interest in UK assets.

Key performance indicators (KPIs)

Financial	**Year Ended 30 April 2022 £million**	Year Ended 30 April 2021 £million
Revenue	**95.2**	79.0
Adjusted underlying EBITDA (see table on page 22)	**25.7**	23.0
Reported EBITDA	**17.7**	18.4
Adjusted profit before tax*	**23.1**	21.2
Profit before tax	**15.1**	16.6
Cash collection (inc VAT)	**109.3**	86.2
Revenue per Partner**	**1.2**	1.1

* Reported profit before tax plus share based payments
** Based on Partner numbers as at the financial year end

Non-Financial	**Year Ended 30 April 2022**	Year Ended 30 April 2021
Number of administration appointments	**118**	163
Number of fee earners, including Partners	**397**	361
Staff utilisation rate	**61%**	65%

Principal risks and uncertainties

The operations of the Group and the implementation of the Group's strategy involve a number of risks and uncertainties. The Board is responsible for developing a comprehensive risk framework and a system of internal controls. Control and mitigation measures to reduce risk are designed to manage, rather than eliminate risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has identified the following as the principal risks and uncertainties facing the Group:

Risk	Mitigation and Control
Colleague risk	
For any professional services business, personnel are a particularly prominent asset contributing to the Group's continued growth and success. The Group is heavily reliant on its Partners and employees to generate, manage, progress, and complete the Group's engagements. As part of this, the Group is reliant on its Licensed Insolvency Practitioners to act on insolvency and restructuring matters (which account for the majority of the Group's revenue). In particular, the top 10 Partners, who's composition changes each year, were responsible for approximately 48% of the Group's revenue (2021: 49%). If the Group were to lose the services of either: (i) one or more key Partners who are responsible for significant revenue generation; or (ii) a significant number of its Partners or employees in a short timeframe, this could significantly impair the strategy and success of the Group from both a reputational and financial standpoint, as well as hinder the growth of the Group over the short to medium term. This could result in a material adverse effect on the Group, its business operations and financial condition, including its ability to generate revenue and to service its existing clients.	The Group recognises the value of its people as its key asset and prioritises them accordingly. The Group seeks to mitigate and manage its "Human Capital" risk generally through: › A competitive reward structure › An employee share option scheme › Providing support for our people to reach their potential through professional training programmes, coaching initiatives and the FRP Academy, which includes the First in Leadership Mastery programme ("FILM") › Developing and maintaining a corporate culture which keeps the team motivated and engaged, facilitating communication and alignment of staff and FRP expectations. In the short to medium term, Partners at the time of the IPO will, save in certain circumstances, forfeit all or most of their shares in the Company if they give notice to leave the Group before the third anniversary of the IPO in 2023. This acts as a lock-in mechanism for the Group. In addition, the Partners' compensation is linked to the success of the business both in terms of direct Partner drawings and in terms of dividends and share price. Accordingly, the Partners are significantly and directly incentivised to pursue the success of the business. Post year end Partner shareholders were invited to sell 20% of their holding in return for signing an extended lock -in to June 2024.
Reliance on senior management	
Since 2010, the Group's senior management has developed the business of the Group and its future success is, to an extent, currently dependent on a small number of individuals. These individuals include Geoff Rowley and Jeremy French. The continued involvement of the Group's senior management and Directors is therefore important and their replacement at short notice would be very challenging at present.	The Group has taken steps to ensure that the knowledge, skills, contacts and expertise of key individuals are shared, where possible. The appointment of an experienced CFO to the Board with full responsibility for the Group's financial matters improved the governance and added a new perspective on decision making. All Partners employed by the Group at 6 March 2020 are subject to lock-in and claw back for three years (see "Colleague risk" above). Acquired Partners are also subject to a lock-in and demand-led lateral hire Partners have options which act as a retention tool. The Nomination Committee is responsible for ensuring that adequate focus is given to succession planning.

Risk	Mitigation and Control
Referral relationship risk	
The Group is heavily reliant on its referral network in order to generate business. These relationships are managed by the Group's Partners and are critical for revenue generation. The Group is on every major UK clearing bank's formal approved advisory panel together with those of numerous other regional and national lenders, such as asset-based lenders, investment banks, credit funds and peer-to-peer lenders. The Group also sits on the formal panels for Government bodies, such as the Department for Education. A failure to manage and grow these relationships (or the departure of key Partners that are responsible for maintaining these relationships) could result in the firm not being appointed to new advisory panel positions, or not being reappointed to the Group's existing positions (which could also negatively affect the Group's reputation). Either of these outcomes would have a detrimental effect on the Group's ability to generate revenue, which would, in turn, impact the Group's financial performance and position.	All Partners employed by the Group at 6 March 2020 are subject to a lock-in for 3 years until March 2023 (see "Colleague risk" above). Therefore, relationships between referrers and Partners will continue. Post year end Partner shareholders were invited to sell 20% of their holding in return for signing an extended lock-in to June 2024. FRP continues to focus on the basics which include providing clear honest advice to help achieve the best possible outcome. This high-quality level of service should support continued referrals. Each office maintains a strong network of local referrers for example, lawyers and accountants. The Group believes the best way to maintain this network is to continue delivering the best possible service to clients. Mandatory use of FRP's CRM system also ensures all contact information is shared amongst FRP colleagues and every effort is made to ensure relationships are formed with multiple members of the FRP team.
Reputational risk and negative publicity	
Negative publicity that can have an adverse impact on the Group's reputation could have a direct effect on revenue, brand, retaining key Partners/ employees, removal of clients from bank panel work, investor trust and future opportunities.	The Group's reputation comes from consistently delivering a high-quality service and achieving the best possible outcome for clients. As the Group continues to grow, it is committed to operating sufficient internal checks and controls to ensure each client receives the best of FRP. The Group has demonstrated its commitment to Governance, Risk & Compliance by implementing and continuously developing its Enterprise Risk Management, Information Security Management System & Cyber Security frameworks.
Cyber-crime and information security risk	
The risk of cyber-crime and information security violations could be devastating, affecting strategic objectives and posing significant financial risk to the Group's value, through regulatory fines and the impact of reputational damage.	The Group recognises the importance of protecting its assets with executive ownership and management responsibility for maintaining an effective Information Security Management System & Cyber Security framework. Staff undertake regular compulsory training on recognising potential cyber attacks. The Group is in the process of obtaining ISO27001 which will require an external audit and certification of the robustness of its Information Security Management Systems and Controls.

Risk	Mitigation and Control
Acquisition risk Part of the Group's strategy is to acquire teams and businesses to join the Group. There is a risk that acquisitions either do not generate the returns that were anticipated and/or fail to embed properly within the culture and systems of the Group. This can lead to below expected returns on investment, excessive application of management time and ultimately failure of the acquisition resulting in potentially wasted costs, loss of opportunity and negative reputational impacts.	The Group conducts financial and legal due diligence and financial modelling exercises to minimise the risk of overvaluing an acquisition and to understand any issues within the target. Potential joiners meet Board Members and key central services to ensure that the businesses are culturally aligned and operationally ready to join. Consideration structures including earn outs may be used to ensure that the acquired business is as expected and valued according to returns generated.
Growth risk There is a risk that FRP fails to grow profitably due to a lack of growth in revenue, reduction in the size of the market, loss of market share, lack of appropriate acquisition opportunities at an acceptable valuation or lack of cost management, leading to a loss of investor confidence and impact on share price.	The Group are continuously looking for suitable investment opportunities and several additions /transactions of high profile partners, teams and mergers have taken place which demonstrates the Group's attractiveness to targets. The Group's diversified referral network reduces reliance on any organisation for new opportunities. The Group focuses on ensuring central services remain operationally efficient. All Partners and senior fee earners prioritise business development activities to enable FRP to help on new opportunities.
Operational gearing risk The business is operationally geared with a significant proportion of relatively fixed salary and modest lease property costs. Consequently, the Group's profitability is liable to short-term fluctuations dependent on activity levels.	The Group conducts regular extensive forecasting exercises to identify and mitigate any potential short-term adverse fluctuations. As the Group grows, we will continue to review the balance between increasing headcount on a permanent basis vs shorter term, more flexible options. (consultants, secondments). A material element of compensation is performance related, both bonuses for colleagues and profit allocations for Partners. The Group operates 5 pillars, its diversity mitigates fluctuations in revenue mix. As the pillars complement each other there is additionally scope to move resources between pillars.
Communication risk There is a risk that as the business grows there is a lack of or breakdown in effective timely communication to all relevant internal stakeholders. This could result in sub-optimal decisions being made or a lack of cohesion between different parts of the business.	There are regular internal meetings with members of the Senior Executive Leadership team and Location Heads and Central Services Group Heads where all are encouraged to actively engage and disseminate relevant information to their teams. There are also regular updates to the whole firm via newsletters and webinar recordings from the Group management board.

Risk	Mitigation and Control
Government policy, legal and regulatory risk	
Legal and regulatory changes and/or changes to Government policy may adversely impact the business. The Group will be affected by legal and regulatory changes within the areas in which it operates, such as insolvency and administration law, pension law and the laws and regulations governing equity and debt financing of corporate entities. The regulatory landscape impacts full-service competition firms. There are ongoing discussions to what extent auditors are able to offer non-audit services to their audit clients which could change within the UK in the short to medium term as a number of reviews are concluded and their recommendations published or implemented, including those of the Financial Reporting Council and the Competition and Markets Authority. Any resulting changes may affect the degree and/or nature of competition between market participants, including through the emergence of new or specialist firms. Generally, it is difficult to predict the extent to which policy and regulatory changes that may come into force might affect the Group. Any such changes may detrimentally affect revenue and/or require increased expenditure, or increase competition for both clients and colleagues, impacting the Group's operating margin and business development plans. Any of these may have a materially adverse impact on the Group's operations and financial condition.	The knowledge and expertise of colleagues ensures that the Group is aware of pending legal or regulatory changes. The Group has many of its employees as members of technical or expert panels within the various regulatory bodies that the Group's activities fall within. The Group has dedicated resources to monitor legal and regulatory changes affecting its business. The Group routinely monitors the changing industry landscape and reacts accordingly. The Group has in place suitable professional indemnity insurance.
Competition risk	
In the current macroeconomic environment, the Group considers that there is a risk that new entrants will seek to join the insolvency advisory market and existing participants will increase their investment and staffing levels in the space. This could lead to the Group facing increasing competition for engagements, downward pressure on its fee levels and difficulties in attracting and retaining talent.	The Group maintains strict internal risk management procedures, particularly high standards of Information Security, which have assisted in appointment to all major bank panels. These standards may act as a barrier of entry to new entrants or smaller organisations who are unable to meet the evolving and ever increasing regulatory burden. In comparison to larger competitor firms, the Group is not full service and as such is less exposed to potential conflicts of interest. Many of the Group's Partners have extensive experience within larger firms and are therefore able to demonstrate their credentials to undertake the larger and/or high profile assignments within a specialist and more flexible organisation, with a lower cost base the Group are able to compete favourably on price.

Risk	Mitigation and Control
Potential claims against the Group	
The Group typically receives a number of complaints each year in relation to its engagements, with the majority of these relating to the Group's insolvency practice. These complaints are typical of those received by the participants in the UK insolvency industry. As a result, the Group routinely notifies its professional indemnity insurers of these complaints who provide legal support in responding to the complaint at an early stage to reduce the risk of the matter escalating to a legal proceeding. A small number do escalate. There have been no successful claims made against the Group. There is a risk that a claim could be successful and an award made against the Group as a result of a mistake or the negligence of one or more of the Group's Partners or employees.	Whilst it is likely that the majority of the cost of any successful claim would be covered by the Group's professional indemnity insurance, the Group may still be required to contribute an amount in respect of such a claim (being the insurance policy excess, a costlier sum agreed upon with the insurer or an amount beyond the cover provided by the Group's insurance). The Group may also be at risk of reputational damage resulting from a successful claim, in addition to any financial cost. We have robust internal procedures and external advisers in place to effectively manage incidents like these.

Risk management

The Audit and Risk Committee ("ARC") oversees the risk management processes of the Group, key risks are also elevated for discussion at the main Board.

FRP is evolving its approach to risk management and it is rolling out a new risk framework aligned to ISO31000. The ARC will assist the Board in its oversight of FRP's risk management framework, by monitoring its effectiveness through oversight of an Operational Risk Committee ("ORC") which oversees the implementation and day to day management of the Risk Framework at an operational level and initially reports into the Senior Executive Leadership Team and the ARC. The ORC will manage the risk framework within the boundaries set by the ARC, reporting on top level risks. Risk ownership will be integrated into all business activities and form the input/feedback channel into the managed risk registers, reviewed within the ORC. The ARC will also provide input to the Board in its assessment of enterprise risks and determination of risk appetite and tolerance levels, as part of the overall FRP risk management strategy.

Section 172 statement

This section serves as our Section 172 ("s172") statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement.

The Directors are well aware of and comply with their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Board ensures that the requirements of s172 are front of mind by including them on all Board meeting agendas and requiring s172 impact assessments for key Board decisions.

The Board recognises that the business is reliant on maintaining its reputation for high standards of conduct, professionalism and integrity and this is always given high priority. As a business with substantial numbers of regulated individuals in an industry where reputation is of paramount importance, the Board will not countenance any course of action that it considers may threaten its regulatory compliance or bring the business into disrepute. Key decisions are made by the Board, which contribute to the delivery of the Company's long-term strategy. In decision making, consideration is given to act fairly towards each group of members including: FRP Partner shareholders, Institutional shareholders and Retail investors. The Board also considers employees, who will become future shareholders when their options vest.

Engagement with our shareholders and wider stakeholder groups plays a valuable role throughout our business. The Board is aware that each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial

Section 172 statement continued

relationships. Our understanding of stakeholders is then factored into boardroom discussions and decisions. The stakeholder voice is also brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making. The table below sets out our key stakeholder groups, their interests and how we have engaged with them over the reporting period. However, given the importance of our team, our clients and our referral network, these themes are also discussed throughout this Annual Report.

The Board continue to monitor acquisitions with a focus on selective acquisitions that meet our strict criteria of: a cultural fit, a strategic fit within our five service pillars in a growth region and acceptable transaction economics. The acquisition of BridgeShield Asset Management Limited on 28 April 2022 expands our service offering to cover Property Asset Management services to specialist lenders nationally.

Given the trading performance and strong balance sheet, the Board intends to propose a final dividend, in line with its stated dividend policy to pay dividends quarterly. The expected dividend pay-out ratio is 70% of the Group's reported Profit After Tax, to eligible shareholders.

Throughout its history FRP has grown on a resilient basis, with a focus on delivering sustainable deliverable growth, and the Board are focused on giving long term returns for shareholders.

Stakeholder	Their interests	How we engage and react
Our Investors	› Comprehensive review of financial performance of the business. › Meeting financial expectations. › Business sustainability. › High standard of governance. › Success of the business. › Ethical behaviour. › Awareness of long-term strategy and direction.	› Annual Report and Accounts. › Stock Exchange announcements. › Press releases. › Paid for research available via Nomad (post financial year end). › Feedback from the Company's broker. › Company website. › Retained financial PR Firm. › Meetings with external investors. › At year end c. 51% of shares are owned by Partners actively involved in the business and nearly 8% are owned by the Employee Benefit Trust. › Annual General Meeting ("AGM"). › Dividend payment policy as an income stock.
Our Clients	› High quality advice. › Professional delivery. › Competitive fees. › Data security.	› Project meetings. › Detailed advice notes, project plans and regular progress updates. › Client management teams. › Online Service Portals for case specific creditors. › Professional comment and updating via LinkedIn, website and professional publications.

Stakeholder	Their interests	How we engage and react
Our Team	› Job satisfaction. › Appropriate incentivisation and reward. › Career progression. › Professional development and training support. › Enjoyable working environment. › Management accessibility.	› The FRP Academy, which includes the First in Leadership Mastery programme ("FILM") and other learning providers › In-house Learning & Development specialist › Internal coaching programmes › Internal training courses › A colleague Portal › A colleague newsletter › A Marketing newsletter › An Information Security newsletter › An online Cyber Security platform › An online Policy document library › The roll-out of Ideadrop, a system to receive ideas from colleagues › Colleague conference › Regional Partner presentations to the Board › Annual performance reviews › Whistleblowing policy in place to report wrongdoing › Tailored training identified and actioned from appraisal process › Cultural survey feedback
Panel Partners and Referrers	› Responsiveness. › Competitive fees. › High quality advice. › Maximising returns for all. › Reputation protection. › Compliance with practice standards.	› Panel audit processes. › Periodic compliance certifications. › Regular relationship meetings. › Regular project updates. › Dedicated panel support teams. › Company website.

Stakeholder	Their interests	How we engage and react
Regulatory Bodies	› Regulatory compliance. › Integrity of the profession.	› Membership of regulatory bodies. › Colleagues regularly part of and contribute to technical groups of regulatory bodies. › Regulatory visits every three years as well as interim visits. › Supervised by ICAEW AML legislation. › Regular and ad-hoc submissions to the FCA as required, for FRP Corporate Finance Limited (FCA regulated entity).
Local Communities	› Community participation. › Support of local businesses. › Charitable initiatives. › Work opportunities.	› Professional comment and updating via LinkedIn, website and professional publications. › Press comment. › Support charities local to the offices. › Apprenticeships and work experience placements.
Environment	› Energy usage and efficiency. › Recycling. › Waste management.	› Workplace recycling processes and policies. › SECR energy use monitoring and reporting. › Further details set out in ESG report on page 49.

On behalf of the Board

Geoff Rowley
Chief Executive Officer
22 July 2022

Board of Directors

The Board of Directors of the FRP Advisory Group plc comprises three Executive Directors, two independent Non-Executive Directors, a further Non-Executive Director and the Chairman.

