Real expertise. Real results.

FRP Advisory Group plc
Annual Report and Financial Statements 2023
For the year ended 30 April 2023

frpadvisory.com

FRP

Real expertise.
Real results.

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

Specialising in restructuring, corporate finance, debt, forensics and financial advisory, 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 2023 (FY2023)

Financial highlights

£104.0m

Revenue +9%
(2022: £95.2m)

£27.0m

Adjusted underlying EBITDA* +5%
(2022: £25.7m)

£18.5m

Reported EBITDA
(2022: £17.7m)

£24.1m

Adjusted profit before tax**
(2022: £23.1m)

£15.6m

Reported profit before tax
(2022: £15.1m)

7.83p

Adjusted total EPS***
(2022:7.57p)

5.58p

Basic EPS
(2022: 5.35p)

4.6p

Total dividend relating to the year
(2022: 4.3p)

£22.9m

Net cash position
(2022: £18.1m)

- Another year of growth.
  - Revenue increased by 9% to £104.0 million (2022: £95.2 million) with 8% organic and 1% inorganic.
  - Adjusted underlying EBITDA* rose by 5% to £27 million (2022: £25.7 million).
  - £1.3 million average revenue per Partner as at year-end (2022: £1.2 million).
  - £15.6 million reported profit before tax for the year (2022: £15.1 million).
- Strong balance sheet maintained with year end net cash of £22.9 million (2022: £18.1 million). Our banking facilities were refinanced in July 2023 for 3 years, on better terms.
- Increased returns to shareholders.
  - Total dividends of 4.6p relating to FY2023 (2022: 4.3p).
  - Comprising three interim dividends of 0.85p per eligible Ordinary Share and a final proposed dividend of 2.05p per eligible Ordinary Share for the year ended 30 April 2023 recommended by the Board.

* Adjusted Underlying Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) excludes any exceptional costs and share-based payment expenses that arise from a) the Employee Incentive Plan (EIP) funded on IPO and b) deemed remuneration amortisation linked to acquisitions. See table on page 24

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

*** Earnings adjusted by adding back share-based payments and related deferred tax. Earnings per total weighted shares in issue. See Note 12 on page 101 for more details.

Operational highlights

- Delivering on our strategy to achieve growth, supplemented by selective acquisitions.
- Continued growth in FRP team size, supporting ongoing growth of 9%.
  - FRP team grew by 9% (additional 47 colleagues year-on-year) to 551 excluding consultants (2022: 504).
  - Growth was driven by demand-led lateral hiring and one acquisition.
  - At 30 April 2023, the Group had 78 Partners (2022: 80), 361 other fee earners (2022: 317) and 112 support staff (2022: 107).
  - At year-end FRP's UK footprint covered 25 locations (2022: 26) with one international office, in Cyprus.
  - In May 2023 the Group promoted a record 12 colleagues to Partner across locations and service lines, demonstrating commitment to supporting internal career progression and longer-term succession planning
- Restructuring team again the most active in the administration appointment market.
  - Market share in the number of administration appointments slightly increased to 14% (2022: 13%), in a recovering administration market.
- FRP Corporate Finance ranked as the 13th most active financial adviser in the UK M&A market.
  - The Corporate Finance and Debt Advisory teams were involved in 73 (2022: 99) successful transactions with an aggregate deal value of £1.8 billion (2022: £3 billion) and £0.8 billion of debt raised (2022: £1.3 billion).
  - Nationally the Corporate Finance and Debt Advisory teams comprise 67 fee earners (including 17 Partners) across 10 locations.
  - FRP Corporate Finance continued to grow its brand presence, with the launch of a dedicated website and LinkedIn page.
- Launch of the Financial Advisory pillar in February 2023.
  - Brings together our existing transaction related services including buy and sell-side financial due diligence; lender services including pre-lending due diligence and independent business reviews; valuation services; financial modelling; board and C-suite advisory and pensions advisory services.
- Our Forensic services team has been very active on many confidential projects along with a number of high-profile mandates for listed businesses, for example WANdisco plc, Inland Homes plc and Braemar plc.
- Strengthened operational infrastructure.
  - Implemented a new Risk Management Framework and the Group now aligns with ISO 31000.
  - Together with enhancements to the Group's Information Security Management System ("ISMS"), we are working towards achieving ISO 27001 accreditation. In early July 2023, FRP was audited by BSI, and the assessor has issued the Group with a certificate of completion and recommended to their internal quality control board that FRP is certified as complying with ISO 27001:2013, receipt of the formal certificate is pending at the current time.
- Effective succession planning and incentivisation structures in place.
  - In March 2023, the Company successfully managed the vesting process of shares gifted to colleagues at IPO.
  - In June 2022, the Company executed a secondary share placing and given the demand from investors, raised an additional £7.5 million gross through the issue of new shares. Partner shareholders were invited to sell up to 20% of their holding in return for signing an extended lock-in to June 2024.

Post balance sheet events

- A dividend of £2.0m, equivalent to 0.85p per eligible Ordinary Share, was declared on 13 February 2023 and paid on 16 June 2023. The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p 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.

439

Fee earners nationwide

Each with a wealth of experience navigating complex situations.

As at 30 April 2023.

551

Team members (excluding consultants)

Each with a wealth of experience navigating complex situations.

As at 30 April 2023.

25

UK locations

National coverage, International experience and local knowledge.

As at 30 April 2023.

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.

Financial Advisory

Our highly skilled experts work collaboratively to provide a holistic approach to give you the best possible advice in any situation.

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' fourth Annual Report.

Nigel Guy
Non-Executive Chairman

Overview

With the COVID pandemic now behind us, much of the recent market commentary has related to how businesses would cope with the ever-increasing challenges of the future headwinds. Commentators were confident that the perfect storm of rapidly rising inflation, higher interest rates, accelerating labour and energy costs would lead to a surge in insolvencies. In fact, for some of the past year businesses proved this theory wrong and remained remarkably resilient to the external challenges they were facing. In addition, HMRC and the lending community proved supportive, as I suspect we all tried to work out whether the difficulties were longer term or, as the Bank of England described inflation, "transitory" in nature. However, the market reality has been that whilst the higher volume liquidations market, which typically sees lower value and less complex situations, has grown, larger restructurings principally through administrations have continued to remain below pre-pandemic levels.

Despite a largely unfavourable market backdrop for much of our financial year, I am delighted that we were able to deliver another year of growth in revenue, profits and dividends. It is to the credit of our colleagues that their focus on bringing the right team to the assignment to deliver the best possible results for our clients, continues to produce excellent outcomes and financial performance for shareholders. I remain hugely appreciative and proud of the dedication, commitment and professionalism of our colleagues across all our offices.

It is also encouraging to see an increasing demand for our resources and expertise, particularly in the latter months of the year, as the outlook, if anything, has hardened in our favour, with interest rates predicted to remain higher for longer in order to tame inflation.

Whilst restructuring activities comprise the majority of our activity, we offer a diversified but complementary range of services to corporates across their lifecycle. In February 2023, following increased client demand, we launched our Financial Advisory service pillar. This function is focussed around supporting management in making decisions about funding, pensions, valuations and M&A due diligence. It dovetails neatly, where necessary, with our Restructuring, Debt Advisory and Corporate Finance pillars essentially bringing a full suite of advisory services to our clients. It is also pleasing to report on the continued progress of our Forensic Services team, conducting significant assignments for a number of clients including some publicly listed companies. FRP Corporate Finance and our Debt Advisory team remained active, with the former being named "UK Corporate Finance House of the Year" at the Real Deals PE Awards. Undoubtedly market conditions for M&A and Private Equity investing have softened but 73 transactions were closed, and our colleagues remain active even if deal timescales and values have proved to be less favourable than a year or so ago.

Continued profitable growth

We are pleased with the levels of growth during the year, with revenues of £104 million, up 9% from the previous year (2022: £95.2 million). This performance was driven by 8% organic growth, underpinned by the support offered on some larger projects, with a further 1% coming from acquisitions. Following an acquisition by the Group we treat the first 12 months contribution as inorganic, with month 13 onwards becoming organic.

Adjusted underlying EBITDA of £27 million grew by 5% from the previous year (2022: £25.7 million). Reported EBITDA was £18.5 million (2022: £17.7 million). During the year we were pleased to welcome 47 new colleagues and the overall headcount grew 9% in the year, to 551 (2022: 504) and the number of Partners decreased by two, to 78.

+9%

Revenue growth

8% organic and
1% inorganic

+9%

Team growth

Strong balance sheet

The Group's balance sheet remains strong with net cash balances at 30 April 2023 of £22.9 million (2022: £18.1 million), consisting of gross cash of £27.7 million less a balance remaining on a term loan of £4.8 million. The Group also has an undrawn revolving credit facility ("RCF") of £10 million with Barclays Bank. These facilities were refinanced in July 2023 for 3 years on better terms.

Consistently delivering on our growth strategy

Our strategy remains to seek steady and sustainable growth through organic initiatives and selective acquisition opportunities. We were delighted to welcome the team from APP Advisory in Cyprus, which we acquired in December 2022. Although this added a new, international office location, at the end of FY2023 our total office footprint remained at 26 locations, as we closed one smaller office in Milton Keynes. The Group explored several other acquisition opportunities although we did not transact due to our highly selective cultural fit, strategic fit, and acceptable deal economics criteria. We continue to explore opportunities across each of our five service pillars.

Further details are set out in the Strategic Report on pages 24 to 39.

Dividend

Since 2021, the Group's dividend policy has been to pay quarterly dividends. The anticipated dividend pay-out ratio to eligible shareholders is c.70% of the Group's reported Profit After Tax.

The FRP Group Employee Benefit Trust ("EBT") which was seeded by Partners on IPO, has waived its right to dividends with the corresponding amount retained by the Group. Share options granted to employees first vested on 6 March 2023 onwards, and once exercised these shares duly attract dividend rights.

The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p per eligible Ordinary Share (2022: 4.3p).

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 on admission to AIM and shareholders can find more information on our governance arrangements in the Corporate Governance Statement on pages 49 to 52. Further information on our Corporate Governance structure is also available on our website at www.frpadvisory.com/investors/corporate-governance/.

Our Environmental, Social and Governance responsibilities include committing the Group to be 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. Upon IPO, Ordinary shares representing 8% of the Company's issued shares were placed in an EBT, with the purpose of being granted to colleagues via share options. Share options were granted to colleagues at IPO, and subsequent joiners to the Group, with a vesting period of 3 years from the date of grant. On 6 March 2023 the first tranche of share options became exercisable and now there is a regular process in place for colleagues to exercise options either on or after their vesting dates. By the end of FY2023, options over 7,865,946 Ordinary shares had been exercised, with many colleagues retaining shares.

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 equity of the Group.

We believe that we are 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 continues.

Board changes

In March 2023, as part of the Board's succession planning, we welcomed Kathryn Fleming to the board as an independent, Non-Executive Director. Kathryn is CFO of Control Risks Group, a global risk management consultancy and is a member of both their board and executive committee where she is responsible for overseeing all aspects of the financial performance and strategy across its worldwide operations. Prior to that she held senior executive roles at leading professional service firms, Osborne Clarke and Eversheds. Her experience of working in growing professional service firms with people at the core of the proposition is very relevant to us at FRP.

In addition, on 30 April 2023, Non-Executive Director, David Adams, retired from the Board. David had been on the board of FRP since shortly after its inception in 2010 and his contribution to the Group has been invaluable. He has also played a significant role in the creation and evolution of FRP's Corporate Finance business. We are exceptionally grateful for David's contribution over the last 13 years, and I personally have valued his wise counsel as we have transitioned from a small restructuring business into a listed, national, advisory firm. We wish him well in his retirement.

The Nomination Committee continues to review the Board's succession planning and will announce any further Board changes in the usual way.

Annual General Meeting

The Company's Annual General Meeting will be held on 28 September 2023. 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

In our new financial year activity levels have been encouraging to date and trading is in line with the Board's expectations. The short and medium-term outlook for our business remains positive and we are confident of making further progress.

Nigel Guy
Non-Executive Chairman
25 July 2023

£22.9m

Net cash

4.6p

Dividends
Total FY2023 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, Financial Advisory, Forensic Services and Restructuring Advisory. We specialise in finding strategic solutions to a range of situations for clients of all sizes, including personal clients, SMEs, our core mid-market and high-profile more complex, appointments.

We believe our agile, collaborative and entrepreneurial approach sets us apart from our peers. Our offices continue to work together across our five complementary service pillars as necessary, in order to deliver the best possible service and outcome. The collaborative approach provides greater opportunities across a wide range of clients.

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.

On 7 December 2022 we were pleased to announce the acquisition of APP Advisory based in Limassol, Cyprus, which provides advisory, tax and audit services, bringing two new Partners and an additional 15 team members to FRP. Adding offices in selective new locations is part of our growth strategy and we currently have 26 locations in the UK and one in Cyprus. All offices continue to work well together, drawing on specialists from our five complementary service pillars as necessary. Many assignments involve specialists from several service pillars, working collaboratively to achieve the best possible outcome. Cross pillar collaboration is possible due to FRP's connected culture.

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

Continued growth in footprint and team

At 30 April 2023, FRP had 25 UK offices, one international office and 551 colleagues, excluding consultants. The team grew 9% or by 47 colleagues year on year (2022: 504).

Highlights included:

- In August 2022, we launched a Restructuring Advisory service within East Anglia, with Richard Bloomfield as the appointment taking Director.
- In December 2022, two new Partners, Augoustinos Papathomas and Christina Papathomas, joined FRP as part of the acquisition of APP Advisory in Cyprus. The rest of the APP team also joined FRP, comprising 14 colleagues and one consultant.
- In February 2023, we launched the Financial Advisory pillar bringing together our existing transaction related services including buy and sell-side financial due diligence; lender services including pre-lending due diligence and independent business reviews; valuation services; financial modelling; board and C-suite advisory and pensions advisory services. More than 20 of our experienced advisers formed a new team to support boards, lenders and investors on mid-market transactions and advisory assignments.
- During FY2023, we announced 8 Director promotions and a further 86 promotions across a wide range of senior and specialist roles, from Office Managers to Associate Directors/Senior Managers.

+5%

Growth in adjusted underlying EBITDA

14%

Market share of administration appointments in FY2023

- Immediately following the year end, on 1 May 2023, 12 internal promotions to Partner were announced, which were part of a total of 72 promotions across the Group. This was a record number of promotions and, when combined with our ongoing investments in learning and development, demonstrates the Group's long-term commitment to developing talent and providing attractive career paths.
- In June 2023, we opened an additional office in Salisbury, to support continued team and business growth from our Southampton office.