Further details about the Board and its role are set out in the Corporate Governance Statement on pages 45 to 48.

Nigel Guy

Non-Executive Chairman

Nigel Guy joined FRP Advisory LLP as Chairman shortly after the management buyout completed in 2010 and became Chairman of FRP Advisory Group plc on the IPO in March 2020. Nigel is a Chartered Accountant and has spent the majority of his executive career in private equity. During this time, he held leadership positions both in the UK regions and in London, with firms including 3i plc and Baird Capital Partners Europe Limited. He has subsequently developed a portfolio career and has sat on a number of both private and public company boards as a Non-Executive Director or more frequently as Chairman, often representing financial investors.

Geoff Rowley

Chief Executive Officer

Geoff is the Group Chief Executive Officer, following the IPO in March 2020 and is a Partner Director. He was a joint founder of the business as part of the Vantis plc management buyout in 2010. Geoff is a Partner in the London restructuring advisory team, dealing with corporate restructuring assignments acting for a range of stakeholders including boards, lenders and investors. Recent UK and international assignments have included BHS, Force India Formula One Team, Patisserie Valerie, Koovs plc, London Capital & Finance and a significant PFI project arising from the failure of Carillion. He is a Chartered Certified Accountant and Licensed Insolvency Practitioner with 30 years' experience including at firms RSM Robson Rhodes and PKF.

Jeremy French

Chief Operating Officer

Jeremy is the Group Chief Operating Officer, following the IPO in March 2020 and is a Partner Director. He was a joint founder of the business as part of the Vantis plc management buyout in 2010 and was the Group's Managing Partner from inception until admission to AIM. While Jeremy manages the operations of the Group, a proportion of his time is spent on restructuring engagements and dealing with stakeholders. Jeremy is a Chartered Accountant and Licensed Insolvency Practitioner with more than 35 years' experience.

Gavin Jones

Chief Financial Officer

Gavin is the Group Chief Financial Officer and is responsible for all of the Group's finance activities, investor relations and supporting the Partners and employees, to deliver FRP's growth strategy. He also oversees a number of the Group's shared service functions. Gavin joined the business in June 2020, having formerly held executive roles within financial services, including a Divisional CFO at Marsh, Regional Financial Controller at Aon and an Executive Director at ABN AMRO's Investment Banking division. He is a Chartered Accountant and a member of the Chartered Institute for Securities and Investment.

David Chubb

Senior Independent Non-Executive Director

David joined the business as an independent Non-Executive Director in 2019 and became a Non-Executive Director of FRP Advisory Group plc in March 2020. He worked in banking at Standard Chartered and Hambros, and then in restructuring at PwC. Spanning a period of over 20 years with PwC, he led a wide range of insolvency and restructuring cases, with one of his final appointments being as a Special Manager of Carillion. Following retirement as a Partner at PwC, David has undertaken consulting roles and project work for a wide variety of businesses in the middle market and has taken board appointments where appropriate. David is a Chartered Certified Accountant and a qualified insolvency practitioner although he no longer holds a licence to take appointments.

David Adams

Non-Executive Director

David has been a Non-Executive Director of the business since 2010 and a Non-Executive Director of FRP Advisory Group plc since March 2020. David spent the majority of his career as a Partner in the corporate law team at Travers Smith LLP. Subsequently, David has run his own corporate advisory business and held a number of Non-Executive Directorships of private and listed companies. David helped establish the Group's corporate finance division and sits on the Board of FRP Corporate Finance Limited.

Claire Balmforth

Independent Non-Executive Director

Claire joined the Board as an independent Non-Executive Director in August 2020. Claire has significant listed company experience in both executive and non-executive roles, having previously held senior commercial and operational positions at FTSE250 companies. Claire has significant knowledge of organisational leadership and employee engagement in founder-led businesses and is currently a Non-Executive Director and Chair of the Remuneration Committee of Trifast plc.

Directors' Report

For the year ended 30 April 2022

The Directors present their report with the financial statements of the Group for the year ended 30 April 2022.

Principal activities and business review

The principal activities of the Group during the period under review are detailed in the Strategic Report.

The business review has been considered within the Strategic Report.

Results and Dividends

An analysis of the Group and Company's performance is contained within the Strategic Report. The Group's statement of comprehensive income is set out on page 71 and shows the results for the year.

The Directors recommend the payment of a final dividend of 1.9p per eligible Ordinary Share in respect of the quarter ended 30 April 2022. It is proposed the final FY2022 dividend, subject to shareholder approval, will be paid on 21 October 2022 to shareholders on the register on the record date of 23 September 2022.

Three Interim dividends of 0.8p have already been declared. These, combined with the above final dividend, which is subject to shareholder approval, takes total dividends relating to the year to 30 April 2022 to 4.3p (2021: 4.1p).

Directors

The current Directors and their brief biographies are detailed on pages 36 to 37.

The Directors of the Company during the year and since the year end were:

Nigel Guy

Geoffrey (Geoff) Rowley

Jeremy French

David Chubb

David Adams

Gavin Jones

Claire Balmforth

In accordance with the Articles of Association, each of the Directors will offer themselves for re-election at the Company's forthcoming AGM.

Directors' emoluments

Details of the Directors' emoluments and rewards during the year under review are set out in the Remuneration Committee Report on pages 58 to 61.

Directors' indemnity

The Group provides, subject to the provisions of UK Legislation, an indemnity for Directors and officers of the Group in respect of liabilities that they may incur in the discharge of their duties or in the exercise of their power, including any liability related to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Group.

Share capital

Details of the changes in the share capital of the Company during the year are set out in note 20.

Directors' interests in shares

The beneficial interests of the Directors in the Ordinary Shares of the Company on 30 April 2022 are set out below:

Ordinary Shares as at 30 April 2022	
Nigel Guy	25,000
Geoff Rowley	9,454,663
Jeremy French	7,563,730
David Chubb	62,500
David Adams	312,500
Gavin Jones	Nil
Claire Balmforth	Nil

There has been no change to the Directors' share interests noted above since 30 April 2021. Please see the remuneration report for the share options held by Directors.

Following the year end, in the June 2022 placing Geoff Rowley and Jeremy French sold 1,890,933 and 1,512,746 shares, respectively, reducing their holdings to 7,563,730 and 6,050,984 shares, respectively. Alongside this sale, the lock-in agreement entered into at the point of IPO between these directors and the Company was amended to extend the lock-in on the balance of their ordinary shares until the second anniversary of the placing.

Growth and development

Details of the growth and development plan for the Group is set out within the strategic report on page 26.

Environmental and Social Governance ("ESG")

In accordance with the Taskforce for Climate-related Financial disclosures ("TCFD") https://www.fsb-tcfd.org/ - an ESG Committee was formed in FY2022 to report, monitor, adhere and manage the Group's ESG policy.

The Board are mindful of the Group's responsibility to protect the environment, support colleague workplace ethics and manage risk, both internally and externally, via our supply chain and referral networks.

Whilst there is no formal auditing body for ESG in the UK at present, the Group's ESG Committee are using the Value Reporting Foundation recommendations, where applicable, to measure effectiveness for data security, workforce diversity & engagement and professional integrity, in particular.

To this end, the Group has pledged to reduce our carbon emissions to be carbon neutral by 2030, amongst other ongoing strategies detailed below and as set out in the ESG policy (page 49).

Equal opportunities, diversity and inclusion

It is the Group's policy to ensure equal opportunity in employment and accordingly, the Group maintains an Equal Opportunities Policy.
The Equal Opportunities Policy

expresses the Group's commitment to equal opportunities and sets out a framework to assist the Group in delivering on that commitment. In particular, the Equal Opportunities Policy provides that:

- FRP will avoid unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline, and selection for redundancy.
- Person and job specifications will be limited to those requirements that are necessary for the effective performance of the job. Candidates for employment or promotion will be assessed objectively against the requirements for the job, taking account of any reasonable adjustments that may be required for candidates with a disability. Disability and personal or home commitments will not form the basis of employment decisions except where necessary. The Group will also make reasonable adjustments to its standard working practices to overcome barriers caused by disability.

Employee engagement

Employee engagement is a key component in the way we operate to maintain our positive culture which, in itself, motivates our teams and attracts new talent.

During FY2022 the Group conducted a cultural survey with colleagues. Overall, the feedback was very positive with colleagues feeling the internal culture was excellent. However, we acknowledge that there will always be room for improvement. The appointment of a specialist Learning & Development Senior Manager shows our continued investment in this area, to support the ongoing development of our nationwide team. Development programmes being reviewed include internal coaching, leadership courses and extensive professional training support.

Throughout FY2022 and moving into FY2023, the Group has been progressing projects to improve operational efficiencies and risk management, which include:

- The rollout of four new systems: a new CRM system, a new HR system, a Document Management System and an upgraded time recording system.
- Adopting a new Enterprise Risk Management (ERM) framework, which has enabled ISO 31000 certification in July 2022.

Following the implementation of the above system changes, together with other enhancements to the Group's Information Security Management System (ISMS), the Group hopes to achieve ISO 27001 accreditation within FY2023.

The Group has also formed an Environmental, Social and Governance (ESG) committee and increased investment in Learning and Development for colleagues.

During the year, the Group engaged with its Partners and employees on an ongoing basis and through multiple channels to ensure that their views were taken into account appropriately and the Group was able to communicate its strategy, priorities, values and goals effectively throughout the organisation.

These regular interactions included:

- A colleague newsletter.
- A National Marketing newsletter.
- An Information Security newsletter.
- Video updates for Group announcements from members of the plc Board.
- Enhanced availability of access to news, R&D, learning and development, tutorials, location updates, well-being support and team on team gatherings.
- A colleague Portal.
- Continual Performance Reviews.
- Colleague Conference.
- Regional Partner presentations to the Board
- An online Cyber Security platform.
- An online Policy document library.
- The roll-out of Ideadrop, a system to receive ideas from colleagues.
- The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) consultations for acquired colleagues transitioning onto FRP contracts of employment.

At 30 April 2022 IPO Partners and acquired Partners own c. 51% of FRP. c. 8% of the shares sit in a Trust, on IPO the Partners gifted £15 million worth or 18,750,000 shares, which supports an Employee Incentive Plan. Funded by the generosity of Partners on IPO, the Board were delighted to implement an Employee Incentive Plan in 2020. This enabled granting employees at IPO options over FRP shares which were backed 1:1 by FRP shares in issue and held within an Employee Benefit Trust (EBT). Employees were granted options subject to their service, which become exercisable 3 years from IPO. As the EBT had headroom and the ability to be replenished if IPO Partners left, the Board has been able to make additional awards to new joiners (including Partners) since IPO to ensure colleagues have an ownership stake (including indirectly via options) in the business.

The Board will take employee interests into account in principal decisions through its s172 compliance procedure.

Corporate social responsibility

As a Company we do not have a nominated charity that colleagues are obliged to raise funds for, as, in line with our ethos of entrepreneurism, we have found that it proves more rewarding for individual colleagues to support charities that provide a more personal connection to them.

Individuals' choices therefore tend to support smaller, independent charities in their local area that do not have the benefit of a national presence or extensive, large capacity event calendars. As Covid-19 restrictions were lifted or came to an end in 2022, we were able to once again actively support our professional network's charity programmes donating £7,188, with colleagues raising an additional £23,931 for their chosen charities.

Our Senior Team Conference took place in September 2021, gathering Board members, Partners and Directors from across the Group. It was important to provide an environment to reinforce connectivity and teamwork after a two year break, due to Covid-19 restrictions.

As well as providing corporate and best practice updates during the conference, we also challenged our colleagues to test their managerial and physical skills, by building 17 bicycles for a community support charity in Battersea. Carney's Community (registered charity number 1150650 - carneyscommunity.org) provide mentoring for disadvantaged young people aged 11 to 30 who come from deprived backgrounds in Wandsworth, Lambeth and the surrounding areas. A new initiative offers a weekly session servicing bikes for members of the public, led by a qualified bike mechanic. The young people at Carneys have the opportunity to be trained in bike maintenance and their regular attendance at these sessions, together with a consistent display of the right attitude, is one way of getting on the list to be rewarded with an FRP bike.

To date, four FRP bikes have been allocated to deserving young people in the Carney's programme and the Group receives regular updates on how these gifts have changed their day to day lives, maintaining an ongoing relationship with the charity.

Statement of engagement with suppliers, customers and others in a business relationship with the Company

The primary business relationships of the Group are with its client businesses, referral network and Panel Partners, bankers and landlords.

The Group maintains external property consultants to ensure its leased estate is managed in accordance with lease terms and any issues are properly and professionally managed and resolved.

The Group finance function maintains regular contact with the Company's bank and supplies regular financial information to the bank to ensure compliance with the terms of its loan facilities. The business has a long established and productive relationship with its bankers. Where relevant to the matter under consideration the bank is consulted in line with the terms of the facilities.

The Company maintains a general supplier payment policy whereby suppliers are paid within 30 days in the absence of any other agreement.

The Board will take the interests of those with whom it is in a significant business relationship (either individually or as a category) into account in principal decisions through its s172 compliance procedure.

Energy and carbon reporting

Under the Streamlined Energy and Carbon Reporting Regime, the Company is required to report its energy consumption and greenhouse gas emissions arising in the UK (including offshore UK) from:

- the annual quantity of energy consumed in the UK resulting from the purchase of electricity by the Company for its own use, including for the purposes of transport;
- the annual quantity of energy consumed from stationary or mobile activities for which the business is responsible involving the combustion of gas; and
- the annual quantity of energy consumed from activities for which the Company is responsible, involving the consumption of fuel for the purposes of transport (where the Company is responsible for purchasing the fuel).

Our disclosures are set out below and include energy and emissions from the entire Group, regardless of whether individual companies would be required to report.

Overall emissions have reduced, predominantly due to an initiative to work with landlords in supplying electricity from renewable sources. When undertaking office refurbishments an initiative to install more efficient heating and lighting has been in place. An upgrade to our gas boilers was also undertaken, reducing total gas usage within the Group. As travel and lockdown restrictions have lessened, more travel has been required by the colleagues to best support clients.

0.7

Intentisty ratio – CO_2e per £ million sales revenue.

2030

Committed to becoming Carbon Neutral by 2030.

UK Energy use	Year ended 30 April 2022		Year ended 30 April 2021		
	Consumption	Greenhouse Gas (GHG) Emissions (CO_2e)	Consumption	Greenhouse Gas (GHG) Emissions (CO_2e)	Notes
Electricity	354,324 kWH	24,656	441,596 kWH	102,954	Electricity consumed relates to routine office power requirements *(Scope 1)*
Gas	29,000 kWH	5,312	52,134 kWH	9,586	Gas used to fuel heating and hot water boilers in office locations *(Scope 2)*
Vehicle Fuel	149,598 kWH	36,967	42,536 kWH	10,511	Fuel relates to the Group employees for mileage related to the use of their private vehicles for the business of the Group *(Scope 3)*
Total		66,935		123,051	

Basis of preparation

Electricity - (Scope 1)
The electricity consumed by the Group relates solely to the routine power requirements of its offices – lighting, heating, IT, air conditioning etc. To calculate the CO_2e figure we have taken our overall electricity spend for the year and divided it by our average price paid per kWh of £0.28 to derive a kWh figure. For all tariffs that are not from renewable sources (116,120 kWH) a $kgCO_2e$ factor of 0.2123 was applied, being the UK Government's Conversion Factor 2021 for this type of electricity use.

Gas - (Scope 2)
The gas consumed by the Group relates solely to the use of natural gas for the running of boilers for heating and hot water in its offices. To calculate the CO_2e figure we have taken our overall gas spend for the year and divided it by our average price paid per kWh of £0.05 to derive a kWh figure to which a $kgCO_2e$ factor of 0.1832 was applied, being the UK Government's Conversion Factor 2021 for this sort of natural gas use.

Fuel Consumption - (Scope 3)
The GHG emissions related to fuel combustion derive solely from the payment to employees of mileage allowances where they use their private vehicles for Group business. We do not keep records of our employees' vehicle makes, models and fuel type. To arrive at a reasonable estimate of distribution across petrol, diesel and other vehicles, we used the DVLA licensed car statistics from 2021 of that distribution to create our model (petrol – 58.58%, diesel – 36.31% and other – 5.11%). We applied those figures to our total mileage claimed to calculate estimated mileage figures for each of diesel, petrol and other fuels. The UK Government Conversion Factors 2021 for an average vehicle in respect of each fuel type (and using the hybrid vehicle factor for the other fuels category) were then applied to the relevant mileage figure to obtain the CO_2e figures.

Intensity Ratio
CO_2e per total £ million sales revenue during the year to 30 April 2022: 0.7 (2021: 1.6).

Energy Efficiency Activity
The Group has committed to becoming Carbon Neutral by 2030. As our energy contracts come up for renewal they will be, or have been, switched to a fully renewable tariff and we are working with our landlords to switch tariffs for the contracts we do not control. The boiler at our Leicester office, which is the main user of gas declared above, was replaced by a new, more efficient version at the end of FY2021.

We have installed Microsoft Teams conferencing systems at all locations in an attempt to reduce business travel.

Following feedback from colleagues and as part of our Carbon reduction programme, we are pledging to introduce an electric vehicle leasing scheme, to provide greener vehicles for colleagues' personal and commuting use and reduce our vehicle fuel emissions.

Branches

The Company has no branches outside of the UK.

Political and charitable donations

The Company made charitable donations totalling £7,188 during the year ended 30 April 2022 (2021: £3,241);

The Company made no political donations during the year ended 30 April 2022 (2021: £nil).