Strong trading results

FRP's revenue grew 9% year on-year to £104 million (2022: £95.2 million). 8% was organic and inorganic growth was 1%. Following an acquisition we treat the first 12 months contribution to the Group as inorganic, month 13 onwards becomes organic. Adjusted underlying EBITDA grew 5% year-on-year to £27 million (2022: £25.7 million). We maintain a focus on cost control, whilst modestly investing where necessary to continue sustainable profitable growth. On a reported basis, EBITDA was £18.5 million (2022: £17.7 million).

Across all offices there is a constant focus on accurate monthly unbilled revenue (work in progress or "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 £22.9 million (2022: £18.1 million). I am also pleased to report that in May 2022, all IPO liabilities to Partners (and HMRC) were repaid.

Restructuring Market

Growth in the higher volume liquidations market, which are typically lower value and less complex, continues, including Creditors Voluntary Liquidation's and Compulsory Liquidations which increased by 20% in the financial year (Source: London and Regional Gazettes).

The more complex Administration market, where FRP are particularly active, increased by 40% comparing financial years FY2023 and FY2022. FRP's Administration market share, by number of appointments, slightly grew year-on-year to 14% (Source: London and Regional Gazettes) and has seen encouraging levels of activity during Q4 FY2023 and post year end. 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.

Given the long list of well documented headwinds facing UK corporates including continuing interest rate rises, input cost inflation (i.e. wages, energy, supplies and materials), weakening consumer demand, supply chain disruption, Brexit and the withdrawal of pandemic support measures, it is expected that the administration market should continue to experience greater volumes during financial year 2024 and FRP is well placed to serve this market.

Outside of the formal insolvency market, FRP has seen an encouraging increase in demand for confidential advisory projects and enquiries for restructuring services; this includes a number of mandates seeking to utilise the Restructuring Plan. This corporate restructuring process was introduced into law in 2020 and after a relatively hesitant start is now starting to be a useful addition to the restructuring toolkit. The Group expects that demand for its overall restructuring advisory services will continue to increase.

UK M&A Market

FRP Corporate Finance remains a UK member firm of Alliance of International Corporate Advisors ("AICA"), an integrated network of middle-market M&A advisory firms, and in the financial year over 40% of its disposals were to international buyers. In November 2023, FRP Corporate Finance will host the AICA European conference in London, which will assist in further developing its international network. FRP Corporate Finance Partner Simon Davies has been elected as the Chairman of the AICA for a two-year term in 2023 and 2024. Simon was voted in at AICA's recent Annual Global Meeting, in Dublin.

The Corporate Finance team was involved in 73 successful transactions with an aggregate deal value of £1.8 billion and £0.8 billion of debt raised. This level of activity gives FRP Corporate Finance a c.1% market share of the UK M&A market, by number of appointments (Source: Experian Market IQ). The average deal value of £25 million places FRP Corporate Finance in the heart of its target SME market.

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

Notable FRP Corporate Finance transactions in FY2023 included:

- Sell-side adviser to multi-brand distributor, BTC Activewear on its sale to New Wave Group AB.
- Sell-side adviser to WysePower, one of the UK's biggest providers of temporary site solutions for construction projects, on its sale to RSK Group.
- Sell-side adviser to California-based Blueback Global on its sale to TopSource Worldwide.
- Sell-side adviser to healthcare services provider, Partnering Health Limited (PHL), on the management buyout.
- Buy-side M&A and debt adviser to LDC on its significant investment in water and environmental sustainability specialist, Stonbury.
- Debt adviser to CBPE on a debt raise to fund the primary management buyout of BKL, a leading SME accountancy firm.
- Debt adviser to Airedale Catering Equipment Group, and PE investor Rubicon Partners on the refinancing of the group.

FRP's Corporate Finance and Debt Advisory teams now comprise 67 fee earners (including 17 Partners) across 10 locations.

Financial Advisory Market

In response to increasing market demand from institutional lenders and private equity, FRP launched a Financial Advisory pillar in February 2023 to develop our financial and pre-lending review services, financial modelling expertise and wider transaction services including financial due diligence for buy-side and sell-side transactions.

This pillar also includes our valuation services which support transactions, disputes and complex restructuring situations, together with our board and C-suite advisory and pensions advisory services.

These services bring already established FRP experts with many years' experience into one team, so we can assist our clients in complex situations, with straightforward advice based on thorough analysis.

Since the launch, this combined team has been actively engaged across all these service areas. Demand for these services remains strong, and we will continue to develop this team with appropriate hires across the country.

13th

FRP Corporate Finance ranked as the 13th most active financial adviser in the UK M&A market

86

Promotions across a wide range of senior and specialist roles

FRP's Financial Advisory team now comprises 23 fee earners including 7 partners.

Forensic Services Market

FY2023 was another year of growth and expansion for the Forensic Services team. The team received further accreditations, which saw them gain recognition for their industry expertise and experience in Chambers and Who's Who Legal.

An enhanced eDiscovery tool, RelativityOne was also launched: the transition to this has improved the Forensic Services team's performance when processing data, with access to new enhanced analytics and features.

The team launched a new global Forensics and Dispute Resolution network in partnership with Eight International which has increased FRP's brand presence, market profile and showcased combined cross-border and international collaboration capabilities across all of the countries in which the Eight International network operates.

Our Forensic Services team has seen an increase in investigation work in the first part of 2023, across both forensic accounting and forensic technology. Notable recent assignments include independent investigations at WANdisco plc, Inland Homes plc and Braemar plc.

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.

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

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.

Outlook

At FRP our five service pillars, now including Financial Advisory, are each connected and work together as needed. This internal collaboration and always putting the best team, from the right locations forward for each project is part of FRP's culture, which helps achieve the best possible outcome for clients.

Our Restructuring team are being engaged on projects due to a range of pressures on UK Corporates including cost of financing, debts owed to HMRC, supply chain issues, labour shortages, impact of inflation and weakening consumer demand. We are also seeing institutional lenders and Investors being more cautious on providing additional support, where they have not received significant comfort on future viability. A number of these pressures have yet to work through and some are at the early stages of being felt by many UK companies. As activity levels continue to increase our teams are helping clients to preserve and generate value. Where early engagement is possible to deploy innovative turnaround and restructuring solutions, to seek to avoid formal insolvency.

Our Corporate Finance team have a strong pipeline although due to the increase in interest rates and economic uncertainties, the market has seen demand for more pre-deal due diligence and debt advice, with completion timelines extending. The FRP Corporate Finance team are continuing to grow their reputation and credentials in the mid-market arena, as evidenced by being named 'UK Corporate Finance House of the Year' at the National Real Deals Private Equity Awards 2023.

Our Forensic team has been very active on many confidential projects along with a number of high-profile mandates for listed businesses, for example WANdisco plc, Inland Homes plc and Braemar plc.

We have a strong balance sheet and recently refinanced our banking facilities for 3 years from July 2023. As a UK focused business, the Russia/Ukraine conflict does not have a material impact on FRP's operations.

In the current financial year, trading to date is in line with Board expectation and we are confident of making further progress in the year.

Geoff Rowley
Chief Executive Officer
25 July 2023

> For us quality and focus are important. Doing the right thing will always be our priority.

Geoff Rowley
Chief Executive Officer

Corporate Finance

Buyout supports growth through acquisition

Partnering Health Limited (PHL) provides a range of healthcare services to the NHS and private healthcare partners across the UK. This includes running Integrated Urgent Care, which provides telephone triage services and out-of-hours home visiting services; custody healthcare services for Hampshire Constabulary and the City of London Police; delivering remote patient monitoring systems; and advising GP practices on the commercial aspects of their businesses.

Having worked with PHL in the past, FRP Corporate Finance were well positioned to advise shareholders on the terms of a management buyout proposal.

Utilising our cross-pillar services expertise, the FRP Debt Advisory team also supported PHL's management to identify and secure the best available finance package to complete the acquisition, whilst the FRP Pensions Advisory team advised management on a pension structure for shareholders.

The successful deal supported PHL's future growth through acquisition and plans to expand contracts with existing clients.

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This successful deal will help PHL take its growth to the next level – unlocking capacity to take on more work, with more clients, particularly those in the NHS, by expanding its delivery of care across the UK.

Clive Hatchard
Corporate Finance

Corporate Finance

Acquisition of low-carbon water services company

Stonbury Holdings has a 40-year heritage of working with UK water companies and environment agencies to provide low-carbon services to maintain, repair and refurbish their critical assets, from drinking water provision to wastewater treatment, helping to protect supplies and extend asset lives.

FRP Corporate Finance were appointed to support private equity firm LDC with buyside and debt advisory services, following confirmation that they had secured preferred bidder status in a competitive auction process.

FRP's advice encompassed valuation analysis, market mapping for acquisitions, detailed financial modelling and exit analysis. Working in tandem, FRP's Debt Advisory team ran a competitive debt process, sourcing multiple offers of finance for the deal.

The Debt Advisory team then negotiated an improved package with one of the lenders, which resulted in LDC securing a very competitive debt package to support the acquisition, against a backdrop of rising interest rates and uncertainty in the markets.

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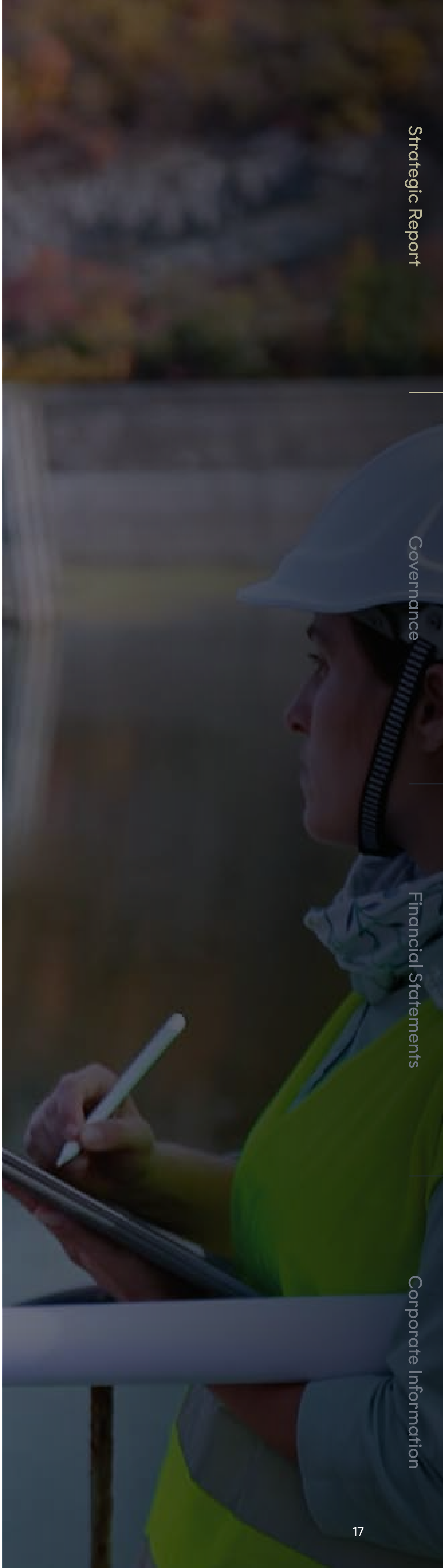
Stonbury are meeting the sustainability challenge head on. We are confident they will continue to attract the backing of investors now and in the future.

Dan Bowtell
Corporate Finance



Corporate Finance

Refinancing of unified technology specialist

Babble provides unified technology solutions to small and mid-sized businesses. Their services include cloud collaboration and communications, cloud contact centres, cyber security, mobile and enterprise connectivity.

Babble's client portfolio includes EDF energy, Hello Fresh, Discovery Channel, National Geographic and more.

FRP Corporate Finance supported the team through multiple successful acquisitions in 2019 and the sale of the business from LDC to Graphite, in 2020.

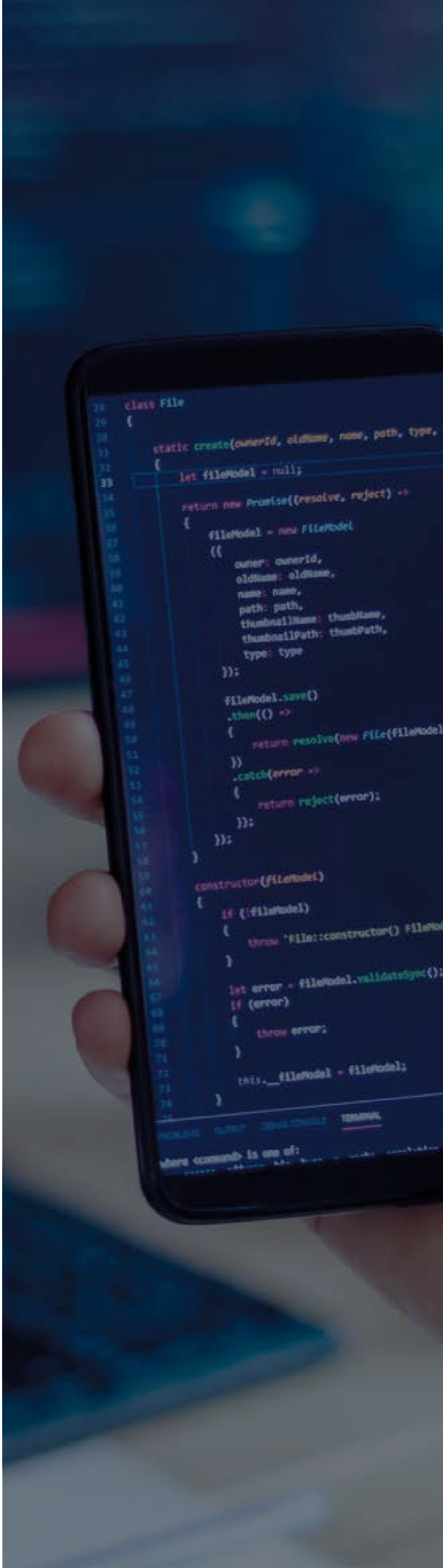
FRP were again mandated by management and Graphite to raise debt for a refinance of Babble and to secure sizeable debt facilities for the next stage of growth.

FRP's Debt Advisory team prepared a detailed brief to generate credit-backed terms from lenders pre-qualified to ensure that they would have the highest appetite to support Babble. The best of the shortlisted lenders were presented to Babble's Executive team and following a tightly managed due diligence process, a lending partner was selected that was most aligned with management and their strategic plans.