Post-balance sheet events

- On 4 May 2022 393,700 new ordinary shares were issued as part of the acquisition of BridgeShield Asset Management Limited.
- In June 2022, the company executed a secondary placing and, given the over subscription also raised an additional £7.5 million through the issue of new shares. Partner shareholders were invited to sell 20% of their holding and sign an extended lock-in to June 2024. This has enabled us to introduce new institutional shareholders onto the share register and further bolster our strong balance sheet as we continue to target attractive acquisitions. Alongside placing the majority of FRP Partners entered into extension of their lock-in arrangements until June 2024. Currently 48.6% of the Group's shareholder base is now subject to lock-in arrangements, including the Group Employee Benefit Trust (10.8%).
- On 21 June 2022 4,412,176 ordinary shares were transferred to the Employee Benefit Trust for nil consideration, from a former Partner of the Group.
- Post year end, the final £1.3 million payment of the IPO liability relating to the Cessation profits owed to Partners was paid down.
- The Board recommends a final dividend of 1.9p per eligible ordinary share for the financial year ended 30 April 2022. Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2022 will be 4.3p per eligible ordinary share.

Research and development

The Group did not undertake any research & development during the year under review.

Financial instruments

Disclosures in respect of the Company policy regarding financial instruments and risk management are contained in note 4 to the financial statements.

Statement of disclosure to auditor

So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware.

Each Director has taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Mazars LLP has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Going Concern Basis

The business has been, and is currently, both profitable and cash generative. It has consistently grown year on year for 12 years and has proved to be resilient, growing in both periods of economic growth and recession.

At year end the Group had net cash of £18.1 million. The Group entered into an £8 million structured term loan repayable over five years, during FY2021 and had £6.8 million outstanding at 30 April 2022. The Group also has available an undrawn £10 million committed revolving credit facility ("RCF"). Ongoing operational cash generation and this cash balance mean we have sufficient resources to both operate and move swiftly should acquisition opportunities arise. As seen post year end, the Group also has the capacity to raise funds through share issue, demonstrated with the £7.5 million raise as part of a secondary placing transaction.

The quality of client service, strong referral network and barriers to enter the market, together with the strong cash position, make the Board confident that the company will continue to grow. In terms of diversification, offices can adapt quickly to supporting each other and work on both higher value assignments or higher volume, lower value jobs. Pensions Advisory, Forensic Services, Corporate Finance and Debt Advisory can both support the Restructuring Advisory offering but also earn fees autonomously.

Management have conducted sensitivity analysis by reducing revenue by over 50% and separately decreasing margin by 75%: both scenarios show FRP to be in a strong financial position with available cash resources. These sensitivities represent extreme scenarios that are highly unlikely to occur.

In the unlikely event that the business had a significant slowdown in cash collections the business has a number of further options available to preserve cash.

FRP was able to operate seamlessly during the pandemic and is well placed to manage future developments. As a UK focused business the Russia/ Ukraine conflict does not have a material impact on FRP's operations. 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.

The report of the Directors was approved by the Board on 22 July 2022 and signed on its behalf by:

Geoff Rowley
Chief Executive Officer
22 July 2022

Governance

Corporate Governance Statement

For the year ended 30 April 2022

As Chairman of the FRP Board of Directors, I am responsible for leading the Board to ensure it functions effectively, setting its agenda and monitoring its effectiveness.

The current corporate governance framework was put in place at the time of the Company's IPO on the AIM Market of the London Stock Exchange on 6 March 2020.

We recognise the benefits that good corporate governance and diverse opinion brings to a business and have worked (and will continue to work) to develop and embed processes, cultures and practices that position us to reap the benefit of robust governance. We also recognise the importance of the Board displaying and embodying the ethics and behaviours we expect from our team at large.

Compliance

We comply with the Quoted Companies Alliance ("QCA") Corporate Governance Code ("Code") in all material respects and have become members of the QCA.

Set out below are the 10 principles of the QCA Code and where to find further information on how we apply them.

Principle	Information	Page Number
1. **Establish a strategy and business model which promote long-term value for shareholders**	See the "Business model and strategy" section in the Strategic Report.	*24*
2. **Seek to understand and meet shareholder needs and expectations**	See the Section 172 Statement in the Strategic Report.	*32*
3. **Take into account wider stakeholder and social responsibilities and their implications for long-term success**	See the Section 172 Statement in the Strategic Report.	*32*
4. **Embed effective risk management, considering both opportunities and threats, throughout the Group**	See the "Principal risks and uncertainties" section in the Strategic Report. See also the Audit Committee Report.	*28* *57*
5. **Maintain the Board as a well-functioning, balanced team led by the chair**	See "The Board" section.	*47*

Principle	Information	Page Number
6. **Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities**	See "The Board" and "Nomination Committee" sections below. Also see the Director Biographies.	*47 and 48* *36*
7. **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**	See "The Board".	*47*
8. **Promote a corporate culture that is based on ethical values and behaviours**	See "Culture".	*47*
9. **Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**	See "The Board", "Board Committees" and "Internal Control".	*47 and 48*
10. **Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**	See "The Board" and "Board Committee" sections below. See also the Corporate Governance Statement and the Section 172 Statement in the Strategic Report.	*47* *45 and 32*

We consider that the application of the 10 principles of the QCA Code supports the Company's medium to long term success through establishing and maintaining an effective, balanced and appropriately skilled Board and committees which benefit from diverse and independent viewpoints. These should challenge and support the executive to set and deliver the Group's strategy within an agreed system of risk tolerance and management and in accordance with the expectations and needs of our shareholders.

We consider that the clarity of purpose in setting out a strategy and business model and risk management processes creates an environment whereby the executives are empowered to deliver the Group's objectives but remain subject to appropriate oversight and review. To develop and, when necessary, amend strategy the Group is best served through multiple sources of experience and expertise provided by a diverse Board with a range of experience to lend to the enterprise.

In turn, the Board expects that in delivering its strategy in line with shareholder expectations, in an ethical way and taking into account the wider stakeholder group. It will also generate trust between the Group, its shareholders and wider stakeholder group, reinforce its brand, motivate team members (through their own share ownership and options), attract new talent and make the Group's investment proposition more attractive.

The Board

The Board is responsible for setting the vision and strategy for the Group to deliver value to shareholders by effectively implementing its business model. The Board members are collectively responsible for defining corporate governance arrangements to achieve this purpose, under my leadership.

The Board has a schedule of matters formally reserved to it and this is available on the Company's website. The matters reserved include setting strategy, budget approval, approval of major capital expenditure and material contracts and Partner hires and promotions.

A biography of each of the Directors is set out on pages 36 to 37. The Board has significant experience in professional advisory services environments supplemented by expertise in the private equity, public markets and legal arenas.

The Directors keep their skills up to date through various channels. As practising regulated professionals, the Executive team update their professional knowledge through professional journals and in-house and external training materials and seminars. The Non-Executive Directors work with other businesses and bring their learning from those roles to the business and all subscribe to newsletters, bulletins and journals relevant to their areas of interest. The Company is also a member of the QCA which gives the Directors access to a range of materials and training opportunities relevant to the Company's quoted status, corporate governance issues and investor relations.

Claire Balmforth and David Chubb are considered by the Board to be independent Non-Executive Directors. Details of all the Directors' shareholdings and options are set out in the Director's Report and Remuneration Report respectively.

The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer all work in the business full time with Geoff Rowley and Jeremy French's roles also encompassing client facing work as practising Insolvency Practitioners. The Non-Executive Directors (including the Chairman) are expected to devote as much time as necessary to the business for the proper performance of their duties and at least one to two days per month.

During the financial year, there were 12 scheduled Board meetings at which all Directors were present.

The Board has conducted an effectiveness performance review in the current financial year. The Nominations Committee is tasked with keeping the Board composition under review.

Culture

The Group's culture is supportive, inspiring, empowering and collaborative. This positive workplace culture acts to both attract and retain talent within the Group. The leadership team continues to promote the four core values of being straightforward, confident, pragmatic and real. The Board monitors and acts to promote a healthy corporate culture.

Board committees

The Board has four standing committees. Terms of reference for each of the Audit and Risk Committee ("ARC"), Remuneration Committee and Nomination Committee ("Principal Committees") are available on the Company's website. A report from the Chair of each of the Principal Committees detailing their activities follows this report.

Audit and Risk Committee
The ARC has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It received and reviewed reports from the Company's management and auditor relating to the Interim and Annual Accounts and the accounting and internal control systems in use throughout the Group. The ARC meets at least three times a year at appropriate times in the reporting and audit cycle.

Remuneration Committee
The Remuneration Committee reviewed the performance of the Executive Directors and the Chair and made recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee meets at least twice a year.

Nomination Committee
The Nomination Committee has an ongoing responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. The Nomination Committee meets every year at appropriate times in the reporting cycle.

Disclosure Committee
The Disclosure Committee is responsible for supporting the Board in relation to compliance with the Market Abuse Regulation, the Disclosure, Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "inside information". The Disclosure Committee comprises all of the Directors but has a quorum of any three Directors, provided at least one Executive Director and at least one Non-Executive Director is present. Nigel Guy chairs the Disclosure Committee, which meets when appropriate.

Members of the Principal Committees during the year under review were:

Committee	Audit and Risk	Remuneration	Nomination
Chair	David Chubb	Claire Balmforth	Nigel Guy*
Other Members	Claire Balmforth Nigel Guy* **	David Chubb	David Chubb Claire Balmforth

Board Committee attendance

Attendee	Audit and Risk - attended	Remuneration - attended	Nomination - attended	Board - attended
Nigel Guy	3/5**	–	1/1	12/12
Geoff Rowley	–	–	–	12/12
Jeremy French	–	–	–	12/12
David Chubb	5/5	2/2	1/1	12/12
David Adams	–	–	–	12/12
Gavin Jones	–	–	–	12/12
Claire Balmforth	5/5	2/2	1/1	12/12

* Non-independent director
** Resigned from the Audit and Risk Committee on 23 November 2021

The work undertaken by each of the Committees and any external advice sought is set out in the reports of the Committee Chairs.

Internal Control
David Chubb acts as the Board's Senior Independent Director. The role of the Senior Independent Director is to act as a sounding board and intermediary for the Chair or other Board members as necessary and provide an alternative route of access for shareholders and other Directors who have a concern that cannot be raised through the normal channels.

The Board is advised and supported by the Company Secretary, ONE Advisory Limited, which provides professional company secretarial and MAR compliance services. The services of the Company Secretary are available to all Directors.

Nigel Guy
Non-Executive Chairman
22 July 2022

Environmental, Social and Governance ("ESG") Report

	FRP standard policy	Basis for control
Environmental	FRP's environmental impact is low and FRP is mindful of the need as a business to engage in energy efficient solutions.	
Recycling/ Streamlined Energy and Carbon Reporting (SECR)	› FRP is committed to providing mixed recycling outlets in all locations › FRP will provide a paperless working environment by the end of FY23	› FRP recycles paper, glass, plastics, food , cardboard and general waste › FRP uses re-usable glassware, ceramics and cutlery in place of single use plastics where possible
Energy ratings/efficiency	› The electricity consumed by FRP relates solely to the routine power requirements of its offices › The gas consumed by FRP relates solely to the running of boilers for heating and hot water in its offices	› 67% of FRP's company energy needs are met with renewable energy. FRP are working towards converting the remainder to fully renewable tariffs › FRP has encouraged landlords to upgrade to more efficient gas boilers
Travel/vehicles	› FRP's GHG emissions related to fuel combustion derive solely from the payment to colleagues of mileage allowances where they use their private vehicles for Group business	› FRP do not provide company cars and encourage all client related journeys/commuting to be by public transport where applicable › Subject to client commitments and where appropriate FRP offers a flexible working environment. The impact of some remote working reduces colleague commuting › FRP offers the opportunity for colleagues to negotiate terms to lease or purchase electric cars, as part of their flexible benefits package
Air		
Carbon emissions/ Carbon neutral & improving the climate	› FRP are committed to be carbon neutral by 2030	› CO_2e per total £ million sales revenue during FY2022: 0.7 (2021: 1.6)
Water		
Waste	› FRP's water consumption relates solely to sewage disposal and standard kitchen/bathroom waste	› FRP's consumption is low impact
Use of water in a business process	› FRP is not a provider of any services that require the use of water in a business process	› FRP's use is low impact
Land		
Impact on quality of land	› FRP is not a provider of any services/equipment that impact the quality of the land used during a business process or activity	› FRP's activity is low impact
Leased office space within multi-use buildings	› FRP is an office-based business and primarily operates from leased premises	› FRP's land footprint is small

	FRP standard policy	Basis for control
Social	FRP works hard to attract and retain highly skilled professionals by creating a rewarding, high performance environment. FRP has a robust succession programme which highlights numerous ways to progress within the business with the aim to Attract, Retain & Develop colleagues. FRP understand that the Group's people are central to it's success and are a most valuable asset.	
Diversity & upward mobility	› FRP is committed to continued investment in Learning and Development › FRP maintains an Equal Opportunities Policy and recruits the right people offering the right skills that are required for a professional services business, regardless of ethnicity, race, sexual preference or disability › FRP's total attrition rate for both voluntary and involuntary leavers is 11% to end FY2022 (2021: 9%). The UK average is approximately 15% (source: Xpert HR labour turnover rates private-sector services). The voluntary attrition rate is 8% (2021: 6%)	› FRP offers the same route to recruitment whether candidates are from schools, academies, universities or a market sector outside of the professional services industry › FRP encourages diverse recruitment panels and works with recruitment agencies who provide CVs to include a balance of gender, skills and ability according to the role advertised › FRP supports CPD and provides time in lieu and funding for further professional qualification › FRP promotes colleague membership of professional forums and related Associations and to those that offer ethnic or diverse opportunities › FRP encourages ideas and recommendations that support all colleagues. FRP has formed various working groups to discuss, monitor and help implement diversity and inclusion initiatives across the Group › FRP employs AAT, ACA, ACCA, IT, Marketing and HR apprentices, as well as working with various apprentice providers, and offers a graduate programme › FRP's Gender Pay Gap is available on the Company website › FRP has signed up to the 10,000 Black Interns Programme, a registered UK Charity
Employee Health and Safety	› FRP adheres to relevant safety, health and welfare at work legislation, as appropriate	› FRP offer qualified First Aiders, H&S training, Defibrillators and Fire Marshalls at every location › FRP also has qualified Mental Health First Aiders in many locations

	FRP standard policy	Basis for control
Social continued		
Employee Health and Safety continued		
Wellbeing	› FRP maintains a culture of regular engagement with its colleagues and through multiple channels to ensure their views are taken into account appropriately.	› FRP offer colleagues flexible benefits which include discounted leisure activities, buying and selling holiday, cash plan insurance (dental, optical, health screening, alternative therapies), private medical, permanent health insurance, critical illness insurance and life cover, flu vaccinations or vouchers and childcare vouchers, with some as core benefits so they are nil cost to colleagues › FRP offer a 24-hour Employee Assistance Programme for everyday challenges such as money or legal matters, buying/selling a house, health concerns and family advice, in addition to bereavement and other forms of counselling › FRP also has an app to support all locations with mental health and guidance › FRP offer mental health first aiders and provide development documentation explaining how MHFA and HR work together › FRP scored 7.9 for both Engagement and Happiness in an Internal Culture Survey in 2021, where 8 is deemed excellent
Community relationships	› FRP supports integration with local communities › FRP is committed to support charities or similar organisations that provide aid for those who are homeless, in poverty, for children's education, Wellbeing and health, and for environmental issues	› Community engagement includes but is not limited to: Sponsorship, charitable donations, fund-raising, foodbank & emergency relief donations, volunteering, recycling office furniture and equipment to schools and supporting client initiatives

	FRP standard policy	Basis for control
Governance	FRP has an Enterprise Risk Management, Information Security Management System & Cyber Security framework. FRP adheres to the QCA (Quoted Company Alliance) Corporate Governance Code.	
Customer privacy, Data security	› FRP seek annual certification of a government backed cyber security scheme, which includes an independent specialist testing the Group defenses against the most common cyber-attacks › For all vendors, FRP evaluate both Data Privacy assurance & Security resiliency in line with Regulatory, contractual and certification requirements › FRP maintains its privacy program through central compliance tools that provide one place for privacy, security, marketing, and third-party risk management in line with commitment to the UK GDPR, Data Protection Act 2018 and Privacy and Electronic Communications Regulation › FRP's robust systems and procedures have prevented any reportable incident to the Information Commissioners Office › FRP has robust policies and procedures with respect to health & safety, data protection, supply chain, compliance and regulatory issues	› FRP perform proactive policy management & compliance through a centralised platform, supported by a Policy Review Group providing policy oversight & assurance and determining sign-off authority › FRP uses security ratings scoring of third parties cybersecurity performance, which is also used for internal review to benchmark against industry comparisons › FRP are working towards attainment of ISO 27001 certification by the end of FY2023
Selling, advertising & product labelling	› FRP primarily secures work through its referral network, rather than advertising externally › FRP ensures their relationship-based referral network is maintained successfully through partner lock-ins and strong office networks with local referrers	› FRP has no physical products, except a limited amount of sales and marketing collateral, and does not have a need for product labelling in the course of its business activities › FRP referrers complete a GDPR process and are advised of FRP's responsibilities as the Data Controller in accordance with the GDPR, Data Protection Act 2018 and Privacy and Electronic Communications Regulation