The Debt Advisory team were able to secure terms with a lender for more than £200 million of debt financing for the business, to support the buy and build plans under Graphite's ownership.

With our new financing in place, they can continue to consolidate their position in the market, as well as enhance their growth plans.

Simon Sherliker
Debt Advisory



Strategic review supported continued funding

An online grocery products delivery company, servicing residential and B2B customers, had accumulated material losses due to a high-cost distribution network, alongside an excessive overhead cost base. The company's management team prepared a plan to return the company to profitability through cost saving initiatives.

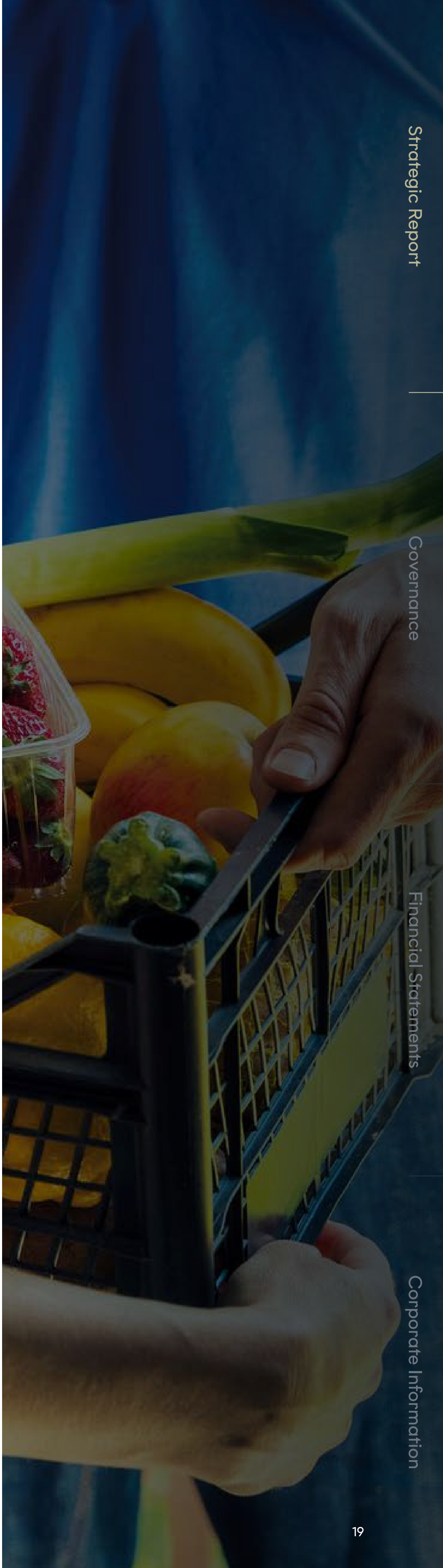
FRP's Financial Advisory team were then engaged to provide a strategic review of the management's plan and identify any further opportunities. The FRP team produced a detailed financial review of historical and forecast performance, to understand the key drivers of the business and assess the achievability of budgets.

FRP then examined the validity of the management's proposed cost saving initiatives, through considering key risks in the approach.

FRP concluded that the management had taken an appropriate and thorough approach to reducing the company's cost base and the plan was successfully presented to the parent company, to secure funding until the company could return to a self-funding state, avoiding insolvency or a low value sale.

> FRP conducted a review of the executive team, including a salary and benefits benchmarking exercise, to fully understand any additional financial risk.

Simon Longfield
Financial Advisory



Services contract dispute goes to the High Court

FRP provided expert forensic accounting services on behalf of a car manufacturer (the defendant) responding to a claim by a software developer (the claimant) in the High Court.

The claimant alleged that the defendant had unlawfully terminated a contract, under which the claimant had agreed to develop a software package for the defendant. The defendant counterclaimed that the claimant had underperformed on the contract and did not deliver the promised software, and the termination was therefore lawful. The defendant also counterclaimed that the claimant misrepresented its experience.

One of FRP's specialist Forensic Services Partners quantified the defendant's loss, which included increased costs associated with a replacement solution and lost profits, as a result of the claimant not having developed the software package to the defendant's satisfaction. We also responded to the claimant's expert's calculation for lost profits relating to the alleged unlawful termination of the contract.

> In their role as the nominated expert forensic accountant, our FRP Partner also testified in the High Court. This was a complex, high value case for which we are now awaiting the judgement.

Chris Osborne
Forensic Services

Use of AI saves cost and time on construction dispute

The FRP Forensic Technology team were engaged to provide forensic collections and eDiscovery services for a large-scale construction dispute. Due to compressed time scales and the dispersed nature of the data sources and custodians, the team carried out remote mobile phone and laptop collections. This approach allowed the legal team to gain an early understanding of the data universe which facilitated further refinement of the collections plan.

The FRP team utilised an Early Case Assessment ("ECA") workflow to analyse and refine the data universe, with a sub-set of data moving to final review. This final review was split into several workstreams with the largest harnessing the power of AI.

This not only ensured that the client adhered to the guidance within Practice Direction 57AD, it also ensured the review was conducted in the most cost effective and timely manner.

"

Utilising the AI model allowed human decision making to be extrapolated, over a multimillion document dataset.

Adrian Coates
Forensic Services

Pre-pack sale of global mobile communications company

Truphone specialises in the provision of connectivity plans and mobile phone recording compliance solutions for major financial institutions. The firm has coverage across 200 countries, with 400 direct network agreements in place.

FRP were engaged to explore strategic options for the company, following the start of the Ukraine conflict and the majority ownership of Truphone by Russian interests.

FRP Corporate Finance worked alongside FRP's Restructuring Advisory team to review the options most suited to the needs of the business. The Corporate Finance team conducted an extensive sale process, involving a number of international parties, to put in place a new ownership and funding structure, securing a pre-pack sale of Truphone to TP Global Operations Limited.

The sale saved around 450 jobs, after being finalised following clearance under the UK National Security and Investment Act 2021, and a granting of a license by the UK Office of Financial Sanctions Implementation, given that Truphone became a sanctioned entity due to its majority shareholders themselves being sanctioned.

FRP's Restructuring Advisory team subsequently supported Truphone, to find a solution to the financial and operational challenges it faced.

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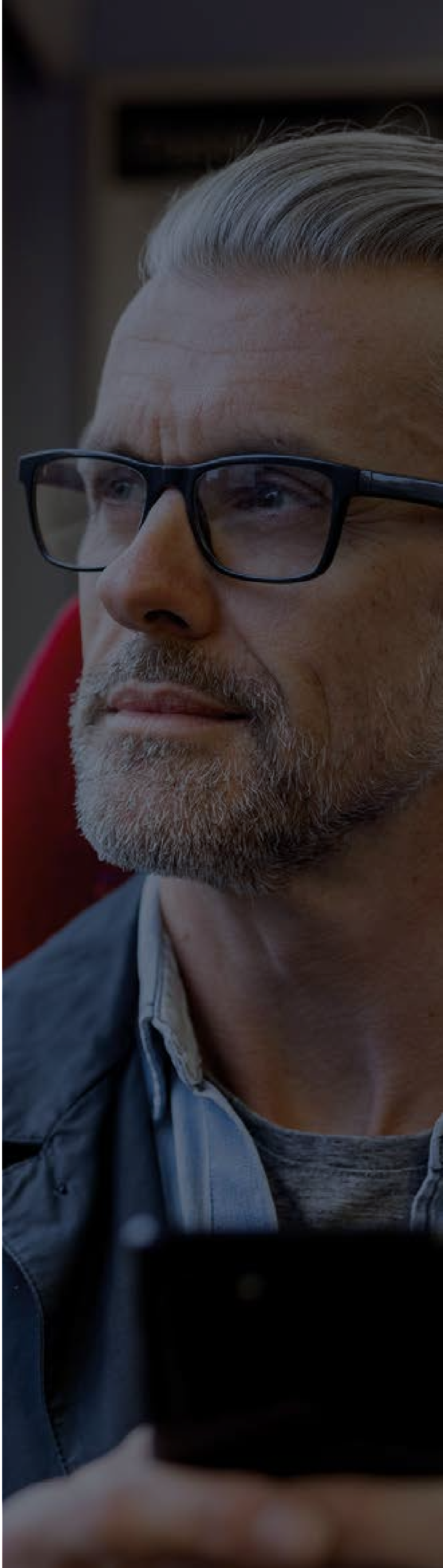
Close collaboration with the leadership team and our expertise in dealing with complex situations, secured the backing of talented entrepreneurs for the Truphone business.

Matthew Flower
Corporate Finance



FRP advises In-Time on its sale to The Timpson Group

In-Time, which has been trading since 1981, provides watch repair services from 38 locations across the UK. The business operates two dedicated shops, as well as kiosks within a range of department stores including John Lewis and previously, Debenhams. Declining sales linked to unforeseen kiosk closures, as well as increased material and import costs, had impacted the business' cashflow and its ability to trade.

FRP's Restructuring Advisory team were appointed as administrators to protect the business and assets. The team worked promptly to immediately secure a pre-pack sale of the company to a national services retailer, The Timpson Group.

The sale resulted in In-Time's assets and 102 members of its 104-strong employee base, including senior leaders within the business, becoming part of Timpson, with 35 of its locations secured.

"

During the recovery process, FRP were able to ensure there was minimal disruption for those In-Time customers whose personal items were held in-store.

Tony Wright
Restructuring Advisory

Strategic Report

For the year ended 30 April 2023

The Directors present their strategic report for the year ended 30 April 2023 ("FY2023").

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 highly connected service pillars:

- Restructuring Advisory: corporate financial advisory, formal insolvency appointments, informal restructuring advisory, personal insolvency and general advice to all stakeholders.
- 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.
- Financial Advisory: buy-and sell-side financial due diligence; lender services including pre-lending due diligence and independent business reviews; valuation services; financial modelling; board and C-suite advisory and pensions advisory services.
- Forensic Services: forensic investigations, compliance and risk advisory, dispute services and forensic technology.

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 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.

FRP is a member of Eight 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, FRP have been building relationships through physical meetings with member firms across Europe, engaged in joint marketing and co-hosting events.

Financial review

Revenue

FRP's revenue grew 9% year-on-year to £104 million (2022: £95.2 million). 8% was organic growth and 1% inorganic, defined as an acquisition's first 12 months' contribution to the Group.

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

The Group grew profitably with adjusted underlying EBITDA* rising by 5% to £27 million (2022: £25.7 million). We continue to maintain a focus on cost control, while modestly investing, to continue executing on delivering sustainable profitable growth.

	2023 £m	2022 £m
Reported profit before tax	15.6	15.1
Add back depreciation, amortisation and interest	2.9	2.6
Reported EBITDA	**18.5**	**17.7**
Add share-based payment expense relating to the Employee Incentive Plan (EIP)	6.3	5.4
Add share-based payment expense - Deemed remuneration	2.1	2.6
Add back exceptional items	0.1	-
Adjusted underlying EBITDA*	**27.0**	**25.7**

* Adjusted underlying EBITDA excludes any exceptional costs and non cash share-based payment expenses that arise 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 9% through both acquisition and demand-led lateral hiring and we opened one new office in Limassol, Cyprus, following the acquisition of APP Advisory in December 2022.

The Group started the financial year with 504 colleagues, (excluding consultants) operating out of 26 UK offices. By 30 April 2023, there were 25 UK offices and one international location, while the colleague number had increased to 551 (excluding consultants), as set out in the table below:

Group's employee numbers at year-end:	FY2023	FY2022
Partners	78	80
Colleagues - fee earners	361	317
Total fee earners	**439**	**397**
Colleagues - support	112	107
Total (exc. Consultants)	**551**	**504**

Balance sheet and cash flow

The Group's balance sheet remains strong with a net cash balance as at 30 April 2023 of £22.9 million (2022: £18.1 million), consisting of gross cash of £27.7 million, less a balance remaining on a term loan of £4.8 million. The Group also has an undrawn RCF of £10 million with Barclays Bank. These facilities were refinanced in July 2023 for 3 years.

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

The Group has improved the staff utilisation rate to 65% (2022: 61%). Utilisation is expected to be circa. 60% or greater. The Group monitors utilisation and capacity and has a culture of internal collaboration whereby colleagues can be utilised across different locations.

Dividend

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

The FRP Staff Employee Benefit Trust which was seeded by Partners on IPO and which holds shares that back employee options, has waived its right to dividends and the corresponding amount was retained by the Group. As the employee shares options became exercisable from 6 March 2023, these shares will attract dividend rights when converted. The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p per eligible Ordinary Share (2022: 4.3p).

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, Financial Advisory, Forensic Services and Restructuring Advisory, to create an integrated business able to take advantage of opportunities across the economic cycle and the lifecycle 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, contingent success fees based on transaction value or an agreed mix of these basis.

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 lifecycle.

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 independent professional services group, providing a long-term income opportunity for shareholders.

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. The APP acquisition further strengthens our international presence and supports our work with global advisory organisation Eight International, enabling us to better support our clients on international matters.
- Continuing to serve the full range of clients including personal clients, SME's, our core mid-market and high-profile more complex, appointments.
- Continuing to develop new specialist services that meet client demand, such as our new financial advisory pillar.
- Growing the Group's Forensic Services pillar, which includes leveraging the latest technology e.g. RelativityOne.
- 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.

Acquisitive growth

Following an acquisition we treat the first 12 months' contribution to the Group as inorganic, and month 13 onwards becomes organic.

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. The acquisition strategically fits into the Group's five service pillars and we believe there to be revenue synergies from the combinations.

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 20%. The more complex administration market, where FRP are particularly active, increased by 40% year-on-year.

Whilst the restructuring administration market has remained below pre-pandemic levels for a significant part of the year, the Group slightly increased its administration market share to 14% (FY 2022: 13%, Source: London and Regional Gazettes) and has seen encouraging levels of activity during Q1 FY2024.

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

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 continuing challenges and disruption corporates face, including ongoing inflationary pressures and increased costs of borrowing.

Corporate Finance market growth

FRP Corporate Finance had a busy and successful year, significantly growing its market share to rank as the 13th most active financial adviser in the UK M&A market.

The team was involved in 73 successful transactions with an aggregate deal value of £1.8 billion and £0.8 billion of debt raised. This level of activity gives FRP Corporate Finance a c.1% market share of the UK M&A market, by number of appointments (Source: Experian Market IQ). The average deal value of £25 million places FRP Corporate Finance in the heart of its target SME market.