	FRP standard policy	Basis for control
Governance continued		
Product Quality & Safety	FRP's Modern Slavery & Human Trafficking statement is available on the Company's website FRP expects all external suppliers and professional services advisers to be similarly opposed to slavery and human trafficking	FRP suppliers are subject to a due diligence on-boarding process which includes confirmation of their slavery and human trafficking policy FRP provides internal training courses that include modern slavery, human trafficking and associated risks in the business and supply chains
Ethics & Transparency	FRP publishes an audited Annual Report & Accounts, an unaudited Interim Report and trading updates as appropriate, in line with other UK listed professional services firms and in accordance with Companies House reporting deadline dates	FRP's group accounts are presented on an IFRS basis
Culture	FRP's culture is supportive, inspiring, empowering and collaborative FRP offer a rewarding, high performance environment to attract and retain highly skilled professionals Senior Executive Leaders promote the four FRP core values of being straightforward, confident, pragmatic and real	The Board monitors and acts to promote a healthy corporate culture and are directly responsible for defining corporate governance arrangements
Diversity	FRP offers HR analytics to enable monitoring of recruitment, resulting in increased diversity awareness (LGBTQ+ etc)	FRP are committed to employ skilled and qualified colleagues, regardless of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation
Shareholder Protection		
Ownership Structure	At year end FRP Partners owned more than 51% of shares, they are actively involved in the business. A further 8% was owned by the Employee Benefit Trust (IPO and Acquired post IPO) and 41% by institutional and retail investors The biggest individual partner shareholding was c.7%, hence no one person or persons, have an outsize influence over business decisions Post year end Partners participated in a 20% sell down but remain significant shareholders and committed to the long term objectives of the Group	Partners are subject to lock-in arrangements, with no share sales allowed without Remuneration Committee approval until March 2023 There is one class of share, which has full voting rights. The Employee Benefit Trust that holds shares that back employee options, has waived its rights to dividends

	FRP standard policy	Basis for control
Governance continued		
Shareholder Protection continued		
Capital Discipline	› FRP pays c.70% of reported Profit After Tax as dividends and has a high dividend payout ratio › FRP uses its capital to invest in M&A and organic growth opportunities	› FRP has a strong balance sheet and a good Equity/Debt mix › FRP has a well-balanced capital allocation strategy which is well communicated
Risk Management	› FRP's Strategic, Operational & Project risks are managed centrally as part of an integrated approach to Governance, Risk & Compliance, providing visibility of all risk the business faces › FRP holds Membership of relevant regulatory bodies › FRP is supervised by ICAEW AML Legislation › FRP has a group MLRO and a deputy MLRO with AMLROs at every office › FRP's Enterprise Risk Management Framework aligns to ISO 31000 with ownership & accountability at all levels within the business and is available in the Annual Report & Accounts › A Disclosure Committee is responsible for supporting the FRP Board in relation to compliance with the Market Abuse Regulation, the Disclosure, Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "insider information" › FRP has suitable professional indemnity insurance › FRP employ their own Legal Counsel	› FRP's Risk framework is the responsibility of the Operational Risk Committee, which meets on a monthly basis › Regulatory visits take place every three years, as well as interim visits › Each office has a Technical Officer responsible for ensuring Technical updates are available on a timely basis and Technical reading time is allocated to colleagues working hours › All colleagues receive monthly AML newsletters and induction training, which is renewed on an annual basis › FRP perform proactive policy management & compliance through a centralised platform, supported by a Policy Review Group providing policy oversight & assurance and determining sign-off authority › Overall responsibility of the Risk Framework is provided by FRP's Audit & Risk Committee, with the Senior Executive Leadership team accountable for FRP's risk position and who act as a decision point for escalated risks › FRP submits regular and ad-hoc submissions to the FCA as required, for FRP Corporate Finance Limited (FCA regulated service line pillar)

	FRP standard policy	Basis for control
Governance continued		
Board Oversight		
Independence	> A Nomination Committee comprising FRP Board members, has responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning	> The Board consists of three Executive Directors and four Non-Executive Directors > As vacancies arise, the Board will review the market, giving consideration to the competence, value and experience a candidate brings to FRP and take into consideration a balanced and diverse representation of Board members
Business Relevance	> FRP's Board of Directors offer a wide breadth of experience across Private Equity, Insolvency, Banking, Legal Services and Retail	> The FRP Board are directly responsible for defining corporate governance arrangements
Track Record	> FRP's objective is to deliver shareholder value in the medium to long-term while protecting the business from unnecessary risk > The business model underpinning this objective is to generate revenues from selling professional services. Fees are charged on a basis suitable to the engagement	> FRP is delivering on a clear growth strategy both organically and through acquisitions > FRP is operationally geared with a significant proportion of relatively fixed salary and property costs
Management Accountability	> The Statement of Directors' responsibilities are detailed within the Annual Report & Accounts and failure to execute this strategy would impact executive remuneration > FRP conducts financial and legal due diligence and financial modelling exercises to minimise the risk of overvaluing an acquisition and to understand any issues within the target	> FRP's profitability is liable to short-term fluctuations dependent on activity levels > In the unlikely event that FRP had a significant slowdown in cash collections the business has a number of further options available to preserve cash

	FRP standard policy	Basis for control
Governance continued		
Management Accountability continued		
Tenure	The FRP Board have a good reputation and can demonstrate a mixture of skill sets and backgrounds relevant to the business	The FRP Board includes a mixture of more recent NEDs and NEDs with greater knowledge of the business. The Board has experience including managing PLCs, Financial and professional service companies, restructuring and corporate advisory
Board compensation	Full details are published in the Annual Report & Accounts, within the Remuneration Committee report	
Group Resources	FRP website www.frpadvisory.com FRP plc Board www.frpadvisory.com/investors/board/ FRP Annual Report & Accounts 2022 www.frpadvisory.com/investors/financials-documents/ FRP Corporate Governance www.frpadvisory.com/investors/corporate-governance/ FRP Privacy Notices www.frpadvisory.com/legal-and-regulatory-notices/privacy-notices/ FRP Modern Slavery & Human Trafficking Statement www.frpadvisory.com/modern-slavery-statement/ FRP Gender Pay Gap Report 2021 www.frpadvisory.com/about/approach/corporate-social-responsibility/equal-opportunities/	

Report of the Audit and Risk Committee

For the year ended 30 April 2022

Introduction

The Audit and Risk Committee ("ARC") has two current members. I chair the Committee and am joined by Claire Balmforth. Both Claire and I are considered to be independent Non-Executive Directors. During the year Nigel Guy stepped down as a member of the ARC.

The Chairman, CFO and COO are invited to meetings where appropriate. A Partner and Senior Manager from the external auditor are also invited to attend meetings when audit matters are discussed.

Duties

The primary duties of the ARC, as set out in the Terms of Reference, include:

Financial Statements

- Reviewing the integrity and content of the financial statements and underlying financial controls of the Company, including its annual and interim reports, reviewing significant financial reporting issues and judgements contained in them.
- Advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- Overseeing the relationship with the external auditor.

Risk

- Reviewing the Group's risk management procedures.
- Overseeing and advising the Board on the Company's overall risk exposures and strategy.
- Keeping under review the adequacy, effectiveness and independence of the Company's internal risk assessment processes, internal controls and risk management systems.

Activities of the Committee during the year

During the year, the Committee work covered three main areas:

External auditor

- The Committee were satisfied with the appropriateness and independence of Mazars LLP.
- Mazars LLP have attended ARC meetings, where appropriate, to discuss their audit plan and to report back on their audit findings. Key points considered have included the level of materiality applied in the audit work and the approach regarding measurement of unbilled revenue.
- Post the annual audit, Mazars LLP also met the Committee to present their Audit Completion Report, which provided a review of the audit process and discussion of their observations as auditor. No significant areas of concern were raised by the audit.
- The audit of FRP was selected by the Financial Reporting Council's ("FRC's") Audit Quality Review team as one of the files included in their annual inspection of Mazars LLP. We therefore had the benefit of receiving their report and were able to discuss their work with the teams from both FRC and Mazars LLP. The process was useful in providing us with further insight into the audit process and building our relationship with Mazars LLP.
- The Committee recommended the re-appointment of Mazars LLP as auditor for the financial year to 2023.

Financial results

- The Committee met to review the Annual and Interim figures prior to them being released to the Market and reviewed the process and reporting of the accounts prior to recommending them to the Board.
- The Committee discussed the estimated outlook for the financial year and the basis for this assessment.
- The Committee discussed the arrangements for ensuring compliance with the inside information and MAR requirements.
- During the year the FRC wrote to FRP following a review of FRP's FY2021 accounts. This resulted in three things: FRP gave the FRC further information to support accounting treatment, FRP agreed to a policy change and only recognise interim dividends when paid (see page 81 for restatement) and FRP has made some disclosure enhancements in the FY2022 Annual Report and Accounts.

Risk management

- As reported last year, the business has implemented a risk management framework to achieve ISO 31000 certification. This project has seen significant involvement from all the offices and the culture of risk awareness and mitigation throughout the business has improved. Certification was received in July 2022.
- The Committee is continuing to monitor progress with the implementation of the risk framework. This includes reviewing the initial functions of the new Operational Risk Committee set up as part of that framework.
- FRP has implemented a process to review and update all policies through a newly formed policy review group.

The interactions with FRC during the year have been useful in prompting further debate and learning regarding the presentation of the accounts. It has also been pleasing to note the progress in the evolution of risk management throughout the organisation.

David Chubb
Chairperson,
Audit and Risk Committee
22 July 2022

Report of the Remuneration Committee

For the year ended 30 April 2022

This report is for the year ended 30 April 2022 and sets out the remuneration policy and 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. FRP Advisory Group plc is not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

Chairperson's introduction

I am pleased to introduce the Group's remuneration report for the year ended 30 April 2022. Membership is made up of myself as Chair and David Chubb and we are both considered to be independent Non-Executive Directors.

The role of the Committee is set out in its Terms of Reference, a copy of which is available on the Company's website. Its primary responsibilities are to:

- Determine and agree on behalf of the Board, the Group's policy and framework for the remuneration of the Chair, Chief Executive and other Executive Directors including pension rights and compensation payments, including any such remuneration, rights and/or payments as arise from any such persons' engagement as a member of FRP Advisory Services LLP;
- Review the on-going appropriateness and relevance of the remuneration policy;
- Approve the design of, and determine targets for, any performance-related remuneration schemes operated by the Group and approve the total annual payments made under such schemes, save to the extent such matters are expressly reserved to the Board;
- Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made to Executive Directors or other colleagues, and if so, the overall amount of such awards, the individual awards to Executive Directors. and other designated senior executives and the performance targets to be used; and
- Determine the policy for, and scope of, pension arrangements for each Executive Director and other senior executives.

Remuneration policy

The Committee's overall approach is focused on ensuring the Group's remuneration policy is aligned with shareholders' interests whilst also enabling the Group to attract, retain and motivate high quality executive management. It is intended that this policy conforms with best practice standards.

The Board is comprised of three groups. Each are remunerated differently and this is described below for each of the Partner Directors, the CFO and the Non-Executive Directors.

Partner Director pay structure

The Chief Executive Officer and Chief Operating Officer are Partner Directors and are rewarded primarily through their Partnership interests in FRP Advisory Services LLP in the same way as all the other Partners of the business. They hold significant equity stakes in the Company and receive dividends paid in respect of those shareholdings.

The Partner Directors are remunerated in the following ways:

- *Base Salary:* This derives from their employment by FRP Advisory Trading Limited and is set at a modest level.
- *Partner Base Profit Share:* Partner Directors each receive fixed basic drawings in their capacity as Partners of FRP Advisory Services LLP.
- *Discretionary Profit Share:* There is an annual variable profit-sharing pool available for all Group Partners in respect of each financial year equivalent to 25% of the Group's net profit. Amounts are allocated to Partners based on their contribution to the business. Payments from the annual profit-sharing pool will generally be paid in four quarterly tranches following the publication of the Company's audited accounts. Distribution of the annual profit-sharing pool is determined by the Remuneration Committee of FRP Advisory Services LLP and, in relation to the Partner Directors, reviewed and approved by the Remuneration Committee of the Board.
- *Share Options:* To reward and incentivise exceptional performance, Partners may also be awarded options or Ordinary Shares under the EIP (which may in each case be subject to vesting and/or performance criteria). No options have been awarded to Partner Directors at this point.

The Partner Directors maintain Life Assurance Cover, Critical Illness Cover, Private Medical Insurance and Permanent Health Insurance through the Partnership Scheme but these are paid for by them personally. Pension Contributions are also paid personally from Partnership profit allocations. The Partner Directors receive dividends arising from their shareholdings in the Company.

CFO pay structure

Gavin Jones is Chief Financial Officer. He receives an annual salary, benefits, an entitlement to an annual bonus based on company and personal performance up to 150% of salary paid in cash, and an annual Long term incentive award in the form of nominal cost share options up to 125% of salary.

Benefits include a pension contribution of 10% as part of the Company scheme, Life Assurance Cover, Critical Illness Cover, Private Medical Insurance and Permanent Health Insurance.

Non-Executive Director annual fees

Non-Executive Directors receive flat fees payable in cash. One Non-Executive Director also receives a pension contribution.

Activities of the Remuneration Committee during the year and following the year end

The number of meetings held by the Remuneration Committee are set out in the Board Committee attendance table, detailed in the Corporate Governance Statement on page 48.

During the year and following the year end, the Committee's work has included:

- Implementing new long term share incentive awards for Partners throughout the business, excluding the Partner Directors.
- Determining the level and structure of long term incentive awards made to the CFO.
- Determining salary and Base Profit Share for Executive Directors to be effective 1 May 2022.
- Reviewing and approving the Discretionary Profit Share for the Partner Directors and determining the workings, operation and pay out of annual bonus for the CFO.

During the second half of 2020, the company appointed an external remuneration consultant h2glenfern Remuneration Advisory, to provide advice on the development of a longer term remuneration strategy linked to the overall company strategy for its Partners with a focus on long term share incentive awards. Following the advice, a new Employee Incentive Plan (EIP) was put in place early in the financial year. During 2022, h2glenfern provided advice to the Committee on the level and structure of the long term incentive award made to the CFO. h2glenfern Remuneration Advisory is a member of the UK Remuneration Consultants Group.

The Group will continue to consider its long term remuneration strategy and policy, and are reviewing long term incentive arrangements for non Partners throughout the coming year.

Company performance during the year to 30 April 2022 and post year end

The Group had a strong year and grew profitably with £95.2 million revenue (2021: £79.0 million) an increase of 21% and £25.7 million of adjusted underlying EBITDA (2021: £23.0 million). The Group also completed one acquisition. Across its network of 26 locations nationally with five connected specialist service pillars, FRP is well-positioned to help more clients and continue making progress.

Following the year end, the company completed a placing of 27.8 million shares at a share price of 140p comprising 22.5 million shares placed for Partner shareholders, including Geoff Rowley and Jeremy French, and 5.4 million new shares for the company to strengthen its balance sheet and provide additional capital for future acquisitions. Alongside the placing, Partner shareholders who sold shares, including Geoff Rowley and Jeremy French, extended the lock-in period applying the balance of their holdings from March 2023, three years from the IPO, to June 2024, two years from completion of the placing.

Remuneration during the year ended 30 April 2022

Partner Directors

The Partner Directors' Base Salary and Base Partner Profit Share during the year were £12,000 and £315,000, respectively, amounting to total basic remuneration of £327,000 each.

Reflecting Group and individual performance, the Remuneration Committee approved the FY2022 profit allocations payable to Geoff and Jeremy of £976,996 and £407,158, respectively, from the discretionary profit share pool.

CFO

The CFO's base salary in the year was £184,500. Reflecting strong individual and company performance, the CFO was awarded a bonus of £260,145 in respect or FY2022, being 141% of his base salary.

During the year, the CFO was granted a long term incentive award of 185,988 nominal cost options with a gross value equivalent to 125% of his salary. 80% of this Award (being 100% of salary) is subject to meeting two, three-year performance conditions set by the Remuneration Committee. 50% of this portion of the Award is subject to a compound annual EPS growth performance target, using FY 30 April 2021 EPS of 7.11p as a baseline. The other 50% of this portion of the Award is subject to a total shareholder return performance condition, using 119.5p as the baseline (being the closing mid-market price of the Ordinary Shares on 30 April 2021). 20% of the Award (25% of salary) is granted without performance conditions. The Award will normally vest, subject to the meeting of performance conditions as applicable, during or shortly after 30 July 2024. The Award lapses on the tenth anniversary from the date of grant.

The Committee see that this structure of award strikes an appropriate balance to incentivise and retain our CFO, to align the award to company performance and with shareholders over the long term and including a portion granted on terms similar to those made to Partners within the group. The Committee believes this award to be fair and effective and in the best interests of the company and its shareholders.

Directors' emoluments

The tables on the next page detail the total remuneration earned by each Director from the Group in respect of the financial year ended 30 April 2022 and the previous financial year ended 30 April 2021. This excludes long term incentives, which are covered separately.

2022	Salary & fees £	Partner base profit share £	Bonus £	Discretionary Partner Profit Allocation £	Taxable Benefits £	Company Pension £	2022 Total £
Executive directors							
Geoff Rowley, CEO	12,000	315,000	Nil	976,996	n/a	Nil	1,303,996
Jeremy French, COO	12,000	315,000	Nil	407,158	n/a	Nil	734,158
Gavin Jones, CFO	184,500	n/a	260,145	n/a	5,592	18,450	468,687
Non-Executive Directors							
Nigel Guy	76,875	n/a	Nil	n/a	343	Nil	77,218
David Chubb	56,375	n/a	Nil	n/a	252	2,201	58,828
David Adams	56,375	n/a	Nil	n/a	252	Nil	56,627
Claire Balmforth	56,375	n/a	Nil	n/a	Nil	Nil	56,375
Total remuneration	**454,500**	**630,000**	**260,145**	**1,384,154**	**6,439**	**20,651**	**2,755,889**

2021	Salary & fees £	Base Partner profit share £	Bonus £	Discretionary Partner Profit Allocation £	Taxable Benefits £	Company Pension £	2021 Total £
Executive directors							
Geoff Rowley, CEO	12,000	315,000	Nil	1,026,290	n/a	Nil	1,353,290
Jeremy French, COO	12,000	315,000	Nil	362,463	n/a	Nil	689,463
Gavin Jones, CFO	151,363	n/a	141,000	n/a	659	15,136	307,499
Non-Executive Directors							
Nigel Guy	75,000	n/a	Nil	n/a	335	Nil	75,335
David Chubb	55,000	n/a	Nil	n/a	245	2,189	57,434
David Adams	55,000	n/a	Nil	n/a	245	Nil	55,245
Kate O’Neil	9,167	n/a	Nil	n/a	n/a	Nil	9,167
Claire Balmforth	41,247	n/a	Nil	n/a	n/a	Nil	41,247
Total remuneration	**410,777**	**630,000**	**141,000**	**1,388,753**	**1,484**	**17,325**	**2,589,339**

Gavin Jones was appointed on 29 June 2020. Claire Balmforth was appointed on 3 August 2020.