FRP Corporate Finance continued its commitment to the private equity community with over half (53%) of the deals in the period involving private equity: including buy-side, sell-side, and debt advisory transactions.

At their Annual Global Meeting on 10 May 2023, FRP Corporate Finance Partner Simon Davies was elected as the Chairman of the Alliance of International Corporate Advisors (AICA), for a two year term. The AICA comprises more than 38 member firms across 40 countries and connects over 300 experienced professionals globally.

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; there is also considerable overseas interest in UK assets.

Key performance indicators (KPIs)

Financial	**Year Ended 30 April 2023 £million**	Year Ended 30 April 2022 £million
Revenue	**104.0**	95.2
Adjusted underlying EBITDA (see table on page 24)	**27.0**	25.7
Reported EBITDA	**18.5**	17.7
Adjusted profit before tax*	**24.1**	23.1
Profit before tax	**15.6**	15.1
Cash collection (inc VAT)	**108.1**	109.3
Revenue per Partner**	**1.3**	1.2

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

Non-Financial	**Year Ended 30 April 2023**	Year Ended 30 April 2022
Number of administration appointments	**194**	118
Number of fee earners, including Partners	**439**	397
Staff utilisation rate	**65%**	61%

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 overseeing 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, whose composition changes each year, were responsible for approximately 41% of the Group's revenue (2022: 48%). 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. › Ongoing investment in HR, Learning and Development to support colleague careers within FRP. › 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. 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 grow the business. During the year, Partner shareholders were invited to sell 20% of their holding in return for signing an extended lock-in, so they cannot sell shares without agreement before June 2024. There has also been investment in the HR department to support colleagues.
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, 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 Group via newsletters and video recordings, including from members of the Group's Board of Directors.

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 many Government panels. 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.	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 has always recognised the importance of its reputation and that is the foundation of its success to date. 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.
Business Continuity Plan risk	
There is a risk of an event occurring where the Business Continuity Plan ("BCP") fails and business as usual is significantly interrupted, due to a lack of business readiness (BCP Testing), leading to an inability to deliver client work.	We review our BCP on a regular basis to ensure procedures are up to date. This includes scheduled tabletop exercises to gauge and improve readiness. In addition, colleagues receive relevant training on BCP and how it should be deployed.

Risk	Mitigation and Control
Growth risk There is a risk that FRP fails to execute its growth strategy 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 five service pillars, its diversity mitigates fluctuations in revenue mix. As the pillars complement each other, there is additional scope to move resources between pillars.
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 and clawbacks that may be used to ensure that the acquired business is as expected and valued according to returns generated. A post acquisition review is undertaken after each acquisition, with lessons learnt being recorded for the Group to consider in the future.

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 regarding 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. Many of the Group's employees are 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.
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. 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. In March 2023, the appointment of Kathryn Fleming was announced, along with long standing Non-Executive Director, David Adams, who had been with the business since 2010, retiring on 30 April 2023. Key personnel are identified as part of the Group's risk management framework and mitigations are in place to ensure loss of key personnel could be appropriately managed with the use of both internal and external support.

Risk	Mitigation and Control
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 to entry to new entrants or smaller organisations which 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 for the Group to compete favourably on price.
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. It is an area of consistent investment made by the Group to keep current given rapid changes in threats. Staff undertake regular compulsory training on recognising potential cyber-attacks. The Group has been working towards obtaining ISO 27001 certification, an international standard on information security. Certification requires an external audit of the robustness of the Group's Information Security Management Systems and Controls. FRP was audited by BSI in early July 2023, and the assessor has issued the Group with a certificate of completion and recommended to their internal quality control board that FRP is certified as complying with ISO 27001:2013, receipt of the formal certificate is pending at the current time.

Risk	Mitigation and Control
New Partner/Appointment Taking Director risk	
There is a risk to our reputation if there is insufficient due diligence carried out in relation to new Partner and Appointment Taking Director engagements.	We perform extensive due diligence before an offer is made for a new senior position. In addition, 360 degree Partner vetting takes place with the Group's CEO, COO, CFO and Non-Executive Directors. This includes market soundings taken prior to making an offer and ongoing Partner performance monitoring.
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 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 advisors in place to effectively manage incidents like these, such as complaints procedures and risk management. There have been no successful claims made against the Group.
Environment, Social and Governance (ESG) related risks	
As the Group makes progress on ESG related matters, there will be significant opportunities, however there are also risks in not complying with regulations. There is also a risk that progress on FRP's positive commitment to the environment and society not being met would cause reputational damage. There are also risks facing the Group of increased costs of replacing inefficient technology earlier, severe weather, ESG policy and regulatory changes and large scale market changes with buying behaviours increasing by ESG consideration.	The Group has an ESG Committee to ensure ongoing progress is made. These risks are discussed further in the corporate governance section. While we are closely monitoring these risks, we do not believe they have a significant impact on the Group at present.

Risk management

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

FRP has adopted ISO 31000 as its Risk Management Framework and achieved alignment in July 2022. This enables the business to identify, evaluate, control and monitor risks which are reviewed by their risk owners. This risk process is overseen by the Operational Risk Committee ("ORC"), who in turn, report to the Senior Executive Leadership Team on a regular basis and the ARC. Risk ownership has been integrated into all business activities and forms 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.

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.

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.

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 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.

Section 172 statement cont.

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 quarterly dividends. The expected dividend pay-out ratio to eligible shareholders is 70% of the Group's reported profit after tax.

Throughout its history, FRP has grown on a resilient basis, with a focus on delivering sustainable, deliverable growth and the Board are focused on delivering 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.36% of shares were owned by Partners actively involved in the business and 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 news via LinkedIn, Company website, press 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 Annual performance reviews with tailored training, identified and actioned from this process A colleague Portal A colleague newsletter An internal newsletter A Corporate Finance newsletter A quarterly Pillar newsletter An online Cyber Security platform An online Policy document library The roll-out of Ideadrop, a system to send and receive ideas from colleagues Colleague conference Regional Partner presentations to the Board Whistleblowing policy in place to report wrongdoing
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 › Many colleagues are members of and contribute to, technical groups of regulatory bodies › Regulatory visits every three years as well as interim visits › 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 news via LinkedIn, Company website, press and professional publications › Supporting charities local to our 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 our ESG and TCFD report on page 53

On behalf of the Board

Geoff Rowley
Chief Executive Officer
25 July 2023

Board of Directors

The current Board of Directors of the FRP Advisory Group plc comprises three Executive Directors, three independent Non-Executive Directors, and the Chairman.

Further details about the Board and its role are set out in the Corporate Governance Statement on pages 49 to 52.

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 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 over 30 years' experience including at firms RSM Robson Rhodes and PKF.

Jeremy French

Chief Operating Officer

Jeremy is the Group's Chief Operating Officer, following the IPO in March 2020 and is a Partner Director. He was a joint founder of the business 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's 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 as Divisional CFO at Marsh, Regional Financial Controller at Aon and 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.

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.

Kathryn Fleming

Independent Non-Executive Director

Kathryn joined the Board in April 2023 as an independent Non-Executive Director and has extensive operational experience and significant knowledge of strategy, finance, transformation, technology and global operations within professional services firms. She has held board and executive positions across leading global law firms, and is currently Chief Financial Officer and a board member of Control Risks, a global risk consultancy helping leaders manage risk and create opportunities in a volatile world. Kathryn is also a Non-Executive Director and Chair of the Audit and Remuneration Committee for Seerist inc. who provide augmented analytics technology for security and threat intelligence professionals. She also has sector experience of retail, technology and automotive having held senior finance positions at Marks and Spencer, Johnson Controls and BT.

(Appointed 1 April 2023)

Directors' Report

For the year ended 30 April 2023

The Directors present their report with the financial statements of the Group for the year ended 30 April 2023.

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 85 and shows the results for the year.

The Directors recommend the payment of a final dividend of 2.05p per eligible Ordinary Share in respect of the quarter ended 30 April 2023. It is proposed the final FY2023 dividend, subject to shareholder approval, will be paid on 27 October 2023 to shareholders on the register on the record date of 29 September 2023.

Three Interim dividends of 0.85p have already been declared. These, combined with the above final dividend, which is subject to shareholder approval, will take the total dividends relating to the year to 30 April 2023 to 4.6p per Ordinary Share (2022: 4.3p).

Directors

The current Directors and their brief biographies are detailed on pages 40 to 41.

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 (Retired 30 April 2023)
Gavin Jones
Claire Balmforth
Kathryn Fleming (Appointed 1 April 2023)

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 71 to 75.

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 21.

Directors' interests in shares

The beneficial interests of the Directors in the Ordinary Shares of the Company on 30 April 2023 are set out below:

Ordinary Shares as at 30 April 2023	
Nigel Guy	93,750
Geoff Rowley	7,563,730
Jeremy French	6,050,984
David Chubb	68,750
Gavin Jones	68,181
Claire Balmforth	Nil
Kathryn Fleming	Nil

Please see the Remuneration Committee report for the share options held by Directors.

Geoff Rowley and Jeremy French sold 1,890,933 and 1,512,746 shares, respectively, in the June 2022 secondary placing 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 in June 2024.

Growth and development

Details of the growth and development plan for the Group is set out within the Strategic Report on page 24.

Environmental and Social Governance ("ESG")

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.

The ESG committee ensures the Group has focus on relevant and proportionate value creative ESG initiatives, including those below and those set out in the ESG report (page 53). To that end, we have committed the Group to being Carbon Neutral by 2030.

In December 2022 we launched an electric car scheme for colleagues to negotiate terms to lease or purchase electric cars and we continue to offer flexible working arrangements which reduces colleague commuting. For further details please see our website:

https://www.frpadvisory.com/about/approach/corporate-social-responsibility/environmental-social-and-governance/

During FY2023, FRP became a member of the UN Global Compact, whose aim is to strengthen corporate sustainability worldwide. Over 22,000 companies in 162 countries participate and membership will assist FRP to commit to, assess, define, implement, measure and communicate our sustainability strategy.

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 states 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.

In October 2022, the Insolvency Service and R3's Diversity and Inclusion Steering Group announced the appointment of 19 Diversity and Inclusion Champions, from organisations across the insolvency and restructuring landscape. Two FRP colleagues have joined the 17 other champions to act as role models, share their experience, and inspire change, to support the steering group as it seeks to become more diverse and inclusive.

During 2022, a number of our female Partners and Directors formed the Senior Female Colleagues ("SFC") network to discuss ideas and support and mentor each other, as well as wider colleagues across our offices. The forum enables this senior team to discuss challenges and work together to suggest and implement solutions for the firm.

With growing external appetite for referrals to firms with a senior female team presence, our aim is to further raise the profiles of these representatives across our five complimentary service pillars and offices wherever possible.

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.

The health, safety and wellbeing of all of our colleagues remains a key priority. We feel that colleague interactions within an office environment are important for learning and development, teambuilding and mental wellbeing. Ongoing colleague learning and development remains a focus and a new Learning Management System (LMS) was launched in January 2023. This platform will further aid the induction, appraisal, and performance management of colleagues and ensure the continued enhancement of skill sets across the Group.

The Group has been progressing projects to develop our colleagues, improve operational efficiencies and identify then manage risks via a new Enterprise Risk Management ("ERM") framework, enabling ISO 31000 certification in July 2022.

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.
- An internal newsletter.
- A Corporate Finance newsletter.
- A quarterly Pillar newsletter.
- Video updates for Group announcements, including from members of the Board of Directors.
- 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 and share ideas from colleagues.
- The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) consultations for acquired colleagues transitioning onto FRP contracts of employment.

Employee engagement cont.

On IPO in March 2020, the Partners gifted £15 million worth (at the time) or 18,750,000 shares into an Employee Benefit Trust (EBT), which supports an Employee Incentive Plan (EIP). Share options were granted to colleagues at IPO, with a vesting period of 3 years. On 6 March 2023 the first tranche of share options became exercisable and now there is a regular process in place for colleagues to exercise options either on or after the vesting date. In FY2023 7,865,946 options were exercised, with many colleagues retaining shares.

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

The Group has committed to support charities or similar organisations that provide aid for those who are homeless, in poverty, for children's education, well-being and health and for environmental issues but we do not have a nominated charity that colleagues are obliged to raise funds for.

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 can therefore support a mix of smaller, independent charities in their local area and national charities who provide large capacity fund-raising events .

In FY2023, we were also able to support our professional network's charity programmes by donating £144,806 with colleagues raising an additional £18,937 for their chosen charities.

In 2021, we established a relationship with Carney's Community (registered charity number 1150650) who provide mentoring for disadvantaged young people aged 11 to 30 from deprived backgrounds in Wandsworth, Lambeth and the surrounding areas. During our Senior Team Conference that year, we built 17 bikes which were gifted to Carneys to support a training programme they provide, which ultimately delivers a bike maintenance service for their locality.

At the end of FY2023, ten FRP bikes have been awarded to deserving young people in the Carney's programme who have demonstrated good attendance and a favourable attitude. 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

For energy and carbon reporting please see the corporate governance statement on page 67.

Branches

The Group has one office outside of the UK, in Limassol, Cyprus.

Political and charitable donations

The Company made charitable donations totalling £144,806 during the year ended 30 April 2023 (2022: £7,188).

The Company made no political donations during the year ended 30 April 2023 (2022: £nil).

Post balance sheet events

- A dividend of £2.0m, equivalent to 0.85p per eligible Ordinary Share, was declared on 13 February 2023 and paid on 16 June 2023. The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p 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.

7.9m

7,865,946 options were exercised in FY2023, with many colleagues retaining shares

£145k

The Company made charitable donations totalling £144,806 during the year ended 30 April 2023

Statement of disclosure to auditor

As 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 13 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 £22.9 million. The Group also has available an undrawn £10 million committed revolving credit facility ("RCF") which along with a £4.8 million term loan was renewed in July 2023. Ongoing operational cash generation and this cash balance mean we have sufficient resources to both operate and move swiftly should acquisition opportunities arise. The Group also has the capacity to raise funds through share issue, demonstrated with the £7.5 million gross cash raise as part of a secondary share placing in June 2022.

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 support each other and work on both higher value assignments or higher volume, lower value jobs. Financial Advisory, Forensic Services, Corporate Finance and Debt Advisory can all support the Restructuring Advisory offering but also earn fees autonomously.