Executive Director LTIP awards

Details of the nil-cost option awards, not yet vested and exercised, made under the LTIP are disclosed in the table below:

	Date of award	At 1 May 2021	Share price at grant	Granted during year	Lapsed during year	Vested during year	As at 30 April 2022	Vesting date	Lapse date
Gavin Jones	29 Jun 2020	146,044	123.25p	-	-	-	146,044	Jun 2023	Jun 2030
	16 Dec 2021	-	124.00p	185,988	-	-	185,988	Jul 2024	Jul 2031

In the prior year, 146,044 share options were granted to Gavin Jones on his appointment on 29 June 2020. These are nil cost options which vest on 29 June 2023. There are no performance conditions apart from continued service attached to these options in line with the options granted at the time of the IPO.

Non-Executive option awards

On IPO a one-off grant of nominal cost (0.1p) options was made to Non-Executive Directors as detailed below. These options vest on 6 March 2023 and carry no performance conditions. No other Non-Executive Directors hold option awards.

	At 30 April 2022
Nigel Guy	68,750
David Chubb	6,250
David Adams	62,500

AGM

The Committee notes that a proxy adviser published a report in respect of the company's 2021 AGM, in which it recommended shareholders vote against the resolution to accept the annual financial statements, on grounds that the share options granted to our CFO on his appointment are not subject to the achievement of performance targets. At the AGM, 14.5% of votes cast were voted against this resolution.

These awards were made as part of the CFO's recruitment package and on similar terms to options granted to senior employees at the time of the IPO four months previously.

The Committee took account of this voting in determining the structure of the LTIP award to the CFO made in December 2021. 80% of this award is subject to performance conditions (EPS growth and absolute total shareholder return) with 20% subject only to continuing employment. The Committee see that this structure of award strikes an appropriate balance to incentivise and retain our CFO, to align the award to company performance and with shareholders over the long term and including a portion granted on terms similar to those made to Partners within the group. The Committee believes this award to be fair and effective and in the best interests of the company and its shareholders.

The Company will include an advisory resolution on this remuneration report at its 2022 AGM.

Directors' interests in shares

The interests of the Directors as at 30 April 2022 and 30 April 2021 in the shares of the Company were:

	30 April 2022		30 April 2021	
Name	Number	% of issued shares	Number	% of issued shares
Nigel Guy	25,000	0.1	25,000	0.01
Geoff Rowley	9,454,663	3.89	9,454,663	3.89
Jeremy French	7,563,730	3.11	7,563,730	3.11
Gavin Jones	Nil	Nil	Nil	Nil
David Chubb	62,500	0.03	62,500	0.03
David Adams	312,500	0.13	312,500	0.13
Claire Balmforth	Nil	Nil	Nil	Nil

Following the year end, in the June 2022 placing referred to above Geoff Rowley and Jeremy French sold 1,890,933 and 1,512,746 shares, respectively, reducing their holdings to 7,563,730 and 6,050,984 shares, respectively. Alongside this sale, the lock-in agreement entered into at the point of IPO between these Directors and the Company was amended to extend the lock-in on the balance of their ordinary shares until the second anniversary of the placing.

Remuneration for the year ending April 2023

Partner Directors

The pay structure for the Partner Directors, Geoff Rowley (CEO) and Jeremy French (COO), remains the same as in 2022.

Chief Financial Officer

The CFO's salary is £200,000 effective 1 May 2022. This represents an increase of 8% following a market benchmarking exercise, and advice from the Remuneration Committee consultant. Their annual bonus will operate in a similar way to 2022 with a maximum opportunity of 150% of salary and based on company financial and personal performance.

It is anticipated that further LTIP awards will be made to the CFO shortly following the results announcement for the year ended April 2022, of a similar level and structure to the award made in 2021.

Non-Executive Director annual fees

The Board (without the Non-Executive Directors present) determined to increase fees by 2.5% from 1 May 2022, which was marginally below the overall workforce increase. The Annual Fees currently payable to the Non-Executive Directors are set out below.

	Fees £
Nigel Guy	78,797
David Chubb	57,784
David Adams	57,784
Claire Balmforth	57,784
Total remuneration	**252,149**

Claire Balmforth
Chairperson,
Remuneration Committee
22 July 2022

Report of the Nomination Committee

For the year ended 30 April 2022

The Committee was formed on the Company's IPO in March 2020. It comprises myself as Chair and the two independent Non-Executive Directors, David Chubb and Claire Balmforth.

The role of the Committee is set out in its Terms of Reference, a copy of which is available on the Company's website. Its primary responsibilities are to:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- Give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise; and
- Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

Committee activities

One formal meeting of the Committee was held during the financial year, with a second meeting taking place after the reporting period.

During the year the Committee, in conjunction with its advisers ONE Advisory, oversaw the design and completion of a Board Evaluation survey. This was the first formal feedback exercise that the Board had undertaken since IPO in March 2020. The principal areas of evaluation included Board Dynamics and Processes, Board Composition and Monitoring and Risk Management. The feedback received provided a useful insight into areas that the Board was doing well, together with areas where the work of the Board could be developed. The Board proposes to review the feedback again later in the year to assess its progress.

The Committee's focus is on longer term, strategic topics and we keep these under review in accordance with its Terms of Reference.

The Company is fully committed to the elimination of unlawful and unfair discrimination and values the differences that a diverse workforce brings to the Group. The Group will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. It will not discriminate because of any other irrelevant factor and has built a culture that values openness, fairness and transparency.

Nigel Guy
Chairperson,
Nomination Committee
22 July 2022

Statement of Directors' responsibilities

For the year ended 30 April 2022

The Directors are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework". 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 of the Group and company, and of the profit or loss of the 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 they have been prepared in accordance with International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- 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 Group and Company's transactions and disclose, with reasonable accuracy, at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Independent auditor's report

to the Members of FRP Advisory Group plc
For the year ended 30 April 2022

Opinion

We have audited the financial statements of FRP Advisory Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2022 which comprise:

- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Statement of Cash flows;
- Parent Company Balance Sheet;
- Parent Company Statement of Changes in Equity; and
- Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- Give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2022 and of the group's profit for the year then ended; and
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, as applied in accordance with the provisions 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's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the Parent Company 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 other ethical responsibilities in accordance with these 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 audit procedures to evaluate the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the Group's and the Parent Company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, including sensitivity analysis;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

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 the 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.

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) we identified, including those 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.

We summarise below the key audit matter in forming our opinion above, together with an overview of the principal audit procedures performed to address this matter and our key observations arising from those procedures. This matter, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	How our scope addressed this matter
Revenue recognition and the value of unbilled revenue (contract assets) The Group's accounting policy in respect of revenue recognition is set out in note 2.11 'Revenue recognition' on page 77 of the financial statements. Under this policy, the amount of revenue recognised in a period will represent the fair value of the Group's entitlement to consideration in respect of professional services provided in that period. In determining the entitlement to non-contingent consideration, which represents approximately 89% of the Group's revenues, the Group's engagement team considers the nature of the fee arrangements for each engagement. These arrangements may include the requirement for credit committee approval, and the assessment may require an estimate of both the proportion of each engagement that is complete at the period end, and the total consideration expected to be received under the engagement. The directors' commentary on the related judgements and estimates is set out in note 3 page 82. Unbilled revenue is included in the statement of financial position within Trade and other receivables. Reflecting the complex nature of some fee arrangements and the judgemental nature of the assessments required by the Group's engagement teams, we have identified revenue recognition and the associated value of unbilled revenue as a key audit matter.	Our audit procedures included consideration of the methodology adopted and the related control environment, testing of the operating effectiveness of controls, and substantive testing on a sample of engagements. In particular, our audit procedures included, but were not limited to: › Testing the operating effectiveness of controls relating to timesheets and monthly WIP provisioning, specifically those controls we identified as key controls in the determination of revenue to be recognised; › Considering the appropriateness of the methodology adopted, with reference to IFRS 15; and › Reviewing the recovery of a sample of prior year contract assets by reference to recorded outcomes in the current year. Our substantive procedures performed on a sample of cases ongoing at the year-end included, but were not limited to: › Assessing the right to consideration by reference to fee arrangements and/or contractual terms; › Evaluating the judgements and estimates made by the Group's engagement teams, including contract completion point, costs yet to be incurred and the potential outcome of the contract in determining the level of and the value of contract assets recorded in the financial statements; and › Reviewing post year end time booked and invoices raised.

Key audit matter	How our scope addressed this matter
Revenue recognition and the value of unbilled revenue (contract assets) continued	In addition, we performed analytical procedures to gain assurance over management's ability to forecast accurately and to identify any anomalies indicative of inappropriate provisioning at the year end. This included: › For a sample of cases ongoing at the year end, reviewing provisioning trends on a monthly basis and investigating any large fluctuations to identify any indications of inappropriate provisioning, and to gain assurance over management's ability to forecast accurately; › Performing analytical procedures to review provisioning by partner in order to identify any anomalies or unusual trends that could be indicative of inappropriate provisioning at the year end; and › Reviewing provisioning by office post year end in order to identify any inconsistencies that could be indicative of inappropriate provisioning at the year end. **Our observations** Based on our audit procedures, we consider the revenue recognised and the value of the contract assets, and the associated disclosures, to be reasonable.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	**Group materiality:** £1.06 million **Parent company materiality:** £1.06 million
How we determined it	**Group materiality:** 7% of profit before tax **Parent company materiality:** 3% of net assets capped at Group materiality
Rationale for benchmark applied	We consider profit before taxation to be the most appropriate benchmark for Group overall materiality considering this is a key focus for the users of the financial statements. As the Parent company operates solely as a holding company, we consider net assets to be the most appropriate basis for determining materiality.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Having considered factors such as the Group's control environment, we set performance materiality at £0.79m for both the Group and the Parent Company, which represents 75% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £32k (representing 3% of overall materiality) for both the Group and the Parent Company, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Group and the Parent Company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our Group audit scope included the audit of the Group and Parent Company financial statements of FRP Advisory Group plc. Based on our risk assessment, the Parent Company and three components within the Group were subject to a full scope audit. The audits for these four components were conducted by the Group engagement team without the involvement of component auditors. For the remaining components, we performed analytical procedures to respond to any potential risks of material misstatement to the Group financial statements.

The table below illustrates an overview of the scope of the audit:

Scope	Number of components	Revenue	Profit before tax	Net assets	Total assets
Full audit scope	4	92%	93%	99%	95%
Review at Group level	6	8%	7%	1%	5%

At the Parent Company level, the Group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

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. 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In 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.

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 from 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 set out on page 63, 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 the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-bribery and money laundering regulation, employment regulation, health and safety regulation, and breaches of applicable regulatory requirements of the FCA.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, the AIM rules for Companies, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to recognition of revenue and the valuation of contract assets which we pinpointed to the occurrence, accuracy and cut-off of revenue recognition, and valuation of contract assets, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing;

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities, including fraud, rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Claire Larquetoux
Senior Statutory Auditor

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
United Kingdom
22 July 2022

Financial Statements

Consolidated statement of comprehensive income

For the year ended 30 April 2022

	Notes	Year Ended 30 April 2022 £'000	Year Ended 30 April 2021 £'000
Revenue		**95,156**	78,987
Personnel costs	7	**(58,796)**	(46,572)
Depreciation and amortisation		**(2,131)**	(1,551)
Other operating expenses		**(18,618)**	(14,027)
Operating profit	6	**15,611**	16,836
Finance costs	9	**(495)**	(233)
Profit before tax		**15,116**	16,604
Taxation	10	**(3,205)**	(2,993)
Profit and total comprehensive income for the year attributable to the owners of the Group		**11,911**	13,611
Earnings per share (in pence)			
Total	11	**4.90**	5.69
Basic	11	**5.35**	6.06
Diluted	11	**5.04**	5.81

All results derive from continuing operations.

The notes on pages 75 to 96 form part of these financial statements.

Consolidated statement of financial position

As at 30 April 2022

	Notes	As at 30 April 2022 £'000	As at 30 April 2021 (restated) £'000
Non-current assets			
Goodwill	12	**10,200**	9,600
Other intangible assets	12	**727**	794
Property, plant and equipment	13	**2,847**	2,241
Right of use asset	13	**6,279**	3,527
Deferred tax asset	18	**2,431**	925
Total non-current assets		**22,484**	17,087
Current assets			
Trade and other receivables	14	**46,063**	42,373
Cash and cash equivalents	15	**24,924**	24,383
Total current assets		**70,987**	66,756
Total assets		**93,471**	83,843
Current liabilities			
Trade and other payables	16	**30,159**	32,888
Loans and borrowings	17	**2,000**	1,600
Lease liability	17	**1,365**	872
Total current liabilities		**33,524**	35,360
Non-current liabilities			
Other creditors	16	**5,716**	5,531
Loans and borrowings	17	**4,800**	6,400
Lease liability	17	**4,913**	2,768
Total non-current liabilities		**15,429**	14,699
Total liabilities		**48,953**	50,059
Net assets		**44,518**	33,784
Equity			
Share capital	20	**243**	243
Share premium	25	**23,730**	23,730
Treasury shares reserve	25	**(23)**	(19)
Share based payment reserve	25	**(1,139)**	(4,135)
Merger reserve	25	**1,287**	1,287
Retained earnings	25	**20,420**	12,678
Shareholders' equity		**44,518**	33,784

Approved by the Board and authorised for issue on 22 July 2022.

Jeremy French
Director
Company Registration No. 12315862

Gavin Jones
Director

Consolidated statement of changes in equity

For the year ended 30 April 2022

	Called up share capital £'000	Share premium account £'000	Treasury share reserve £'000	Share based payment reserve £'000	Merger reserve £'000	Retained earnings £'000	Total Total equity £'000
Balance at 30 April 2020	**238**	**18,975**	**(19)**	**361**	**(90)**	**1,037**	**20,502**
Profit and total comprehensive income for the year	–	–	–	–	–	13,611	**13,611**
Other movements	–	–	–	–	–	20	**20**
Issue of share capital	5	4,755	–	–	1,377	–	**6,137**
Dividends (restated)	–	–	–	–	–	(4,990)	**(4,990)**
Share based payment expenses	–	–	–	3,700	–	–	**3,700**
Deemed remuneration	–	–	–	(5,196)	–	–	**(5,196)**
Transfer to retained earnings	–	–	–	(3,000)	–	3,000	**–**
Balance at 30 April 2021 (restated)	**243**	**23,730**	**(19)**	**(4,135)**	**1,287**	**12,678**	**33,784**
Profit and total comprehensive income for the year	–	–	–	–	–	11,911	**11,911**
Other movements	–	–	(4)	–	–	4	**–**
Dividends	–	–	–	–	–	(9,173)	**(9,173)**
Share based payment expenses	–	–	–	5,402	–	–	**5,402**
Unwind of deemed remuneration	–	–	–	2,594	–	–	**2,594**
Transfer to retained earnings	–	–	–	(5,000)	–	5,000	**–**
Balance at 30 April 2022	**243**	**23,730**	**(23)**	**(1,139)**	**1,287**	**20,420**	**44,518**

Consolidated statement of cash flows

For the year ended 30 April 2022

	Year Ended 30 April 2022 £'000	Year Ended 30 April 2021 £'000
Cash flows from operating activities		
Profit before taxation	**15,116**	16,604
Depreciation, amortisation and impairment (non cash)	**2,131**	1,551
Share based payments: employee options	**5,402**	3,700
Share based payments: deemed remuneration	**2,594**	943
Net finance expenses	**495**	232
Increase in trade and other receivables	**(3,571)**	(2,833)
Increase / (decrease) in trade and other payables	**1,585**	(4,982)
Tax paid	**(5,462)**	(4,447)
Net cash from operating activities	**18,290**	10,768
Cash flows from investing activities		
Purchase of tangible assets	**(1,398)**	(1,114)
Acquisition of subsidiaries less cash acquired	**(4,381)**	(10,559)
Acquisition of trade and assets	**–**	(1,610)
Net cash used in investing activities	**(5,779)**	(13,322)
Cash flows from financing activities		
Proceeds from share sales	**–**	3,760
Dividends	**(9,173)**	(4,990)
Principal elements of lease payments	**(1,165)**	(911)
Drawdown of new loans	**–**	8,000
Repayment of loans and borrowings	**(1,200)**	–
Interest paid	**(432)**	(233)
Net cash (used in) / generated from financing activities	**(11,970)**	5,626
Net increase in cash and cash equivalents	**541**	3,072
Cash and cash equivalents at the beginning of the year	**24,383**	21,311
Cash and cash equivalents at the end of the year	**24,924**	24,383

Notes to the financial statements

For the year ended 30 April 2022

1. General information

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 pensions 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.

2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of the consolidated financial statements:

2.1 Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IFRS') and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements are prepared in sterling, which is the presentational currency of the Group. Amounts in these financial statements are rounded to the nearest £'000, unless otherwise stated.

2.2 Historic cost convention

The financial statements have been prepared under the historical cost convention.

2.3 Basis of consolidation

The financial statements incorporate the results of FRP Advisory Group plc and all of its subsidiary undertakings as at 30 April 2022.

FRP Advisory Trading Limited has eight wholly owned subsidiaries, FRP Debt Advisory Limited, FRP Corporate Finance Limited, Litmus Advisory Limited, Abbott Fielding Limited, JDC Accountants & Business Advisors Limited, JDC Holdings Limited, Spectrum Corporate Finance Limited, and BridgeShield Asset Management Limited, as well as being a member of FRP Advisory Services LLP and Apex Debt Solutions LLP.

During the year the Group completed one acquisition. The assets, liabilities and entity acquired have been consolidated within these Financial Statements, in accordance with IFRS 3. The newly acquired entity is BridgeShield Asset Management Limited.

2.4 New and amended standards adopted by the Group

The Group has applied the following new standards and interpretations for the first time for the annual reporting period ending 30 April 2022:

- *IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (Amendments):* Interest Rate Benchmark Reform - Phase 2
- *IFRS 4 Insurance Contracts (Amendment):* Extension of the Temporary Exemption from Applying IFRS 9
- *IFRS 16 Leases (Amendment):* Covid-19-related Rent Concessions Beyond 30 June 2021

The adoption of the standards and interpretations listed above has not led to any changes to the Group's accounting policies or had any material impact on the financial position or performance of the Group.

2.5 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in the financial statements, were in issue but were not yet effective.

The Group's and Company's management have reviewed the application of the amendments and have concluded that there is no expected material impact on the Group and Company financial statements.

2. Significant accounting policies continued

2.5 Standards issued but not yet effective continued

Standard	Effective date, annual period beginning on or after
IAS 16 Property, Plant and Equipment (Amendment): Proceeds Before Intended Use	1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets: (Amendment): Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRSs (2018 – 2020 cycle)	1 January 2022
IAS 1 Presentation of Financial Statements (Amendment): Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023
IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendment): Disclosure of accounting policies	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Amendments in relation to the definition of accounting estimates	1 January 2023
IAS 12 Income Taxes: Amendments in relation to deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17	1 January 2023
IFRS 17 Insurance Contracts (Amendment): Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023

2.6 Going concern

The business has been, and is currently, both profitable and cash generative. It has consistently grown year on year for 12 years and has proved to be resilient, growing in both periods of economic growth and recession.

At year end the Group had net cash of £18.1 million. The Group entered into an £8 million structured term loan repayable over five years, during FY2021 and had £6.8 million outstanding at 30 April 2022. The Group also has available an undrawn £10 million committed revolving credit facility ("RCF"). Ongoing operational cash generation and this cash balance mean we have sufficient resources to both operate and move swiftly should acquisition opportunities arise. As seen post year end, the Group also has the capacity to raise funds through share issue, demonstrated with the £7.5 million raise as part of a secondary placing transaction.

The quality of client service, strong referral network and barriers to enter the market, together with the strong cash position, make the Board confident that the company will continue to grow. In terms of diversification, offices can adapt quickly to supporting each other and work on both higher value assignments or higher volume, lower value jobs. Pensions Advisory, Forensic Services, Corporate Finance and Debt Advisory can both support the Restructuring Advisory offering and also earn fees autonomously.

Management have conducted sensitivity analysis by reducing revenue by over 50% and separately decreasing margin by 75%: both scenarios show FRP to be in a strong financial position with available cash resources. These sensitivities represent extreme scenarios that are highly unlikely to occur.

In the unlikely event that the business had a significant slowdown in cash collections the business has a number of further options available to preserve cash.

FRP was able to operate seamlessly during the pandemic and is well placed to manage future developments. As a UK focused business the Russia/Ukraine conflict does not have a material impact on FRP's operations.

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.

2. Significant accounting policies continued

2.7 Deemed Remuneration

Deemed remuneration arises during acquisitions, where an element of the consideration has an equity component and is subject to a lock-in period, in order to retain the fee earners post acquisition. This equity compensation is not treated as part of the cost of acquisition but is reflected in the share based payment reserve and amortised through the statement of comprehensive income as a share-based payment staff cost, over the lock-in period.

2.8 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity.

The financial statements of trading subsidiaries are included in the consolidated financial statements from the date control is achieved until the date that control ceases. The accounting period of the subsidiaries are changed when necessary to align them with that of the Group.

2.9 Transactions eliminated on consolidation

Intra-Group balances, and any gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the historical financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

2.10 Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2.11 Revenue recognition and unbilled revenue

Revenue is recognised when control of a service or product provided by the Group is transferred to the customer, in line with the Group's performance obligations in the contract, and at an amount reflecting the consideration the Group expects to receive in exchange for the provision of services.

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation for a contracted service. The Group applies the following five step model:

- Identify the contract with a customer;
- Identify the individual performance obligations within the contract;
- Determine the transaction price;
- Allocate the price to the performance obligations; and
- Recognise revenue as the performance obligations are fulfilled.

The Group considers the terms of engagement, either through court appointment or otherwise agreed, issued to customers to be contracts.

There are no significant judgements required in determining the Group's performance obligations in its contracts as the significant majority of contracts contain only one performance obligation.

Transaction price is determined by agreed hourly rates or a fixed fee stated within the letters of engagement or court appointment. If the fee basis is fixed or time based, the provisioning method is based on estimated recoverability of the current unbilled revenue with reference to the billing to date and future billing to be performed as a proportion of costs to date and estimated costs to complete the contract.

Where work is contingent and not based on time-cost, fees are fully provided until performance obligations are satisfied as at this point there is no risk of a material reversal of revenue. Contingent work generally includes investigations, corporate finance services, some forensic work, and other assignments where the outcome is determined by either a judge, pre-trial agreement or completion of a transaction. The Group adopts a prudent approach in only recognising revenue on cases that have been resolved with all costs incurred expensed in the relevant month.

The Group recognises revenue from the following activities:

- Insolvency and advisory services;
- Debt advisory services; and
- Corporate finance services.

Insolvency and advisory services

For the Group's formal insolvency appointments and other advisory engagements, where remuneration is typically determined based on hours worked by professional Partners and colleagues, the Group transfers control of its services over time and recognises revenue over time if the Group:

- Provides services for which it has no alternative use or means of deriving value; and
- Has an enforceable right to payment for its performance completed to date, and for formal insolvency appointments has approval from creditors to draw fees which will be paid from asset realisations.

Progress on each assignment is measured using an input method based on costs incurred to date as a percentage of total anticipated costs.

2. Significant accounting policies continued

2.11 Revenue recognition continued

In determining the amount of revenue and the related balance sheet items (such as trade receivables, unbilled income and deferred income) to recognise in the period, management is required to form a judgement on each individual contract of the total expected fees and total anticipated costs. These estimates and judgements may change over time as the engagement completes and this will be recognised in the consolidated statement of comprehensive income in the period in which the revision becomes known. These judgements are formed over a large portfolio of contracts and are therefore unlikely to be individually material.

Invoices on formal insolvency appointments are generally raised having achieved approval from creditors to draw fees. This is typically settled on a timely basis from case funds. On advisory engagements, invoices are generally raised in line with contract terms.

Where revenue is recognised in advance of the invoice being raised (in line with the recognition criteria above) this is disclosed as unbilled revenue within trade and other receivables.

Unbilled revenue
Unbilled revenue recognised by the Group falls into one of three categories: insolvency & advisory services, corporate finance services and debt advisory services.

When the Group is engaged to work on large and complex administration assignments it can take longer to negotiate final fees with creditors and therefore our appointment on these more complex cases can increase our unbilled revenue and extend the cash conversion cycle. Within our sector work in progress days (unbilled revenue) can typically range from five to seven months.

Debt advisory services
Revenue will typically be recognised at a point in time following satisfaction of the performance obligation(s) in the contract, at which point the Group is typically entitled to invoice the customer, and payment will be due.

Corporate Finance services
Fees typically comprise a non-refundable retainer and a success fee based on a fixed percentage of the transaction value. Non-refundable retainer fees are recognised over the course of the contract during which the ongoing provision of services, which vary by assignment, is delivered. The scope and value of the retainer is agreed upon commencement and reviewed regularly over the delivery period. Retainer fees are invoiced to the client and are payable in the first three to four months. Success fees are deferred and recognised on completion when unconditional contracts have been exchanged.

2.12 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).
If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.13 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date at the fair value.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, being 25% on a straight-line basis for computer software, and 8% on a straight-line basis for client lists.

2. Significant accounting policies continued

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses.

Cost comprises purchase cost together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Computer equipment	25%
Fixtures and fittings	15%
Leasehold improvements	Over the term of the lease
Right of use assets	Over the term of the lease
Motor vehicles	25%

2.15 Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2.16 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. All financial instruments held are classified as financial assets or liabilities held as at amortised cost.

Trade and other receivables and Trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade and other receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest bearing borrowings

Interest bearing borrowings are recognised initially at their fair value. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2.17 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. The impairment indicator assessment applies to all assets including assets with indefinite useful lives, and goodwill for which an impairment assessment is performed annually regardless of whether an impairment indicator exists or not. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in the consolidated statement of comprehensive income.

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. The reversal of an impairment loss is recognised immediately in profit or loss. Impairment of goodwill is not reversed.

2. Significant accounting policies continued

2.18 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are enacted or substantively enacted when the liability is settled, or the asset is realised. Deferred tax is charged or credited to the consolidated statement of comprehensive income except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.19 Employee benefits

The Group operates defined contribution plans for its employees. A defined contribution plan is a post-employment benefit plan under which the Group 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 periods during which services are rendered by employees.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.20 Provisions

A provision is recognised in the statement of financial position 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. Provisions are determined by discounting the expected future cashflows at a pre-tax rate that reflects risks specific to the liability.

In common with comparable businesses, the Group is involved in a number of disputes in the ordinary course of business which may give rise to claims. Provision is made in the financial statements for all claims where costs are likely to be incurred and represents the cost of defending and concluding claims. The Group carries professional indemnity insurance and no separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group. There are currently no provisions held at year end for legal claims.

2.21 Leases

The Group leases a number of properties in various locations around the UK from which it operates.

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

In accordance with IFRS16, lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease at the commencement date.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. Significant accounting policies continued

2.21 Leases continued

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right of use asset, with the revised carrying amount being depreciated over the remaining(revised) lease term.

2.22 Financing income and expenses

Financing expenses comprise interest payable, finance charges on leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

2.23 Share capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.24 Share based payments

Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves. Where equity settled share-based payments of the Parent Company have been issued to employees of its subsidiaries this is recognised as a cost of investment in the Parent Company financial statements and as an expense and capital contribution in the subsidiary.

The Employee Benefit Trust has been consolidated.

2.25 Dividends

Interim dividends are recognised in the financial statements when they are paid. Final dividends which are recommended for shareholder approval after the year end balance sheet date, are disclosed as a post year end event. Prior year dividends have been restated as details in 2.27.

2.26 Liabilities to Partners

The Group recognises liabilities to Partners, and due to the nature of the transactions discloses these amounts separately to other payables. Upon IPO in March 2020 the Group had cessation profits due to Partners and related tax due to HMRC, totalling £22.0 million, these have been disclosed separately to the go forward profits due to Partners as part of the ongoing profit share agreements that Partners have with Group companies. As at 30 April 2022, of the IPO liabilities £1.3 million was outstanding and post year end in May 2022 this was repaid, so all IPO liabilities have been satisfied. Going forward the only liabilities to Partners are the go-forward profit shares.

2.27 Restatement of prior year results

In March 2022 the Group's annual report for FY2021 was reviewed by the Financial Reporting Council ("FRC"). The review was based on the annual report and accounts and did not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into and therefore provides no assurance that the annual report is correct in all material respects. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. Following the review by the FRC, the Group have changed their dividend recognition policy. Previously the Group recognised interim dividends at the point when the Board declared publicly, however, going forward the Group will follow paragraph 2.10 of the ICAEWs Technical Release 02/17BL and recognise interim dividends when paid. The impact of this change results in the de-recognition of a £1.8 million interim divided liability in FY2021 as it was paid in FY2022, with a corresponding increase in net assets and retained earnings of the same amount. There was no impact on the Group's profit or cash flows for the year ended 30 April 2021.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that have been made in the process of applying the Group's accounting policies and that have had the most significant effect on amounts recognised in the financial statements, as listed below:

Deemed remuneration

Deemed remuneration arises during acquisitions, where compensation in the form of equity is subject to a lock-in period, in order to retain the key fee earners post acquisition. This is a judgement area but the guidance in IFRS 3 Business Combinations is followed. As the equity compensation is restricted until the key fee earners have completed the required lock-in period, it is not considered to be part of the cost of the acquisition and it is initially recognised in the share based payments reserve as a debit to the reserve and amortised through the statement of comprehensive income over the lock-in period. Compensation for the acquisitions made in the year was in the form of equity subject to a lock-in period. The Directors have made the judgement that this equity compensation is deemed remuneration. Note 23 provides further detail on the acquisitions in the year.

Key source of estimation uncertainty

The judgements involving estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of goodwill

The Group records all assets and liabilities acquired in business combinations, including goodwill, at fair value. Goodwill is not amortised but is subject, at a minimum, to annual tests for impairment. The initial goodwill recorded, and subsequent impairment review require management to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to cash flow projections over a five year period, the terminal growth rate and the discount rate used to discount the cash flows to present value. Due to the size and nature of goodwill it is considered an area of estimation uncertainty. The balance of goodwill is £10.2 million (2021: £9.6 million). See Note 12 for further details on the Group's assumptions.

Unbilled revenue

Time recorded for chargeable professional services work is regularly reviewed to ensure that only what the Directors believe to be recoverable from the client is recognised as unbilled revenue within prepayments and accrued revenue.

Estimates are made with allocating revenue to the performance obligation and the valuation of contract assets. The Group estimates the contract completion point, costs yet to be incurred and the potential outcome of the contract.

Significant assumptions are involved on a case-by-case basis in order to estimate the time to complete an assignment and the resultant final compensation, where variable consideration is involved, and which results in the recognition of unbilled revenue.

Management base their assumptions on historical experience, market insights and rational estimates of future events. Estimates are made in each part of the business by engagement teams with experience of the service being delivered and are subject to review and challenge by management. The balance of unbilled revenue at year end was £35.3 million (2021: £35.1 million). Refer to Note 14 for further detail on unbilled revenue.

Share based payments

The charge related to equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Third-party experts are engaged to advise in this area where necessary. There is estimation uncertainty in the determination of assumptions related to the number of options which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions. The share based payment expense for the year was £8.0 million (2021: £4.6 million). Refer to Note 22 for further detail on share based payments.

4. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as financial assets or liabilities measured at amortised cost.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Credit risk

Credit risk associated with cash balances is managed by transacting with major global financial institutions and periodically reviewing their creditworthiness. The Group mainly banks with Barclays Bank plc and NatWest whose credit ratings are A-1 short term, (Standard & Poor's) and A-2 short term, (Standard & Poor's) respectively. Accordingly, the Group's associated credit risk is limited.

Generally, the Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below.

Credit risk is the risk of financial risk to the Group if a counter party to a financial instrument fails to meet its contractual obligation. The nature of the Group's debtor balances, the time taken for payment by clients and the associated credit risk are dependent on the type of engagement.

Credit Risk	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Trade receivables	**7,178**	4,855
Cash and cash equivalents	**24,924**	24,383
	32,102	29,238

On formal insolvency appointments (which form the majority of the Group's activities), invoices are generally raised having achieved approval from creditors to draw fees. This is typically settled on a timely basis from case funds. The credit risk on these engagements is therefore considered to be extremely low.

The Group's trade receivables are actively monitored by management on a monthly basis. The Group provides a variety of different professional services in line with its pillars to spread credit risk over its service lines. The Group also controls cash collection of its insolvency assignments in line with the terms of appointment.

The ageing profile of trade receivables that were not impaired is shown within Note 14. The Group does not believe it is exposed to any material concentrations of credit risk.

The Group reviews unbilled revenue on a case-by-case basis. On a monthly basis, following the receipt of information implying irrecoverability the appropriate provisions are booked. The unbilled revenue disclosed within the accounts is net of provisioning, therefore the Group does not consider the unbilled revenue disclosed on the balance sheet to be of material credit risk. Unbilled revenue represented £35.3 million (2021: £35.1 million).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

4. Financial risk management continued

The contractual undiscounted maturities of borrowings, trade payables and other financial liabilities are disclosed below.

Liquidity Risk	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Within 1 year	26,301	31,424
Within 2-5 years	11,986	13,994
Beyond 5 years	3,996	935
	42,283	46,353

The discounted carrying value of these liabilities is £41.2 million (2021: £44.2 million), comprising £6.3 million lease liabilities (2021: £3.6 million), £6.8 million loans (2021: £8.0 million), and £28.1 million trade and other payables (2021: £32.6 million).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are considered to be short term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances.

The Group has a £8 million term loan (£6.8 million outstanding as at April 2022) with an interest base rate plus 3% repayable over a 4 year period. The company has an interest risk management risk strategy and reforecasts cashflow whenever the base rate changes, base interest rates are currently low and in the medium term it is expected that this will remain stable.

In terms of sensitivity analysis, if interest rates increased by 200 basis points or 2% the incremental FY2022 impact would reduce the profit before tax by £0.2m. If base rate (prevailing at the date of signing of 1.25%) reduced there would be a negligible impact on the Group's FY2022 profit before tax.