Management have conducted sensitivity analysis by reducing revenue by over 35% and separately increasing direct costs by 25% over the next 12 months: both scenarios show FRP to be in a healthy financial position with available cash resources. The Group has also assessed the impact of inflation, rising interest rates and climate change. 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.

When preparing the budget for future years, the Group undertakes significant stress testing in areas such as utilisation, recovery and WIP days. These help the Group highlight and prepare for future eventualities.

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.

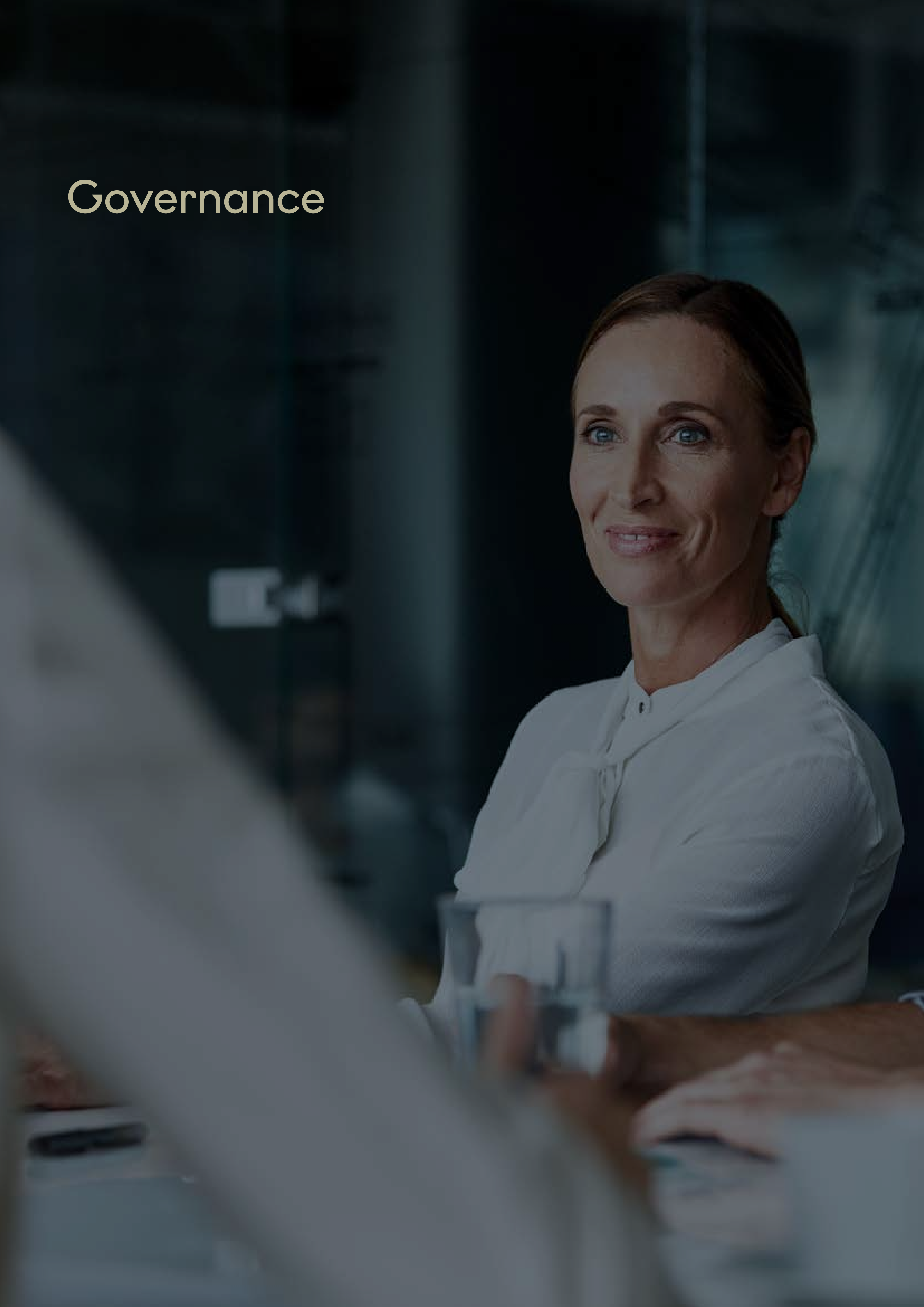
The report of the Directors was approved by the Board on 25 July 2023 and signed on its behalf by:

Geoff Rowley
Chief Executive Officer
25 July 2023

> Colleagues who work at FRP have the opportunity and independence to build strong relationships and push our business forward.

Jeremy French
Chief Operating Officer

Governance



Corporate Governance Statement

For the year ended 30 April 2023

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 bring 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 benefits 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 are a member 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 promotes long-term value for shareholders**	See the "Business model and strategy" section in the Strategic Report.	*26*
2. **Seek to understand and meet shareholder needs and expectations**	See the Section 172 Statement in the Strategic Report.	*36*
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.	*36*
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 "Report of the Audit & Risk Committee"	*30* *69*
5. **Maintain the Board as a well-functioning, balanced team led by the Chair**	See "The Board".	*51*

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.	*51 and 52*
	Also see the Director Biographies.	*40*
7. **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**	See "The Board".	*51*
8. **Promote a corporate culture that is based on ethical values and behaviours**	See "Culture".	*51*
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".	*51 and 52*
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.	*51*
	See also the Corporate Governance Statement and the Section 172 Statement in the Strategic Report.	*49 and 36*

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 groups, 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 40 to 41. 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, Kathryn Fleming 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 Committee 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 16 scheduled Board meetings at which most of the Directors were present.

The Board has reviewed its progress against its 2022 effectiveness performance review in the current financial year. The Board intends to undertake a further effectiveness evaluation during 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. The disclosure Committee meets as required.

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	David Chubb	David Chubb Claire Balmforth

* Non-independent Director

Since the year end, Kathryn Fleming has been appointed to the Audit and Risk, Remuneration and Nomination Committees.

Board and Committee attendance

Attendee	Audit and Risk - attended	Remuneration - attended	Nomination - attended	Board - attended
Nigel Guy	–	–	4/4	15/16
Geoff Rowley	–	–	–	16/16
Jeremy French	–	–	–	16/16
David Chubb	6/6	4/4	4/4	14/16
David Adams	–	–	–	13/16
Gavin Jones	–	–	–	16/16
Claire Balmforth	6/6	4/4	4/4	16/16

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
25 July 2023

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 paper lite working environment by the end of FY2024 > FRP are also working on introducing a document management system in FY24 to minimise paper consumption	> FRP recycles paper, glass, plastics, food , cardboard and general waste > FRP uses re-usable glassware, ceramics and cutlery in place of single use plastics
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	> 93% of FRP's company energy needs are met with renewable energy. FRP are working towards converting the remainder to fully renewable tariffs > When undertaking office refurbishments, FRP install more efficient heating and lighting systems
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 colleague during FY2023: 130 (2022: 133)
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 its 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 14% to end FY2023 (2022:11%). The UK average is approximately 18% (Source: Xpert HR labour turnover rates private-sector services). The voluntary attrition rate is 9% (2022: 8%)	› 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 qualifications › 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 › Two colleagues are amongst 19 Diversity and Inclusion Champions, from organisations across the insolvency and restructuring landscape, appointed to the Insolvency Service and R3's Diversity and Inclusion Steering Group. They act as role models, share their experience, and inspire change, to support this steering group, as it seeks to assist the profession to become more diverse and inclusive

	FRP standard policy	Basis for control
Social continued		
Diversity & upward mobility continued		› A number of FRP's female Partners & Directors sustain a Senior Female Colleagues ("SFC") network to discuss ideas and support and mentor each other, as well as wider colleagues across FRP offices. The forum enables this senior team to discuss challenges and work together to suggest and implement solutions for the firm . › 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 information is available on the Company's website › FRP is a participating organisation in 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 maintains qualified first aiders, H&S training, defibrillators and fire marshals at every location
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 colleague flexible benefits which include discounted leisure activities, buying and selling of 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 standard policy	Basis for control
Social continued		
Employee Health and Safety continued *Wellbeing continued*		› FRP has qualified mental health first aiders in many locations and provides development documentation, explaining how MHFA and HR work together
Community relationships	› FRP supports integration with local communities › FRP is committed to supporting 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 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 has adopted ISO 31000 as its Risk Management Framework and achieved alignment in July 2022 › FRP seek annual certification of a government backed cyber security scheme, which includes an independent specialist testing the Group defences against the most common cyber-attacks › For all vendors, FRP evaluates both data privacy assurance & security resiliency in line with regulatory, contractual and certification requirements › FRP maintains its privacy programme 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 and compliance through a centralised platform, supported by a Policy Review Group providing policy oversight and 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 is working towards attainment of ISO 27001 certification. FRP was audited by BSI in early July 2023, the assessor has issued the Group with a certificate of completion and recommended to their internal quality control board that FRP is certified as complying with ISO 27001:2013, receipt of the formal certificate is pending at the current time
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

	FRP standard policy	Basis for control
Governance continued		
Selling, advertising & product labelling	› FRP primarily secures work through its referral network, rather than advertising externally › FRP ensures the 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 UK GDPR, Data Protection Act 2018 and Privacy and Electronic Communications Regulation
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		
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

	FRP standard policy	Basis for control
Governance continued		
Shareholder Protection continued		
Ownership Structure	› At year-end FRP Partners owned 36% of the Company's ordinary shares and they are actively involved in the business. A further 8% was owned by the Employee Benefit Trust (IPO and acquired post IPO) and 56% by institutional and retail investors › The biggest individual partner shareholding holds c.9%, hence no one person or persons, have an undue influence over business decisions › In May 2022, Partners participated in a 20% sell down but remain significant shareholders and committed to the long-term objectives of the Group	› There is one class of share, which has full voting rights. The Employee Benefit Trust which holds shares that back employee options, has waived its rights to dividends
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 risks the business faces › FRP holds membership of relevant regulatory bodies › FRP is supervised by the ICAEW in relation to anti money laundering ("AML") legislation › FRP has a group money laundering reporting officer ("MLRO") and a deputy MLRO, with assistant MLROs at every office › FRP's Enterprise Risk Management Framework aligns to ISO 31000 with ownership and accountability at all levels within the business and is available in this Annual Report & Accounts	› 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 colleague working hours › All colleagues receive monthly AML newsletters and induction training, which is renewed on an annual basis › FRP perform proactive policy management and compliance through a centralised platform, supported by a Policy Review Group providing policy oversight & assurance and determining sign-off authority

	FRP standard policy	Basis for control
Governance continued		
Shareholder Protection continued		
Risk Management continued	› 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 employs an internal legal counsel	› 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 (an FCA regulated service line pillar)
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, three independent Non-Executive Directors and the Chairman › 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

	FRP standard policy	Basis for control
Governance continued		
Management Accountability	› The Statement of Directors' responsibilities is detailed within this 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
Tenure	› The FRP Board has 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. Board members have experience including managing PLCs, financial and professional service companies, restructuring and corporate advisory
Board compensation	› Full details are published in this 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 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 www.frpadvisory.com/about/approach/corporate-social-responsibility/equal-opportunities/

Task Force on Climate-Related Financial Disclosures Statement ("TCFD")

FRP Advisory Group plc and its subsidiaries, collectively known as 'FRP', 'FRP Advisory' or 'The Group' present the TCFD statement for FY2023. The Group aims to fully comply with the evolving TCFD framework disclosures and s414CB. In this report we address the recommended disclosures as per the below table.

Core Element	Recommended Disclosure	Disclosure
Governance (Section 1)	Describe the Board's oversight of climate-related risks and opportunities.	1.a
	Describe management's role in assessing and managing climate-related risks and opportunities.	1.b
Strategy (Section 2)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	2.a and 2.b
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	2.a and 2.b
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.c
Risk Management (Section 3)	Describe the organisation's processes for identifying and assessing climate-related risks.	Risk section, see page 35
	Describe the organisation's processes for managing climate-related risks.	Risk section, see page 35
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk section, see page 35
Metrics and Targets (Section 4)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	4
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	4

In this report, we present our governance framework, risk management approach, strategic initiatives, performance metrics and targets pertaining to climate-related risks and opportunities according to TCFD-recommended disclosures. FRP operate in an industry that has been deemed a low environmental impact.

1.a Board's oversight of climate-related risks and opportunities

The FRP Board is accountable for the long-term stewardship of the Group and has acknowledged any impact of climate change on our strategy. In early 2022, we took the significant step of creating an ESG committee, whose duties include addressing climate change.

The Board has delegated the responsibility for managing climate-related risks to the ESG committee. The ESG committee reports directly to the Board quarterly, providing updates on the Group's strategic environmental initiatives, progress towards sustainability goals, and our ongoing assessment of climate-related financial risks and opportunities. The Board reviews these updates, offering strategic guidance, and ensuring alignment between the management of climate-related risks and the Group's overall risk appetite. The Board also ensures that adequate resources are allocated to enable the committee to effectively fulfil its role.

1.b Management's role in assessing and managing climate-related risks and opportunities

The ESG committee is chaired by the Chief Financial Officer and comprises senior executives from across the Group. One of its key responsibilities is to provide strategic direction for managing the Group's environmental impacts. This includes the ongoing development of comprehensive risk assessments to identify and evaluate potential climate-related financial risks.

The ESG committee also seeks to identify opportunities associated with the transition to a low-carbon economy, such as potential efficiencies, innovations, or new services that could enhance our business while also reducing our environmental impact. These assessments are integrated into the Group's overall risk management processes and strategic planning. It leverages its broad range of expertise and perspectives to effectively address the challenge of climate change.

To ensure that we stay abreast of evolving climate-related risks and opportunities, the committee meets quarterly to review progress, update risk assessments, and adjust strategies as necessary. All significant decisions and recommendations made are reported to the Board.

2.a Climate related risks and potential financial impacts

Although FRP, as a specialist national advisory firm, does not fall within the priority sectors specified by TCFD, our scope of service touches upon each of those sectors through our portfolio of clients.

At FRP, we follow the guidelines set out by the Intergovernmental Panel on Climate Change (IPCC) in assessing the temporal scope of our climate-related risks. In alignment with the IPCC's categorization, we define short-term as a period of 1 to 5 years, medium-term as a period of 5 to 15 years, and long-term as a period extending beyond 15 years. This framework allows us to strategically plan and implement our risk management measures to address both imminent and future challenges effectively.

FRP operate in an industry that has been deemed a low environmental effect and impact, and as such do not believe there are significant risks facing the Group from climate change. We have highlighted a number of risks that still face the Group, such as reputation, increased costs of replacing inefficient technology earlier, severe weather, ESG policy and regulatory changes and large scale market changes with buying behaviours increasing by ESG consideration. More details can be found on page 24 in the Strategic Report.