Foreign currency risk

There is no material risk associated with foreign currency transactions or overseas subsidiaries.

Capital management

The Group monitors the capital requirements within the Group and maintains a capital management policy that enable the Group to meet requirements it may face. Shortly after year end the Group repaid all IPO liabilities due to Partners, with a final payment of £1.3 million in May 2022. Net cash of £18.1 million (2021: £16.4 million), an undrawn £10 million RCF, the recent placing raising £7.5 million and the ability to issue further equity, gives the Group sufficient options to act as acquisition opportunities arise, subject to our selective criteria of cultural fit, strategic fit and mutually acceptable transaction economics.

5. 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 pillars which individually do not meet the definition of a disclosable operating segment.

The Group's assets are held in the UK and all its capital expenditure arises in the UK. The Group's operations and markets are located in the UK.

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

6. Operating profit

Operating profit has been arrived at after charging:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Depreciation of owned assets	**794**	677
Depreciation of right of use assets	**1,270**	835
Amortisation of intangible assets	**67**	39
Fees payable to the Group's auditor for the audit of the Group accounts	**90**	80
Fees payable to the auditor for other services:		
the auditing of Subsidiary accounts	**25**	20
Expenses relating to short term leases	**329**	52

7. Director and employee information

The average number of Directors and employees during the year was:

	Year ended 30 April 2022 Number	Year ended 30 April 2021 Number
Directors	**7**	7
Fee earning employees (including Partners)	**370**	314
Non fee earning employees	**90**	77

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages, salaries and Partner compensation charged as an expense	**46,402**	38,426
Social security costs	**3,673**	2,892
Pension costs – defined contribution scheme	**725**	611
Share-based payment expense	**7,996**	4,643
	58,796	46,572

8. Directors' remuneration and emoluments (including Partner profit allocations)

Details of emoluments paid to the key management personnel (including Partner profit allocations in respect of Messrs Rowley and French) are as follows:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Directors' emoluments	**2,729**	2,571
Benefits in kind (inc. pension contributions)	**27**	19
Share option award	**–**	180
	2,756	2,769

Remuneration (including Partner profit allocation) disclosed above include the following amounts paid to the highest paid Director:

	£'000	£'000
Remuneration for qualifying services	**1,304**	1,353

Two directors currently are included in the company pension scheme.

9. Finance income

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
On bank loans and overdrafts measured at amortised cost	**305**	93
On lease liability	**190**	140
Total finance expense	**495**	233

10. Taxation

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Current tax		
UK corporation tax	**4,699**	4,194
Deferred tax		
Reversal of temporary differences	**(1,494)**	(1,201)
Total tax charge	**3,205**	2,993

Reconciliation of tax charge:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Profit before tax	**15,116**	16,604
Corporation tax in the UK at 19%	**2,872**	3,155
Effects of:		
Non-deductible expenses	**866**	26
Other permanent differences	**(533)**	(188)
Total tax charge	**3,205**	2,993

The UK Budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The relevant corporation tax rate has been applied in the calculation of deferred tax balances.

11. 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 2022	Adjusted EPS 2022	EPS 2021	Adjusted EPS 2021
Reported profit after tax	**11.9**	**11.9**	13.6	13.6
Add Share based payments	**–**	**8.0**	–	4.6
Less deferred tax	**–**	**(1.5)**	–	(1.2)
Adjusted profit after tax	**11.9**	**18.4**	13.6	17.0
Weighted average shares in issue	**243,191,489**	**243,191,489**	239,393,684	239,393,684
Total share EPS (pence)	**4.90**	**7.57**	5.69	7.11
Weighted average shares in issue excluding EBT	**222,669,711**	**222,669,711**	224,441,489	224,441,489
Basic EPS (pence)	**5.35**	**8.27**	6.06	7.58
Dilutive potential ordinary shares under share option schemes	**13,424,101**	**13,424,101**	9,976,097	9,976,097
Weighted diluted shares in issue	**236,093,812**	**236,093,812**	234,417,586	234,417,586
Diluted EPS (pence)	**5.04**	**7.80**	5.81	7.26

The Employee Benefit Trust has waived its entitlement to dividends and is not included within weighted average shares in issue. It holds 22,531,865 shares of the 243,191,489 shares in issue at 30 April 2022 (2021: 18,750,000). When options are exercised by employees, dividend rights accrue.

On 4 May 2022 393,700 new ordinary shares were issued as part of the acquisition of BridgeShield Asset Management Limited. These are not considered dilutive for the above calculations.

12. Goodwill and other intangible assets

	Computer software £'000	Client List £'000	Goodwill £'000	Total £'000
Cost				
At 1 May 2020	10	–	750	760
Additions	–	833	8,850	9,683
At 30 April 2021	10	833	9,600	10,443
At 1 May 2021	10	833	9,600	10,443
Additions	–	–	600	600
Disposals	(10)	–	–	(10)
At 30 April 2022	**–**	**833**	**10,200**	**11,033**
Amortisation				
At 1 May 2020	(10)	–	–	(10)
Charge for the period	–	(39)	–	(39)
At 30 April 2021	(10)	(39)	–	(49)
At 1 May 2021	(10)	(39)	–	(49)
Charge for the period	–	(67)	–	(67)
Disposals	10	–	–	10
At 30 April 2022	**–**	**(106)**	**–**	**(106)**
Net book value				
At 30 April 2021	–	794	9,600	10,394
At 30 April 2022	**–**	**727**	**10,200**	**10,927**

12. Goodwill and other intangible assets continued

Additions to goodwill in the year relate to acquisitions as set out in note 23.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

There are three steps to performing an impairment review:

- Allocating the goodwill to the relevant cash-generating unit (CGU) or multiple CGUs.
- Determining the recoverable amount of the CGU to which the goodwill belongs.
- Recognising any impairment losses after performing an impairment review of the CGU or CGUs.

Goodwill acquired in a business combination represents future economic benefits arising from assets that are not capable of being individually identified and separately recognised. Goodwill does not generate cash flows independently from other assets or groups of assets and so the recoverable amount of goodwill as an individual asset cannot be determined. However, goodwill often contributes to the cash flows of individual or multiple CGUs. Therefore, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination.

The definition of a CGU is "the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets" (per IAS 36).

For the Group a CGU is represented by:

- A net cash inflow stream from a group of acquired Partners
- A net cash inflow from an entire location
- An entire entity (parent or subsidiary entities within a group)
- Departments or business units within an entity

In accordance with IAS 36, a CGU to which goodwill has been allocated shall be tested for impairment annually and whenever there is indication of impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise an impairment loss.

Goodwill

At 30 April 2022:

- Debt Advisory £750k
- JDC Group £3,210k
- Spectrum £5,640k
- BridgeShield £600k

The recoverable amount is the higher of a CGU's fair value less costs to sell and its value in use. In brief the fair value less costs to sell is likely to involve a valuation of the CGU if sold at an arm's length and deducting the costs of disposal.

The value in use will involve a discounted cash flow ('DCF') calculation estimating the future cash inflows and outflows to be derived from the continuing use of the CGU, The DCF calculation would include the estimated net cash flows, if any, to be received for the disposal of the CGU at the end of its useful life.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- Number of years of cash flows used and budgeted EBITDA growth rate;
- Discount rate; and
- Terminal growth rate.

Number of years of cash flows used

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a 5-year period and a terminal growth rate thereafter. The cashflow projections for the 5-year period assume a growth rate for each CGU between 0% to 7.5% (2021: 7.5%) based on prior performance and future expectation.

The 5-year forecast is prepared considering members' expectations based on market knowledge, numbers of new engagements and the pipeline of opportunities.

Discount rate

The Group's post-tax weighted average cost of capital has been used to calculate a Group pre-tax discount rate of 12.9% (2021: 12.9%), which reflects current market assessments of the time value of money for the period under review and the risks specific to the Group.

Terminal growth rate

A terminal growth rate of 1.0% (2021: 1.0%) is used. This is derived from members' expectations based on market knowledge, numbers of new engagements, and the pipeline of opportunities.

Sensitivity to changes in assumptions

With regard to the assessment of value in use for Debt Advisory, JDC, Spectrum, and BridgeShield CGU, the Directors believe that reasonably possible changes in any of the above key assumptions would not cause the carrying value of the unit to exceed its recoverable amount.

13. Property, plant and equipment

	30 April 2022 Property, Plant and Equipment					
	Leasehold properties (right of use asset) £'000	Computer equipment £'000	Fixtures and fittings £'000	Leasehold improvements £'000	Motor vehicles £'000	Group Total £'000
Cost						
At 1 May 2020	7,233	1,715	622	1,681	7	11,258
Arising on acquisitions	–	74	5	145	–	224
Additions	413	401	181	120	–	1,114
Disposals	(46)	–	–	–	–	(46)
At 30 April 2021	7,600	2,190	808	1,946	7	12,550
At 1 May 2021	7,600	2,190	808	1,946	7	12,550
Arising on acquisitions	–	6	–	–	–	6
Additions	4,022	461	251	686	–	5,421
Disposals	–	(991)	(142)	(557)	–	(1,690)
At 30 April 2022	**11,622**	**1,666**	**917**	**2,075**	**7**	**16,287**
Depreciation						
At 1 May 2020	(3,238)	(1,042)	(281)	(705)	(3)	(5,269)
Depreciation charge for the period	(835)	(339)	(110)	(227)	(1)	(1,512)
Disposals	–	–	–	–	–	–
At 30 April 2021	(4,073)	(1,381)	(391)	(932)	(4)	(6,781)
At 1 May 2021	(4,073)	(1,381)	(391)	(932)	(4)	(6,781)
Depreciation charge for the period	(1,270)	(397)	(114)	(280)	(3)	(2,064)
Disposals	–	991	142	551	–	1,684
At 30 April 2022	**(5,343)**	**(787)**	**(363)**	**(661)**	**(7)**	**(7,161)**
Net book value						
At 30 April 2021	3,527	808	417	1,013	3	5,769
At 30 April 2022	**6,279**	**879**	**554**	**1,414**	**–**	**9,126**

14. Trade and other receivables

Trade and other receivables	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Trade receivables	**7,178**	4,855
Other receivables	**3,624**	2,466
Unbilled revenue	**35,261**	35,052
	46,063	42,373

The ageing profile of non-related party trade receivables is as follows:

Due in:	As at 30 April 2022 £'000	As at 30 April 2021 £'000
<30 days	**3,353**	2,286
30-60 days	**1,700**	1,182
60-90 days	**784**	309
90-180 Days	**847**	586
>180 days	**494**	492
Total	**7,178**	4,855

All of the trade receivables were non-interest bearing and receivable under normal commercial terms. The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

The acquisition completed during the year fell within FRP's five service pillars, and therefore the treatment of providing or writing off acquired receivables follows the Group policy.

All trade receivables and unbilled revenue are derived from contracts with customers. Unbilled revenue constitutes income recognised based on stage of completion but not yet billed to the customer. Write offs happen on a case-by-case basis immediately following the receipt of information implying irrecoverability.

The gross receivables have increased in line with the growth of the business.

The expected loss provision for trade receivables is calculated on the gross carrying amount of trade receivables less any specific loss allowance, and is detailed below as follows:

As at 30 April 2021	<30 days £'000	<60 days £'000	<90 days £'000	<180 days £'000	>180 days £'000	Total £'000
Expected loss rate	0%	0%	5%	2%	59%	13%
Gross carrying amount	2,286	1,182	324	601	1,210	5,603
Expected credit loss provision	–	–	(15)	(15)	(718)	(748)
	2,286	1,182	309	586	492	4,855

As at 30 April 2022	**<30 days £'000**	**<60 days £'000**	**<90 days £'000**	**<180 days £'000**	**>180 days £'000**	**Total £'000**
Expected loss rate	**0%**	**2%**	**3%**	**7%**	**62%**	**12%**
Gross carrying amount	**3,367**	**1,735**	**810**	**913**	**1,289**	**8,114**
Expected credit loss provision	**(14)**	**(35)**	**(26)**	**(66)**	**(795)**	**(936)**
	3,353	**1,700**	**784**	**847**	**494**	**7,178**

15. Cash and cash equivalents

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Cash at bank and in hand	**24,924**	24,383

16. Trade and other payables

Current liabilities	Group as at 30 April 2022 £'000	Restated Group as at 30 April 2021 £'000
Trade payables	**1,556**	877
Other taxes and social security costs	**7,428**	5,849
Liabilities to Partners go forward	**9,129**	9,074
Liabilities to Partners cessation profits at IPO	**1,302**	5,440
Deferred consideration	**406**	813
Other payables and accruals	**10,338**	10,835
	30,159	32,888

Non-current liabilities	Group as at 30 April 2022 £'000	Restated 30 April 2021 £'000
Other payables and accruals	**1,443**	–
Liabilities to Partners go forward	**–**	245
Liabilities to Partners cessation profits at IPO	**–**	1,114
Partner capital	**4,273**	3,833
Deferred consideration	**–**	339
	5,716	5,531

The liabilities to Partners mentioned in both of the above tables includes tax due to HMRC on their behalf.

Other payables and accruals includes £7.1 million of staff costs (2021: £4.5 million).

17. Loans and borrowings

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Current borrowings		
Bank loan	**2,000**	1,600
Lease liability	**1,365**	872
	3,365	2,472

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Non-current borrowings		
Bank loan	**4,800**	6,400
Lease liability	**4,913**	2,768
	9,713	9,168

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Bank loan is repayable:		
Within one year	**2,000**	1,600
Within two to five years	**4,800**	6,400
	6,800	8,000

The above £6.8 million (2021: £8 million) five-year term loan is with Barclays Bank plc (Barclays) and is repayable over 20 quarterly instalments. Interest rate is the Bank of England base rate, plus 3%. The Group also has a £10 million revolving credit facility with Barclays that was undrawn at 30 April 2022, running until 30 November 2023. Barclays have security over FRP entities for both the RCF and the term loan, in the form of both a fixed and floating charge over the Group's assets.

18. Deferred tax

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Deferred tax (asset)/liability brought forward	**(925)**	124
Recognised in profit and loss for the period	**(1,494)**	(1,200)
Deferred tax on acquisition	**(12)**	151
Deferred tax asset	**(2,431)**	(925)

The deferred tax provision is analysed as follows:

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Accelerated capital allowances	**65**	138
Other temporary differences	**–**	(14)
Share based payments	**(2,635)**	(1,200)
Deferred tax on acquisition	**139**	151
	(2,431)	(925)

19. Financial instruments

	Group as at 30 April 2022 £'000	Restated 30 April 2021 £'000
Financial assets held at amortised cost	**32,102**	29,238
Financial liabilities held at amortised cost	**42,283**	44,556

20. Share capital

Allotted, called up and fully paid	Group as at 30 April 2022 £	Group as at 30 April 2021 £
243,191,489 Ordinary shares of £0.001 each	**243,191**	243,191

On 4 May 2022 393,700 new ordinary shares were issued as part of the acquisition of BridgeShield Asset Management Limited.

In June 2022, the company executed, a secondary placing and given the over subscription also raised an additional £7.5 million through the issue of 5,357,143 new shares.

21. Dividends

For FY2022 a dividend of £1,796k, equivalent to 0.8p per eligible ordinary share, was declared on 12 February 2021 and paid on 11 June 2021. A dividend of £1,796k, equivalent to 0.8p per eligible ordinary share, was declared on 28 September 2021 and paid on 24 December 2021. A dividend of £1,796k, equivalent to 0.8p per eligible ordinary share, was declared on 15 December 2021 and paid on 24 March 2022. The Board recommends a final dividend of 1.9p per eligible ordinary share for the financial year ended 30 April 2022. Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2022 will be 4.3p per eligible ordinary share.

22. Share based payments

	Number of share options April 2022
Outstanding at the beginning of the year	**16,163,479**
Granted during the year	**2,448,975**
Forfeited during the year	**(276,168)**
Outstanding at the end of the year	**18,336,286**
Exercisable at the end of the year	**–**

The weighted average life of outstanding options was two years (2021: two years).
Details of the number of share options outstanding by type of company scheme were as follows:

	Employees	Non-executive directors	Total
Outstanding at the beginning of the year	**16,025,979**	**137,500**	**16,163,479**
Granted during the year	**2,448,975**	**–**	**2,448,975**
Forfeited during the year	**(276,168)**	**–**	**(276,168)**
Outstanding at the end of the year	**18,198,786**	**137,500**	**18,336,286**
Exercisable at the end of the year	**–**	**–**	**–**

Option arrangements that exist over FRP Advisory Group plc's shares at the end of the year are detailed below:

Date of grant	April 2022	Exercise Price (£)	Vesting
From 6 March 2020	**18,198,786**	**–**	**from 06/03/2023**
From 6 March 2020	**137,500**	**0.001**	**from 06/03/2023**

Weighted average fair value per option is £0.85 (2021: £0.71).

22. Share based payments continued

The Group uses a Black Scholes model to estimate the fair value of share options. The options were issued over shares held by the FRP Advisory Group Employee Benefit Trust. The following information is relevant in the determination of the fair value of the above options. The assumptions inherent in the use of this model, at the time of issue, are as follows:

- The options are nil cost for the employee scheme established on IPO and nominal cost for the Non-Executive scheme;
- The option life is the estimated period over which the options will be exercised. The options have no expiry date to discount, so three years has been considered a reasonable expected life as those awarded are required to remain in employment for three years;
- No variables change during the life of the option (such as the dividend yield remaining zero);
- The volatility rate has been based on the Groups share price since IPO;
- A risk-free interest rate of 0.6% has been used (2021: 0.6%); and
- 100% of the options issued under the employee scheme are expected to vest. 100% of the options issued to the Non-Executive Directors are expected to vest.