2.b Climate-related opportunities and potential financial impacts

As a forward-thinking advisory firm, FRP acknowledges the wide array of opportunities that arise in the evolving landscape of climate change. Guided by the TCFD guidelines, we identify these opportunities within four domains: resource efficiency, energy source, products/services, and resilience. As with climate risks we do not believe these to be significant but will continue to monitor as appropriate.

The Group has a robust balance sheet and by proactively monitoring market trends, adapting our service offerings, and staying ahead of changing consumer preferences. FRP can navigate these risks and position ourselves as a resilient and agile advisory firm in a transitioning market landscape. There have been no material financial risks identified to date.

2.c IPCC qualitative scenario analysis

In this report, we've undertaken a qualitative analysis of the potential impacts of climate change on our organisation, aligning our research with the guidelines set out by the Task Force on Climate-related Financial Disclosures (TCFD). Central to our analysis are the four Representative Concentration Pathways (RCPs), established by the Intergovernmental Panel on Climate Change (IPCC).

2.c IPCC qualitative scenario analysis continued

The four pathways are named after their possible range of radiative forcing values in the year 2100, from 2.6 to 8.5 Watts per square meter. RCP 2.6 is the most optimistic scenario, which aims to keep the global warming increase likely below 2°C. RCP 4.5 and RCP 6.0 are stabilization scenarios where total radiative forcing is stabilized before 2100. The highest emission scenario, RCP 8.5, could result in a temperature increase exceeding 4°C by the end of the century, under certain climate response assumptions. Detailed below is how the Group would adapt and withstand the scenarios with resilient planning.

Qualitative scenario analysis under the IPCC Representative Concentration Pathways (RCPs)

Scenario	Potential Impacts	Strategic Response
RCP 2.6 (Strong Mitigation)	Significant regulatory changes to reduce greenhouse gas emissions lead to a surge in demand for advisory services related to sustainability, energy transition, and regulatory compliance. Increased competition as other professional service firms also expand into these areas.	Developing an advisory service focused on corporate sustainability. This could include advising clients on regulatory compliance, sustainable finance, and strategies for reducing emissions. Invest in training to build expertise in these areas and form strategic partnerships to enhance service offerings.
RCP 4.5 (Intermediate Mitigation)	Moderate regulatory changes and growing societal concern about climate change lead to a steady increase in demand for sustainability-related advisory services. Regulatory changes introduce new complexities for businesses, increasing demand for advisory services.	Expand service offerings to include sustainability-related advisory services. This could include advising clients on how to navigate regulatory changes, incorporate sustainability into their business strategies, and leverage opportunities related to the energy transition. Continuously monitor regulatory developments and societal trends to ensure service offerings remain relevant.
RCP 6.0 (Intermediate Emissions)	Regulatory changes are less significant but growing societal concern about climate change and increasing physical climate impacts lead to increased demand for advisory services related to climate risk management and adaptation.	Develop an advisory service focused on climate risk management and adaptation. This could include advising clients on how to assess and manage climate risks, develop resilience strategies, and adapt to changing climate conditions. Invest in training to build expertise in these areas and form partnerships with climate science institutions to ensure access to the latest climate risk data and models.

Scenario	Potential Impacts	Strategic Response
RCP 8.5 (High Emissions)	Significant physical climate impacts lead to widespread business disruption and increased demand for restructuring and debt advisory services. Growing societal concern about climate change leads to increased demand for sustainability-related advisory services, despite the lack of significant regulatory changes.	Enhance the capacity of restructuring and debt advisory services to manage increased demand, with a focus on supporting businesses affected by physical climate impacts. Develop a dedicated sustainability advisory service to meet growing demand, advising clients on how to navigate the challenges and opportunities of a high-emissions scenario. Increase investment in physical resilience to protect the company's own operations from climate impacts. Avoid exposure of premises considered to have high exposure to climate change physical risks.

3. Risk management and integration of climate-related risks at FRP Advisory

At FRP, we are committed to effectively managing and integrating climate-related risks within our overall risk management framework, following the principles of the ISO 31000 risk management standard. More detailed information can be found within the risk section of the Strategic Report.

4. Climate metrics and targets

Our commitment to environmental sustainability is reflected in our climate-related targets, goals, and strategies. To achieve a reduction in greenhouse gas emissions, FRP has set targets for each emission scope:

Key emission/ energy related performance indicators	Baseline (FY2023)	t CO_2e per employee (FY2023)	Reduction Target (FY2025)	Reduction Target (FY2030)
Emissions KPIs				
Scope 1/ Total metric tons of CO_2e	8.9	0.02	20%	40%
Scope 2/ Total metric tons of CO_2e	73.4	0.13	20%	40%
Scope 3/ Total metric tons of CO_2e (Including purchased goods and services)	4,618.5	7.99	20%	30%
Energy Usage KPIs				
Energy Use Total/ MWh	428		10%	20%
Scope 2 Renewable Energy Use Ratio	93%		100%	100%

As part of our commitment to a sustainable future, we have set goals for the reduction of our direct emissions. We aim to reduce our Scope 1 emissions intensity, those arising from use of natural gas for the running of boilers for heating and hot water in its offices, by 20% by 2025 and 40% by 2030. Similarly, we have committed to curbing our Scope 2 emissions, those stemming from the generation of purchased electricity, heat, and steam, by 20% by 2025 and 40% by 2030. These targets represent intensity per employee reductions, underscoring our determination to lower our total environmental impact. To complement these reductions, we will offset any residual Scope 1 and Scope 2 emissions through the purchase of carbon credits. Our investment in carbon offsetting projects will help us reach our ultimate goal of achieving net-zero emissions for our Scope 1 and Scope 2 sources by 2030.

In line with our commitment to sustainability, we are developing strategies to reduce our Scope 3 emissions significantly. Scope 3 encompasses emissions that are not produced by the Group itself, but by those that it is indirectly responsible for, such as colleague commuting and traveling. One of our key initiatives involves minimising unnecessary travel. We are committed to promoting the use of digital collaboration tools, reducing the need for both commuting and business travel, which are significant contributors to our carbon footprint.

Climate Change targets and policies

To complement our efforts for reducing our emissions we have created a comprehensive plan of targets and policies which we plan to implement before 2030. We have organised our efforts in three major dimensions as below. A detailed table of our efforts is located at the end of this document.

Status of the policies/ targets/ initiatives implemented within our company

In place / Implementing / To be achieved

In place

- Resource Reduction Policy
- Policy Energy Efficiency
- Resource Reduction Targets
- Targets Energy Efficiency
- Environment Management Team
- Environment Management Training
- Environmental Materials Sourcing
- Renewable Energy Use
- Climate Related Risks Assessment Process
- Transition Plan Financial Planning
- Financial Exposure To Transition Risk
- Financial Exposure To Physical Risk
- GHG Emissions Scope 1,2,3 Paris Agreement Aligned
- Policy Emissions
- Targets Emissions
- Waste Reduction Initiatives
- e-Waste Reduction
- Environmental Restoration Initiatives
- Staff Transportation Impact Reduction
- Take-back and Recycling Initiatives
- Climate Change Commercial Risks/ Opportunities

Implementing

- Policy Water Efficiency
- Green Buildings
- Environmental Supply Chain Monitoring
- Environmental Supply Chain Partnership Termination
- Transition Plan Offsets

To be achieved

- Targets Water Efficiency
- Environmental Supply Chain Management
- Land Environmental Impact Reduction
- Biodiversity Impact Reduction
- Environmental Partnerships Hybrid Vehicles

Moving forward

As we navigate the complexities of the present and look to the future, we remain committed to improving our sustainability and climate resilience efforts. Our alignment with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines serves as evidence of our dedication to understanding and effectively managing climate-related risks and opportunities.

We have made progress already, notably in achieving a substantial 93% use of renewable energy for our energy consumption. This accomplishment is due to our strategic approach in reducing our carbon footprint, which remains a critical part of our sustainability efforts. With a view to providing a greater account of our greenhouse gas emissions, we have expanded our Scope 3 emissions reporting to include purchased goods and services. We are also working to enhance our reporting to detail emissions across all upstream and downstream Scope 3 emissions relevant to the Group.

We appreciate the continued support and engagement of all our stakeholders as we journey towards enhanced sustainability and climate resilience.

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 UK Energy Use disclosures 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 is in place. As travel restrictions are all now removed following the Covid-19 pandemic, more travel has been required by colleagues to best support clients.

UK Energy use	Year ended 30 April 2023 Consumption	Greenhouse Gas (GHG) Emissions (CO_2e)	Year ended 30 April 2022 Consumption	Greenhouse Gas (GHG) Emissions (CO_2e)	Notes
Gas	49,002 kWH	8,928	29,000 kWH	5,312	Gas used to fuel heating and hot water boilers in office locations *(Scope 1)*
Electricity	379,363 kWH	5,135	354,324 kWH	24,656	Electricity consumed relates to routine office power requirements *(Scope 2)*
Vehicle Fuel	219,690 miles	57,819	149,598 miles	36,967	Fuel relates to the Group reimbursing employees for mileage related to the use of their private vehicles for the business of *the Group (Scope 3, Category 6)*
Total		71,882		66,935	

Basis of preparation

Gas

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 CO2e figure we have taken our kWH usage figure to which a kgCO2e factor of 0.1822 was applied, being the UK Government's Conversion Factor 2022 for this sort of natural gas use.

Electricity

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 CO2e figure we have totalled our kWH usage for all locations. For all tariffs that are not from renewable sources (7%, FY22: 33%) a kgCO2e factor of 0.19338 was applied, being the UK Government's Conversion Factor 2022 for this type of electricity use.

Fuel Consumption

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 carried out a staff survey and extrapolated the results to create our model (petrol – 55.4%, diesel – 35.3%, hybrid – 7.4% and electric – 2%). 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 2022 for an average vehicle in respect of each fuel type were then applied to the relevant mileage figure to obtain the CO2e figures.

Intensity ratio

CO_2e per colleague during the year to 30 April 2023: 130 (2022: 133).

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.

As part of our carbon reduction programme, in December 2022 we introduced an option for colleagues to negotiate terms to lease electric cars, providing an opportunity to use greener vehicles for personal and commuting use.

Report of the Audit and Risk Committee

For the year ended 30 April 2023

Introduction

The Audit and Risk Committee ("ARC") had two formal members during the year, Claire Balmforth and myself. Kathryn Fleming joined the ARC after the year end, shortly after joining FRP.

I chair the Committee. Claire, Kathryn and I are considered to be independent Non-Executive Directors. Our biographies are set out on page 41. I am a chartered certified accountant and Kathryn is an associate of the Chartered Institute of Management Accountants as well as CFO of Control Risks. We are each considered by the Board to have recent and relevant financial experience to enable the Committee to effectively discharge its duties.

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. There were five Committee meetings during the year and the attendance record is set out at page 52.

Duties

There were no material changes to the Terms of Reference for the ARC since my last report.

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

External auditor

- Mazars LLP ("Mazars") presented a report to the Committee which set out their plan for their audit work and the Committee reviewed the key aspects including the overall approach, key focus areas and materiality levels.
- The Committee considered in particular the following key areas of judgement and estimate in the preparation of the Company's financial statements:
  - Revenue recognition
  - Impairment of intangible assets and goodwill
  - Provision for professional negligence claims and regulatory issues
- The Committee were satisfied with the appropriateness and independence of Mazars. Mazars did not provide any non-audit services during the year. Mazars has been the Company's auditor since FY2020. The Company is not subject to any contractual restrictions on its choice of auditor.
- Post the annual audit, Mazars LLP also met the Committee to present their Audit Completion Report, which provided a review of the audit process, control recommendations for management consideration and a discussion of their observations as auditor. No significant areas of concern were raised.
- The Committee reviewed the performance of Mazars as the external auditor taking into account feedback from management, the wider audit market, cost effectiveness and audit quality, and recommended the re-appointment of Mazars for the financial year to 30 April 2024.

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 announcements to the market for the annual and interim figures were also reviewed by the Committee.
- 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.

Risk management

- The Committee continues to monitor progress within risk management, which includes reviewing the functions of the Operational Risk Committee, set up as part of the Enterprise Risk Management framework.
- The business has 63 policies and during the year, the Committee re-validated the policy approval process.
- During the year there were changes to the senior management within the team responsible for IT systems and risk control so the Committee took time to understand the reorganisation and implementation of personnel changes to be satisfied that this area continued to be appropriately managed.

Risk management continued

- As part of the process to achieve ISO27001 certification, the Group undertook a review of all aspects of cyber security risk management. The Committee discussed this work with management and reviewed the robustness of the information security management systems and controls. The Committee supported the increased investment in management of risk in this area. FRP was audited by BSI in early July 2023, the assessor has issued the Group with a certificate of completion and recommended to their internal quality control board that FRP is certified as complying with ISO 27001:2013, receipt of the formal certificate is pending at the current time.
- The Committee undertook a review of the procedures for managing whistleblowing and supported changes which were introduced in this area.
- The Committee discussed the activities of the Compliance team and reviewed the position regarding internal audit requirements. It was satisfied with the current arrangements for the time being but will keep the position under review as the Group grows.
- The Committee was provided with updates as to implementation of the auditor's recommendations following completion of the FY2022 audit.

The Committee expects to remain focussed on these areas in the coming year and will continue to monitor the Group's progress in these as the business continues to grow and evolve.

David Chubb
Chairperson,
Audit and Risk Committee
25 July 2023

Report of the Remuneration Committee

For the year ended 30 April 2023

This report is for the year ended 30 April 2023 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 2023. The Remuneration Committee is made up of myself as Chair, Kathryn Fleming and David Chubb and we are all considered to be independent Non-Executive Directors . Kathryn joined the Committee after the financial year end.

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;
- Set and manage all aspects of the remuneration of these individuals within the Group's policy and framework;
- 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 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 designated 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 defined as follows, 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.
- *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

The Chief Financial Officer 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.

Remuneration policy continued

CFO pay structure continued

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 received a pension contribution, which has now ceased.

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 49.

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

- Implementing long term share incentive awards for Partners throughout the business, excluding the Partner Directors.
- Determining salary and Base Profit Share for Executive Directors to be effective 1 May 2023.
- 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.
- Determining the level and structure of long term incentive awards made to the CFO.