The total recognised share-based payment expense during the year by the Group was £5.4 million (2021: £3.7 million).

23. Acquisitions

The Group's growth strategy is to focus on organic growth supported by selective inorganic opportunities where there is a cultural, strategic and mutually acceptable transactional economics fit. The Group made one acquisition in the year as detailed below. The acquisition strategically fits into the Group's five service pillars and we believe there to be revenue synergies of the combinations.

Cash outflow linked to the consideration paid on the acquisition of subsidiaries:

Subsidiary	**Consideration £'000**
Spectrum (prior year acquisition)	**3,271**
JDC (prior year acquisition)	**745**
BridgeShield (see below)	**365**
	4,381

BridgeShield Asset Management Limited

Date	Name	Location	Type	Percentage bought	Pillars
28 April 2022	BridgeShield Asset Management Limited	Leigh-on-Sea	Share	100%	Restructuring advisory

Acquisition costs of £0.03 million (2021: £0.4 million) relating to the acquisition have been expensed in the period but not adjusted for in adjusted underlying EBITDA.

After year end, on 4 May 2022 equity compensation of £500k was also granted to certain vendor fee earners. As this is subject to a lock-in, this will not been included within the cost of the acquisition but in FY2023 is expected to be accounted for as deemed remuneration within the share based payment reserve in the Statement of Changes in Equity.

The key shareholders who sold BridgeShield joined the Group as Partners. Other new colleagues who TUPE'd to the Group received nil cost option awards, from the Employee Incentive Plan (EIP) funded on IPO.

Acquisition costs has been absorbed but not adjusted for in adjusted underlying EBITDA.

The acquisition contributed £nil of revenue and £nil to the Group's underlying EBITDA for the period between the date of acquisition and the balance sheet date.

The company provides property asset management advice to specialist short-term lenders across bridging, refurbishment and development finance. It supports lenders across the UK, advising on asset management, LPA receiverships and loan risk management. They will work closely with the Brentwood office providing growth opportunities within the restructuring pillar.

23. Acquisitions continued

The fair values of BridgeShield Asset Management Ltd at the acquisition date on 28 April 2022, following the purchase price allocation exercise are detailed below:

Net assets acquired	Book value £'000	Fair value £'000
Property, plant and equipment	6	6
Trade Receivables	20	20
Unbilled revenue	99	99
Cash	235	235
Trade Payables	(1)	(1)
Accruals	(33)	(33)
VAT	(8)	(8)
Corporation tax	(40)	(40)
Total provisional fair value	**278**	**278**

Consideration	878
Goodwill	**600**

Cash flow	£'000
Cash paid as consideration on acquisition	600
Less cash acquired at acquisition	(235)
Net cash outflow	**365**

Consideration	Fair value £'000
Initial consideration - Cash	600
Consideration settled in cash post year end	278
Total Consideration	**878**

24. Leases

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Expenses relating to short term leases	**329**	52
Lease interest	**190**	140
Cash outflow for leases	**1,355**	911

The carrying value of right of use assets all relate to leasehold land and buildings.

Undiscounted lease liabilities cashflows in relation to right of use assets fall due as follows:

	Group as at 30 April 2022 £'000	Group as at 30 April 2021 £'000
Due within one year	**1,570**	988
Due within two to five years	**1,470**	2,063
Due after more than five years	**3,996**	935
	7,036	3,986

25. Reserves

Called up share capital

The called-up share capital reserve represents the nominal value of equity shares issued.

Share premium account

The share premium account reserve represents the amounts above the nominal value of shares issued and called up by the Company.

Treasury shares reserve

The Treasury shares reserve represents the shares of FRP Advisory Group plc that are held in Treasury or by the Employee Benefit Trust.

Share based payment reserve

The share-based payment reserve represents:

- The cumulative expense of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.
- Deemed remuneration arising from acquisitions, which is amortised over the lock-in period.

Merger reserve

The merger reserve represents the difference between the nominal value of shares issued and the fair value of the assets received. The merger reserve arose following: a share for share exchange between FRP Advisory LLP and FRP Advisory Group plc as part of the group reorganisation in March 2020 and a FRP Advisory Group plc share for share exchange in the JDC Group acquisition.

Retained earnings

The retained earnings reserve represents the Group's cumulative net gains and losses less distributions. Transfers from the share based payment reserve to retained earnings are subject to Board approval.

26. Related party transactions

FRP Advisory Services LLP provides services to FRP Advisory Trading Ltd, a subsidiary of FRP Advisory Group Plc.

Relating to the financial year FRP Advisory Trading Ltd contracted services valued at £19.9 million (2021: 17.1 million) from FRP Advisory Services LLP. Geoff Rowley and Jeremy French are Directors of FRP Advisory Group plc, FRP Advisory Trading Ltd and designated members of FRP Advisory Services LLP.

27. Control

There is no one ultimate controlling party of FRP Advisory Group plc. It is listed on London Stock Exchange AIM market but the IPO vendor Partners are treated as a concert party with a holding of c. 49%.

28. Events after the reporting period

The Board of Directors proposed a final dividend of 1.9p per eligible ordinary share for the final quarter to 30 April 2022 (2021: 1.7p). Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022.

On 4 May 2022 393,700 new ordinary shares were issued as part of the acquisition of BridgeShield Asset Management Limited.

In June 2022, the company executed, a secondary placing and given the over subscription also raised an additional £7.5 million through the issue of new shares. Partner shareholders were invited to sell 20% of their holding and sign an extended lock-in to June 2024. This has enabled us to introduce new institutional shareholders onto the share register and further bolster our strong balance sheet as we continue to target attractive acquisitions.

Alongside placing the majority of FRP Partners entered into extension of their lock-in arrangements until June 2024. Currently 48.6% of the Group's shareholder base is now subject to lock-in arrangements, including the Group Employee Benefit Trust (10.8%).

On 21 June 2022 4,412,176 ordinary shares were transferred to the Employee Benefit Trust for nil consideration, from a former Partner of the Group.

Post year end, the final £1.3 million payment of the IPO liability relating to the Cessation profits owed to Partners was paid down.

29. Capital commitments

At the balance sheet date, the Group had no material capital commitments in respect of property, plant and equipment (2021: £nil).

30. Contingent liabilities

The Group is from time to time involved in legal actions that are incidental to its operations. Currently the Group is not involved in any legal actions that would significantly affect the financial position or profitability of the Group.

Parent Company balance sheet

As at 30 April 2022

	Notes	Company as at 30 April 2022 £'000	Company as at 30 April 2021 (restated) £'000
Non-current assets			
Investment in subsidiaries	6	**9,533**	4,203
Total non-current assets		**9,533**	4,203
Current assets			
Trade and other receivables	7	**29,006**	29,000
Cash and cash equivalents	9	**5,562**	5,304
Total current assets		**34,568**	34,304
Total assets		**44,101**	38,507
Current liabilities			
Trade and other payables	8	**406**	1,118
Total current liabilities		**406**	1,118
Non-current liabilities			
Trade and other payables	8	**–**	29
Total non-current liabilities		**–**	29
Total liabilities		**406**	1,147
Net assets		**43,695**	37,360
Equity			
Share capital	11	**243**	243
Share premium		**23,730**	23,730
Share based payment reserve	12	**1,463**	1,061
Merger reserve		**1,377**	1,377
Retained earnings		**16,882**	10,948
Total Equity		**43,695**	37,359

The Company made a profit of £10.1 million in the year ended 30 April 2022 (2021: £13.4 million).

Parent Company statement of changes in equity

For the year ended 30 April 2022

	Called up Share Capital £'000	Share premium account £'000	Share based payment reserve £'000	Merger Reserve £'000	Profit & loss account £'000	Total equity £'000
Balance at 30 April 2020	**238**	**18,975**	**361**	**–**	**(415)**	**19,159**
Profit for the year	–	–	–	–	13,353	13,353
Issue of share capital	5	4,755	–	1,377	–	6,137
Dividends (restated)	–	–	–	–	(4,990)	(4,990)
Share based payment expense	–	–	3,700	–	–	3,700
Transfer to retained earnings	–	–	(3,000)	–	3,000	–
Balance at 30 April 2021 (restated)	**243**	**23,730**	**1,061**	**1,377**	**10,948**	**37,359**
Profit for the year	–	–	–	–	10,106	10,106
Dividends	–	–	–	–	(9,172)	(9,172)
Share based payment expense	–	–	5,402	–	–	5,402
Transfer to retained earnings	–	–	(5,000)	–	5,000	–
Balance at 30 April 2022	**243**	**23,730**	**1,463**	**1,377**	**16,882**	**43,695**

Notes to the Parent Company financial statements

For the year ended 30 April 2022

1. General information

FRP Advisory Group plc's (the "Company") principal activity is that of a holding company.

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.

2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of consolidated financial statements:

2.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company.

Amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention.

The Company meets the definition of a qualifying entity under FRS 101, The Financial Reporting Standard applicable in the UK and Republic of Ireland. These financial statements for the period ended 30 April 2022 are prepared in accordance with FRS 101.

Under Section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement or statement of comprehensive income.

The Company made a profit of £10.1 million in the year ended 30 April 2022 (2021: £13.4 million).

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the Group accounts of FRP Advisory Group plc.

The Company's accounting policies are the same as those set out in Note 2 of the Group financial statements with the exception of the following:

2.2 Investment in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

The Company assesses the investment balances for impairment indicators annually to identify whether or not an impairment review is required.

2.3 Share based payments

Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves. Where equity settled share-based payments of the Parent Company have been issued to employees of its subsidiaries this is recognised as a cost of investment in the Parent Company financial statements and as an expense and capital contribution in the subsidiary.

2.4 Restatement of prior year results

In March 2022 the Group's annual report for FY2021 was reviewed by the Financial Reporting Council ("FRC"). The review was based on the annual report and accounts and did not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into and therefore provides no assurance that the annual report is correct in all material respects. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. Following the review by the FRC, the Company has changed their dividend recognition policy. Previously the Company recognised interim dividends at the point when the Board declared publicly, however, going forward the Company will follow paragraph 2.10 of the ICAEWs Technical Release 02/17BL and recognise interim dividends when paid. The impact of this change results in the de-recognition of a £1.8 million interim divided liability in FY2021 as it was paid in FY2022, with a corresponding increase in net assets and retained earnings of the same amount. There was no impact on the Company's profit or cash flows for the year ended 30 April 2021.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements
The following are the critical judgements, apart from those involving estimates (which are dealt with separately below), that have been made in the process of applying the Group's accounting policies and that have had the most significant effect on amounts recognised in the financial statements.

Investments in subsidiaries
The Directors assess the recoverability of investments in subsidiaries at the reporting date by reference to the profitability and its net asset position. Where applicable, investments in subsidiaries are impaired down to the amount assessed as recoverable.

Key source of estimation uncertainty
The judgements involving estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share based payments
The charge related to equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Third-party experts are engaged to advise in this area where necessary. Judgements are also applied in relation to estimations of the number of options which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions.

4. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company and Group consolidated financial statements are disclosed in Note 6 of the Group consolidated financial statements.

5. Director and employee information

The average number of employees during the year was:

	Period ended 30 April 2022 Number	Period ended 30 April 2021 Number
Directors	**7**	7

No amounts were paid to Directors through this Company.

6. Investment in subsidiaries

	Company £'000
Cost	
At 1 May 2020	503
Additions	3,700
At 30 April 2021	**4,203**
At 1 May 2021	4,203
Additions	5,330
At 30 April 2022	**9,533**
Net book value	
At 30 April 2021	4,203
At 30 April 2022	**9,533**

Additions in the year ended 30 April 2022 of £5,330k (2021: £3,700k) are comprised of FRP Advisory Group plc equity settled share options awarded to employees of FRP Advisory Trading Limited (a subsidiary company).

The undertakings in which the company's interest at the year end is 20% or more are as follows:

			Shareholding % Ordinary shares held	
Subsidiaries and Partnerships linked to the Group	**Country of Incorporation**	**Principal activity**	**Direct 2022**	**Indirect 2022**
Held directly:				
FRP Advisory Trading Limited	England & Wales	Professional Services	100%	0%
FRP Advisory Services LLP	England & Wales	Professional Services	0%	99.90%
FRP Corporate Finance Limited	England & Wales	Professional Services	0%	100%
FRP Debt Advisory Limited	England & Wales	Professional Services	0%	100%
Jon Dodge & Co Limited	England & Wales	Professional Services	0%	100%
JDC Holding Limited	England & Wales	Professional Services	0%	100%
Walton Dodge Forensic Limited	England & Wales	Professional Services	0%	100%
JDC Accountants and Business Advisors Limited	England & Wales	Professional Services	0%	*
Spectrum Corporate Finance Limited	England & Wales	Professional Services	0%	100%
BridgeShield Asset Management Limited	England & Wales	Professional Services	0%	100%
Abbott Fielding Limited	England & Wales	Dormant	0%	100%
Litmus Advisory Limited	England & Wales	Dormant	0%	100%

*FRP Advisory Trading Limited owns 100% of the economic interest but does not have any shareholder voting control. The Directors of the Company are all ICAEW members and either officers of or Partners in entities within the FRP Group.

6. Non-current asset investments continued

Despite not having legal ownership the Company has an interest in an Employee Benefit Trust, set up to hold shares in FRP Group plc in order to grant share options to employees. The trust is administered by JTC Employer Solutions Trustee Limited.

The recoverability of intercompany debtors and the cost of investment is dependent on the future profitability of those entities. No provision for impairment has been made in these accounts and this is a significant judgement but one that only affects the Parent Company and its distributable reserves. It does not affect the Group results as the results of the subsidiaries have been consolidated.

UK Registered subsidiaries exempt from audit
Under Section 479A of the Companies Act 2006, exemptions from an audit of individual accounts will be taken by the entities listed in the table below. The Company has provided a guarantee for all outstanding debts and liabilities to which the subsidiary companies listed above are subject at the end of the financial year, in accordance with Section 479C of the Companies Act 2006. The balance sheet liabilities of these entities total £4.1 million (2021: £2.9 million). The Company has assessed the probability of loss under the guarantee as remote.

Name	Proportion of shares held by the Company (%)	Proportion of shares held by the subsidiary (%)	Company number
FRP Debt Advisory Limited	–	100	05209080
BridgeShield Asset Management Limited	–	100	12306245
Jon Dodge & Co Limited	–	100	05177048
JDC Holding Limited	–	100	10452942
Walton Dodge Forensic Limited	–	100	05435145
JDC Accountants and Business Advisors Limited	–	*	09912247
Spectrum Corporate Finance Limited	–	100	11279788

* FRP Advisory Trading Limited owns 100% of the economic interest but does not have any shareholder voting control. The Directors of the company are all ICAEW members and either officers or Partners in entities within the FRP Group.

7. Trade and other receivables

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Other receivables	**12**	–
Amounts owed by Group undertaking falling due within one year	**3,994**	29,000
	4,006	29,000
Amounts owed by Group undertaking falling due after one year	**25,000**	–

Amounts owed by Group undertakings are regularly reviewed for recoverability and no credit risk has been identified.

8. Trade and other payables

	As at 30 April 2022 £'000	As at 30 April 2021 (restated) £'000
Current liabilities		
Other payables and accruals	**406**	1,118
Non-current liabilities		
Other payables and accruals	**–**	29

9. Cash and cash equivalents

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Cash at bank and in hand	**5,562**	5,304

Cash at banks earn interest at floating rates based on daily bank deposit rates.

10. Financial instruments

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Financial assets held at amortised cost	**34,568**	34,304
Financial liabilities held at amortised cost	**406**	2,943

11. Share capital

Refer to Note 20 to the Group financial statements.

12. Share based payments

Refer to Note 22 to the Group financial statements.

13. Related party transactions

The Company has taken advantage of the exemption from reporting related party transactions with subsidiaries included within the consolidated financial statements of FRP Advisory Group plc.

14. Control

There is no one ultimate controlling party of FRP Advisory Group plc. It is listed on London Stock Exchange AIM market but the IPO vendor Partners are treated as a concert party with a holding of c. 49% at April 2022.

15. Events after the reporting period

The Board recommends a final dividend of 1.9p per eligible ordinary share for the financial year ended 30 April 2022. Subject to approval by shareholders, the final dividend will be paid on 21 October 2022 to shareholders on the Company's register at close of business on 23 September 2022. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2022 will be 4.3p per eligible ordinary share.

On 4 May 2022 393,700 new ordinary shares were issued as part of the acquisition of BridgeShield Asset Management Limited.

In June 2022, the company executed, a secondary placing and given the over subscription also raised an additional £7.5 million through the issue of new shares. Partner shareholders were invited to sell 20% of their holding and sign an extended lock-in to June 2024. This has enabled us to introduce new institutional shareholders onto the share register and further bolster our strong balance sheet as we continue to target attractive acquisitions. Alongside placing the majority of FRP Partners entered into an extension of their lock-in arrangements until June 2024. Currently 48.6% of the Group's shareholder base is now subject to lock-in arrangements, including the Group Employee Benefit Trust (10.8%).

On 21 June 2022 4,412,176 ordinary shares were transferred to the Employee Benefit Trust for nil consideration, from a former Partner of the Group.

Post year end, the final £1.3 million payment of the IPO liability relating to the Cessation profits owed to Partners was paid down.

16. Capital commitments

At the balance sheet date, the Company had no material capital commitments in respect of property, plant and equipment.

Directors and advisers

Directors

Nigel Guy
Non-Executive Chairman

Geoff Rowley
Chief Executive Officer

Jeremy French
Chief Operating Officer

Gavin Jones
Chief Financial Officer

David Adams
Non-Executive Director

David Chubb
Non-Executive Director

Claire Balmforth
Non-Executive Director

Corporate Information

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This Annual Report is available
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