During 2022/23, h2glenfern Remuneration Advisory provided advice to the Committee on the level and structure of the long term incentive award made to the CFO and provided ad hoc advice and support including benchmarking. 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 is reviewing long term incentive arrangements for non-Partners throughout the coming year.

Company performance during the year to 30 April 2023 and post year-end

The Group had a strong year and grew profitably with £104 million revenue (2022 £95.2 million) an increase of 9% and £27 million of adjusted underlying EBITDA (2022: £25.7 million). The Group also completed one acquisition. Across its network of 26 locations both in the UK and internationally, with five connected specialist service pillars, FRP is well-positioned to help more clients and continue making progress.

In early 2022/23, 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.

Upon IPO, share options were placed in the Employee Benefit Trust ("EBT"), with the purpose of being granted to colleagues via share options. Share options were granted to colleagues at IPO, and since to subsequent joiners, with a vesting period of 3 years. On 6th March 2023 the first tranche of share options became exercisable and now there is a regular process in place for colleagues to exercise options either on or after the vesting date. In FY2023 7,865,946 share options have been exercised, with many colleagues retaining shares that have a dividend entitlement..

Remuneration during the year ended 30 April 2023

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 FY2023 profit allocations payable to Geoff and Jeremy of £1,057,205 and £383,253, respectively, from the discretionary profit share pool.

CFO

The CFO's base salary in the year was £200,000. Reflecting strong individual and company performance, the CFO was awarded a bonus of £261,000 in respect of FY2023, being 131% of his base salary.

During the year, the CFO was granted a long term incentive award of 155,764 nil 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 FY2022 EPS of 7.57p as a baseline. The other 50% of this portion of the Award is subject to a total shareholder return performance condition, using 127p as the baseline (being the closing mid-market price of the Ordinary Shares on 30 April 2022). 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 2025. 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 below detail the total remuneration earned by each Director from the Group in respect of the financial year ended 30 April 2023 and the previous financial year ended 30 April 2022. This excludes long term incentives, which are covered separately.

2023	Salary & fees £	Partner base profit share £	Bonus £	Discretionary Partner Profit Allocation £	Taxable Benefits £	Company Pension £	2023 Total £
Executive directors							
Geoff Rowley, CEO	12,000	315,000	-	1,057,205	-	-	1,384,205
Jeremy French, COO	12,000	315,000	-	383,253	-	-	710,253
Gavin Jones, CFO	200,000	-	261,000	-	6,009	20,833	487,842
Non-Executive Directors							
Nigel Guy	78,797	-	-	-	361	-	79,158
David Chubb	57,784	-	-	-	265	1,869	59,918
David Adams	57,784	-	-	-	265	-	59,049
Claire Balmforth	57,784	-	-	-	-	-	57,784
Kathryn Fleming	4,333	-	-	-	-	-	4,333
Total remuneration	**450,483**	**630,000**	**261,000**	**1,440,458**	**6,900**	**22,702**	**2,841,543**

2022	Salary & fees £	Base Partner 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	n/a	Nil	56,375
Total remuneration	**454,500**	**630,000**	**260,145**	**1,384,154**	**6,439**	**20,651**	**2,755,889**

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 2022	Share price at grant	Granted during year	Lapsed during year	Vested during year	As at 30 April 2023	Vesting date	Lapse date
Gavin Jones	29 Jun 2020	146,044	121.5p	-	-	-	146,044	Jun 2023	Jun 2030
	16 Dec 2021	-	124.0p	185,988	-	-	185,988	Jul 2024	Jul 2031
	31 Aug 2022	-	160.5p	155,764	-	-	155,764	Jul 2025	Aug 2032

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 vested on 6 March 2023 and were exercised on 24 March 2023. No other Non-Executive Directors hold option awards. David Adams has now left the business.

Director	Options exercised
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 September 2022 AGM, in which it recommended shareholders vote against the resolution to approve the Remuneration Report, on the grounds that a portion of share awards granted during YE 2022 was not subject to the achievement of performance targets and that the awards granted to the CFO had a vesting period of less than three years. At the AGM in September 2022, 8.1% of votes cast were voted against this resolution.

At our 2021 AGM 14.5% of votes were cast against the adoption of the 2021 Annual Report, following an adverse voting recommendation by a proxy adviser on grounds that the share awards granted to our CFO on appointment were not subject to the achievement of performance targets.

The Committee took account of this voting in determining the structure of the LTIP award to the CFO made in December 2021 and August 2022. 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.

In response to the 2021 AGM vote, the Company included an advisory resolution on this remuneration report at its 2022 AGM and will do so again at its 2023 AGM.

The vesting period for the December 2021 CFO Share award was shorter than three years, because the award was made late in the financial year and to align vesting to take place following the announcement of results for the third year of the performance period. Awards in 2022 were made earlier in the year, in August 2022 shortly following the 2022 results announcement, and will normally vest shortly after the announcement of 2025 results announced expected to take place in July 2025.

Directors' interests in shares

The interests of the Directors in the shares of the Company were:

	30 April 2023		30 April 2022	
Name	Number	% of issued shares	Number	% of issued shares
Nigel Guy	93,750	0.04	25,000	0.01
Geoff Rowley	7,563,730	3.03	9,454,663	3.89
Jeremy French	6,050,984	2.43	7,563,730	3.11
Gavin Jones	68,181	0.03	Nil	Nil
David Chubb	68,750	0.03	62,500	0.03
David Adams	475,000	0.19	312,500	0.13
Claire Balmforth	Nil	Nil	Nil	Nil
Kathryn Fleming	Nil	Nil	Nil	Nil

In the June 2022 share 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 in June 2024.

Remuneration for the year ending April 2024

Salaries

Partner Directors

The pay structure for the Partner Directors, Geoff Rowley (CEO) and Jeremy French (COO), remained the same in FY2023.

Chief Financial Officer

The CFO's salary is £225,000 effective 1 May 2023. This represents an increase of 12.5% following a market benchmarking exercise, and advice from the Remuneration Committee consultant. Their annual bonus will operate in a similar way to FY2023 with a maximum opportunity of 150% of salary and based on company financial performance 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 30 April 2023, of a similar level and structure to the award made in FY2022.

Non-Executive Director annual fees

The Board (without the Non-Executive Directors present) determined to increase fees by 6% from 1 May 2023, 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	83,525
David Chubb	61,251
Claire Balmforth	61,251
Kathryn Fleming	52,000
Total remuneration	**258,027**

Claire Balmforth
Chairperson,
Remuneration Committee
25 July 2023

Report of the Nomination Committee

For the year ended 30 April 2023

The Committee was formed on the Company's IPO in March 2020. It comprises myself as Chair and the three independent Non-Executive Directors, David Chubb, Claire Balmforth and Kathryn Fleming. Kathryn joined the Committee after the financial year end, shortly after her appointment to the Board.

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 regarding 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

Four formal meetings of the Committee were held during the financial year, with further informal consultations in between.

The principal activity of the Committee during the year has been the development and implementation of a Non-Executive Director Succession Plan. Given that it was approaching the three year anniversary of the Group's IPO, consideration was given by the Committee to the composition, skill set and independence of the Board in the future. As a result, it developed a Non-Executive Succession Plan which was adopted by the Board. The initial phase of the plan involved the recruitment of a new, independent Non-Executive Director.

The Committee used skills mapping to help it assess skills gaps and inform the job description and the recruitment exercise involved the selection of an appropriate, independent search firm to conduct the hiring process. In addition, Board-wide interviews with candidates for the role and due diligence in the form of references, were also undertaken. In March 2023, we were pleased to announce the appointment of Kathryn Fleming with long standing Non-Executive Director, David Adams, who had been with the business since 2010, retiring on 30 April 2023.

The Committee and the Board keep the Succession Plan under review and any further Board changes will be announced in the appropriate manner.

During 2022 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. In the current financial year, the Board assessed its progress and was satisfied with momentum in certain areas including Board composition and the Group's People Proposition.

The Committee's focus is on longer term, strategic topics and we keep these under review in accordance with the Committee's 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
25 July 2023

Statement of Directors' responsibilities

For the year ended 30 April 2023

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 UK-adopted 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 Company website.

Independent auditor's report

to the Members of FRP Advisory Group plc
For the year ended 30 April 2023

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 2023 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 2023 and of the Group's profit for the year then ended;
- 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 91 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 88% 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. In other cases, fees earned by FRP are contingent on a specific event and in these cases no revenue is recognised until there is certainty that the revenue will be received. The directors' commentary on the related judgements and estimates is set out in Note 3 on page 96. 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 the cut off contingent revenue and existence, valuation and cut off 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; > Where fees were contingent, reviewing revenue recorded either pre or post year end and confirming the contingent event occurred in the corresponding period; 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:** £1.07 million **Parent Company materiality:** £1.07 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 tax 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 £0.8m 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	95%	98%	99%	97%
Review at Group level	9	5%	2%	1%	3%

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 77, 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;

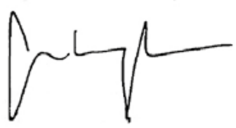
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities, including fraud, rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion,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

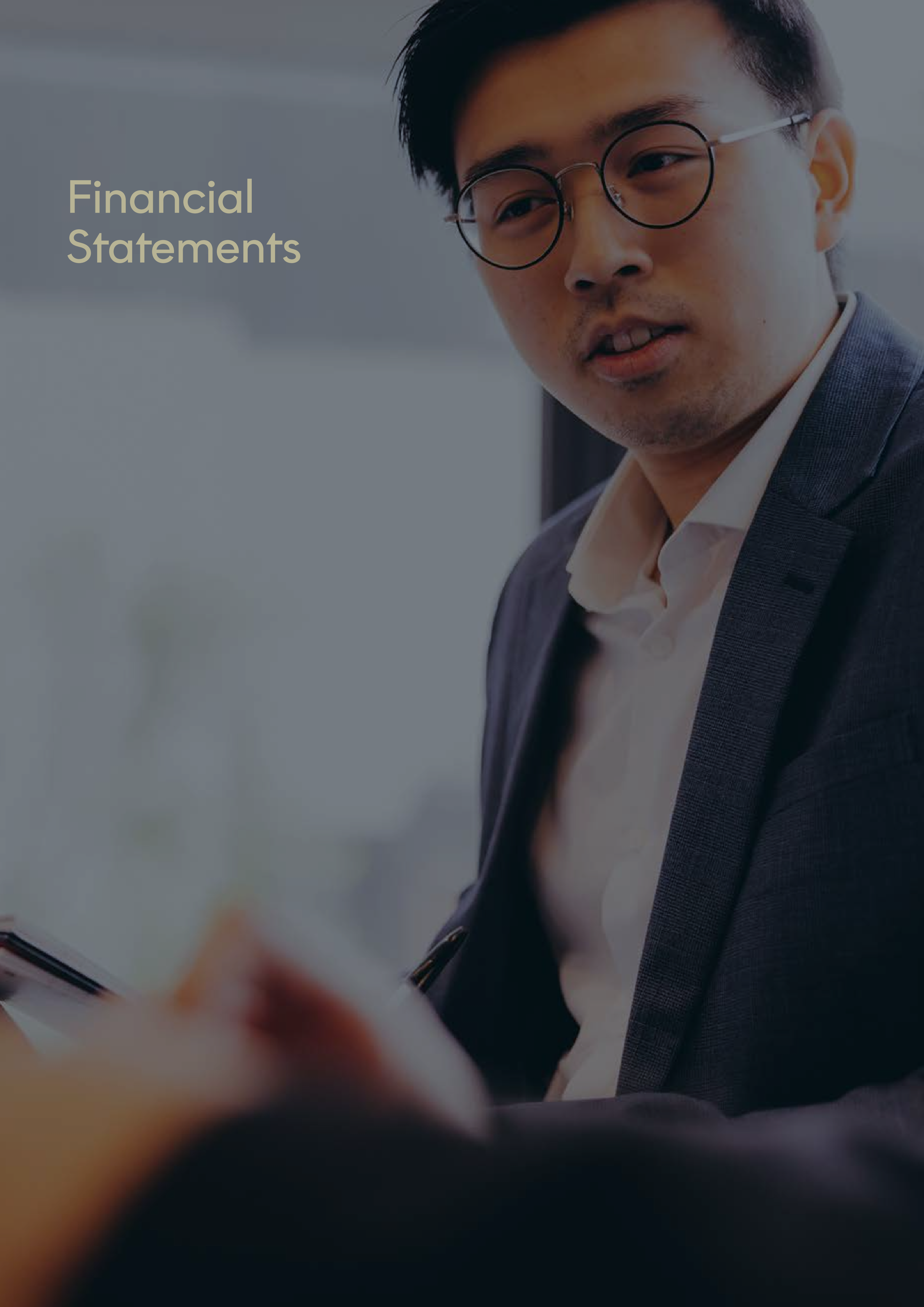
This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. 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
25 July 2023

Financial Statements



Consolidated statement of comprehensive income

For the year ended 30 April 2023

	Notes	Year Ended 30 April 2023 £'million	Year Ended 30 April 2022 £'million
Revenue		**104.0**	95.2
Personnel costs	8	**(64.3)**	(58.8)
Depreciation and amortisation		**(2.5)**	(2.1)
Other operating expenses		**(21.1)**	(18.6)
Exceptional costs	7	**(0.1)**	–
Operating profit	6	**16.0**	15.6
Finance income	10	**0.2**	–
Finance costs	10	**(0.6)**	(0.5)
Net finance costs		**(0.4)**	(0.5)
Profit before tax		**15.6**	15.1
Taxation	11	**(2.9)**	(3.2)
Profit and total comprehensive income for the year attributable to the owners of the Group		**12.7**	11.9
Earnings per share (in pence)			
Total	12	**5.13**	4.90
Basic	12	**5.58**	5.35
Diluted	12	**5.33**	5.04

All results derive from continuing operations.

The notes on pages 89 to 110 form part of these financial statements.

Consolidated statement of financial position

As at 30 April 2023

	Notes	As at 30 April 2023 £'million	As at 30 April 2022 £'million
Non-current assets			
Goodwill	13	**10.8**	10.2
Other intangible assets	13	**0.6**	0.7
Property, plant and equipment	14	**2.5**	2.8
Right of use asset	14	**6.5**	6.3
Deferred tax asset	19	**2.5**	2.4
Total non-current assets		**22.9**	22.5
Current assets			
Trade and other receivables	15	**58.3**	46.1
Cash and cash equivalents	16	**27.7**	24.9
Total current assets		**86.0**	71.0
Total assets		**108.9**	93.5
Current liabilities			
Trade and other payables	17	**29.7**	30.2
Loans and borrowings	18	**1.6**	2.0
Lease liabilities	18	**1.2**	1.4
Total current liabilities		**32.5**	33.5
Non-current liabilities			
Other creditors	17	**4.8**	5.7
Loans and borrowings	18	**3.2**	4.8
Lease liabilities	18	**5.3**	4.9
Total non-current liabilities		**13.3**	15.4
Total liabilities		**45.8**	49.0
Net assets		**63.1**	44.5
Equity			
Share capital	21	**0.2**	0.2
Share premium	27	**32.0**	23.7
Own shares (EBT)	27	**(0.0)**	(0.0)
Share-based payment reserve	27	**1.3**	(1.1)
Merger reserve	27	**1.3**	1.3
Retained earnings	27	**28.3**	20.4
Shareholders' equity		**63.1**	44.5

Approved by the Board and authorised for issue on 25 July 2023.

Jeremy French
Director

Company Registration No. 12315862

Gavin Jones
Director

Consolidated statement of changes in equity

For the year ended 30 April 2023

	Called up share capital £'million	Share premium account £'million	Own shares (EBT) £'million	Share-based payment reserve £'million	Merger reserve £'million	Retained earnings £'million	Total equity £'million
Balance at 30 April 2021	**0.0**	**0.0**	**(0.0)**	**(4.1)**	**1.3**	**12.7**	**9.8**
Profit and total comprehensive income for the year	–	–	–	–	–	11.9	**11.9**
Other movements	–	–	(0.0)	–	–	0.0	**–**
Issue of share capital	0.2	23.7	–	–	–	–	**23.9**
Dividends	–	–	–	–	–	(9.2)	**(9.2)**
Share-based payment expenses	–	–	–	5.4	–	–	**5.4**
Deemed remuneration	–	–	–	2.6	–	–	**2.6**
Transfer to retained earnings	–	–	–	(5.0)	–	5.0	**–**
Balance at 30 April 2022	**0.2**	**23.7**	**(0.0)**	**(1.1)**	**1.3**	**20.4**	**44.5**
Profit and total comprehensive income for the year	–	–	–	–	–	12.7	**12.7**
Other movements	–	–	0.0	–	–	(0.0)	**–**
Issue of share capital	0.0	8.5	–	–	–	–	**8.5**
Share issue costs	–	(0.2)	–	–	–	–	**(0.2)**
Dividends	–	–	–	–	–	(9.8)	**(9.8)**
Share-based payment expenses	–	–	–	6.3	–	–	**6.3**
Deemed remuneration additions	–	–	–	(1.0)	–	–	**(1.0)**
Deemed remuneration charge	–	–	–	2.1	–	–	**2.1**
Transfer to retained earnings	–	–	–	(5.0)	–	5.0	**–**
Balance at 30 April 2023	**0.2**	**32.0**	**(0.0)**	**1.3**	**1.3**	**28.3**	**63.1**

Consolidated statement of cash flows

For the year ended 30 April 2023

	Notes	Year Ended 30 April 2023 £'million	Year Ended 30 April 2022 £'million
Cash flows from operating activities			
Profit before taxation		**15.6**	15.1
Depreciation, amortisation and impairment (non cash)	13,14	**2.5**	2.1
Share-based payments: employee options (non cash)	8	**6.3**	5.4
Share-based payments: deemed remuneration (non cash)	8	**2.1**	2.6
Net finance expenses	10	**0.4**	0.5
Increase in trade and other receivables		**(11.6)**	(3.6)
(Decrease) / Increase in trade and other payables		**(2.2)**	1.6
Tax paid		**(2.0)**	(5.5)
Net cash from operating activities		**11.1**	18.3
Cash flows from investing activities			
Purchase of tangible assets	14	**(0.6)**	(1.4)
Acquisition of subsidiaries less cash acquired	24	**(1.6)**	(4.4)
Interest received		**0.2**	–
Net cash used in investing activities		**(2.0)**	(5.8)
Cash flows from financing activities			
Proceeds from share sales	21	**7.5**	–
Dividends paid	22	**(9.8)**	(9.2)
Principal elements of lease payments		**(1.4)**	(1.2)
Repayment of loans and borrowings	18	**(2.0)**	(1.2)
Interest paid		**(0.6)**	(0.4)
Net cash used in financing activities		**(6.3)**	(12.0)
Net increase in cash and cash equivalents		**2.8**	0.5
Cash and cash equivalents at the beginning of the year		**24.9**	24.4
Cash and cash equivalents at the end of the year	16	**27.7**	24.9

Notes to the financial statements

For the year ended 30 April 2023

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 financial advisory.

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

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 £'million, 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 2023.

FRP Advisory Trading Limited has eleven owned subsidiaries, FRP Debt Advisory Limited, FRP Corporate Advisory Limited, FRP Corporate Finance Limited, Litmus Advisory Limited, Abbott Fielding Limited, JDC Accountants & Business Advisors Limited, JDC Holdings Limited, Spectrum Corporate Finance Limited, BridgeShield Asset Management Limited, FRP Advisory (Cyprus) Limited and APP Audit Co Limited, as well as being a member of FRP Advisory Services LLP.

During the year FRP Corporate Finance Limited was renamed to FRP Corporate Advisory Limited, and a new entity set up called FRP Corporate Finance Limited. The Group also completed one acquisition as set out in Note 24. The assets, liabilities and entity acquired have been consolidated within these Financial Statements, in accordance with IFRS.

The newly acquired entities are FRP Advisory (Cyprus) Limited and APP Audit Co 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 2023:

- IAS 16 Property, Plant and Equipment (Amendment): Proceeds before Intended Use
- IAS 37 Provisions, Contingent Liabilities and Contingent assets (Amendment): Onerous Contracts: Cost of Fulfilling a Contract
- IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework
- Annual Improvements Cycle 2018 to 2020

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.

IFRS standards effective for accounting periods commencing on or after 1 January 2023

- IAS 1 Amendment: Disclosure of Accounting Policies
- IAS 8 Amendment: Definition of Accounting Estimates
- IAS 1 Amendment: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- IAS 12 Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 16 Amendment: Lease Liability in a Sale and Leaseback
- IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 Insurance Contracts (Amendment): Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- IFRS 17 Insurance Contracts and Amendments to IFRS 17
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

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

2.6 Going concern

The business has been, and is currently, both profitable and cash generative. It has consistently grown year on year for 13 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 £22.9 million. In July 2023 the Group refinanced its bank facilities with Barclays on better terms, which expire in 3 years' time. As part of these facilities, the Group has available an undrawn £10 million committed revolving credit facility ("RCF"). Ongoing operational cash generation and this cash balance mean the Group has sufficient resources to both operate and move swiftly should acquisition opportunities arise. The Group also has the capacity to raise funds through share issue, demonstrated with the £7.5 million gross raise in June 2022.

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 support each other and work on both higher value assignments or higher volume, lower value jobs. Financial Advisory, Forensic Services, Corporate Finance and Debt Advisory can all support the Restructuring Advisory offering and also earn fees autonomously.

Management have conducted sensitivity analysis by reducing revenue by over 35% and separately increasing direct costs by 25% over the next 12 months: both scenarios show FRP to be in a healthy financial position with available cash resources. The Group has also assessed the impact of inflation, rising interest rates and climate change. 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.

When preparing the budget for future years, the Group undertakes significant stress testing in areas such as utilisation, recovery and WIP days. These help the Group highlight and prepare for future eventualities.

FRP 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 a going concern basis.

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 pound 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.

The assets and liabilities of foreign operations, including goodwill, are translated into GBP at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into GBP at the rates ruling when the transactions occur, or appropriate averages. Foreign currency differences on translating the opening net assets at an opening rate and the results of operations at actual rates are recognised in retained earnings.

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.

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.

Our property asset management team recognise revenue (typically LPA receivership work) as performance obligations are delivered during a project.

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.

2. Significant accounting policies continued

2.11 Revenue recognition continued

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.

2.14 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. The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for trade receivables. The Group makes specific provisions for lifetime expected credit losses against trade receivables where additional information is known regarding the recoverability of those balances. For the remaining trade receivables balances, the Group has established an expected credit loss model based on historical data. 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.

2.18 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.

2. Significant accounting policies continued

2.18 Taxation continued

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 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.

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 includes 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.

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 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.

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:

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 24 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 £10.8 million (2022: £10.2 million). See Note 13 for further details on the Group's assumptions.

Unbilled revenue

Time recorded for chargeable professional services work is regularly reviewed to ensure that only that which 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 £45.8 million (2022: £35.3 million). Refer to Note 15 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 £8.4 million (2022: £8.0 million). Refer to Note 23 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. The definition of default is when a client or member of other party are unable to pay the amounts due based on internal credit risk management procedures and information.

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	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
Trade receivables	**7.9**	7.2
Cash and cash equivalents	**27.7**	24.9
	35.6	32.1

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 15. 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 amounted to £45.8 million (2022: £35.3 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.

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

Liquidity Risk	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
Within 1 year	**25.2**	**26.3**
Within 2-5 years	**8.9**	**12.0**
Beyond 5 years	**4.1**	**4.0**
	38.2	**42.3**

4. Financial risk management continued

Liquidity risk continued

The discounted carrying value of these liabilities is £37.4 million (2022: £41.2 million), comprising £6.5 million lease liabilities (2022: £6.3 million), £4.8 million loans (2022: £6.8 million), and £26.1 million trade and other payables (2022: £28.1 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 term loan of £4.8 million as at April 2023 and had a rate of interest being base plus 3% repayable over a 3 remaining years. This was refinanced on better terms in July 2023. The company has an interest risk management strategy and reforecasts cashflow whenever the base rate changes. The recent rise in base interest rates has increased repayments due, but the Group is well placed to meet the amounts due.

In terms of sensitivity analysis, if interest rates increased by 200 basis points or 2% the incremental FY2023 impact would reduce the profit before tax by £0.1 million. If base rate (prevailing at the date of signing of 5%) reduced, there would be a marginal increase in the Group's FY2024 profit before tax.

Foreign currency risk

While the Group now has a location operating in Cyprus with a primary currency of Euro, it is considered that 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 enables the Group to meet requirements it may face. In May 2022, the Group repaid all IPO liabilities due to Partners, with a final payment of £1.3 million. Net cash of £22.9 million (2022: £18.1 million), an undrawn £10 million revolving credit facility ("RCF"), the secondary share placing raising £7.5 million in June 2022 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 service pillars which individually do not meet the definition of a disclosable operating segment.

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

6. Operating profit

Operating profit has been arrived at after charging:

	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
Depreciation of owned assets	**0.8**	0.8
Depreciation of right of use assets	**1.6**	1.3
Amortisation of intangible assets	**0.1**	0.1
Fees payable to the Group's auditor for the audit of the Group accounts	**0.1**	0.1
Expenses relating to short term leases	**0.4**	0.3

7. Exceptional costs

Operating items	**Year ended 30 April 2023 £'million**	Year ended 30 April 2022 £'million
Costs in relation to June 2022 share placing	**0.1**	–
Total exceptional costs	**0.1**	–

8. Director and employee information

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

	Year ended 30 April 2023 Number	Year ended 30 April 2022 Number
Directors	**7**	7
Fee earning employees (including Partners)	**406**	370
Non fee earning employees	**97**	90

The aggregate payroll costs of these persons were as follows:

	£'million	£'million
Wages, salaries and Partner compensation charged as an expense	**51.2**	46.4
Social security costs	**3.6**	3.7
Pension costs – defined contribution scheme	**1.1**	0.7
Share-based payment expense	**6.3**	5.4
Deemed remuneration	**2.1**	2.6
	64.3	58.8

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

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

	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
Directors' emoluments	**2.8**	2.7
Benefits in kind (inc. pension contributions)	**0.0**	0.0
	2.8	2.7

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

	£'million	£'million
Remuneration for qualifying services	**1.4**	1.3

One director is currently included in the company pension scheme.

10. Finance income and expense

	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
On short term deposits and investments	**0.2**	–
Total finance income	**0.2**	–
On bank loans and overdrafts measured at amortised cost	**0.4**	0.3
On lease liabilities	**0.2**	0.2
Total finance expense	**0.6**	0.5

11. Taxation

	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
Current tax		
UK corporation tax	**3.0**	4.7
Deferred tax		
Deferred tax credit	**(1.7)**	(1.5)
Reversal of temporary differences	**1.6**	–
Total tax charge	**2.9**	3.2

Reconciliation of tax charge:

	Year ended 30 April 2023 £'million	Year ended 30 April 2022 £'million
Profit before tax	**15.6**	15.1
Corporation tax in the UK at 19.5% (2022: 19%)	**3.0**	2.9
Effects of:		
Non-deductible expenses	**0.4**	0.9
Other permanent differences	**(0.5)**	(0.5)
Total tax charge	**2.9**	3.2

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

12. 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 2023	Adjusted EPS 2023	EPS 2022	Adjusted EPS 2022
Reported profit after tax	**12.7**	**12.7**	11.9	11.9
Add Share-based payments	**–**	**8.4**	–	8.0
Less deferred tax	**–**	**(1.7)**	–	(1.5)
Adjusted profit after tax	**12.7**	**19.4**	11.9	18.4
Total average shares in issue	**248,305,296**	**248,305,296**	243,191,489	243,191,489
Total share EPS* (pence)	**5.13**	**7.83**	4.90	7.57
Weighted average shares in issue excluding EBT	**228,182,054**	**228,182,054**	222,669,711	222,669,711
Basic EPS (pence)	**5.58**	**8.52**	5.35	8.27
Dilutive potential ordinary shares under share option schemes	**10,711,511**	**10,711,511**	13,424,101	13,424,101
Weighted diluted shares in issue	**238,893,564**	**238,893,564**	236,487,521	236,487,512
Diluted EPS (pence)	**5.33**	**8.14**	5.04	7.80

The Employee Benefit Trust has waived its entitlement to dividends and is not included within weighted average shares in issue. It holds 20,123,242 shares of the 249,401,058 shares in issue at 30 April 2023 (2022: 22,531,865). When options are exercised by employees, dividend rights accrue.

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

13. Goodwill and other intangible assets

	30 April 2023		
	Client List £'million	Goodwill £'million	Total £'million
Cost			
At 1 May 2021	0.8	9.6	10.4
Additions	–	0.6	0.6
At 30 April 2022	0.8	10.2	11.0
At 1 May 2022	0.8	10.2	11.0
Additions	–	0.6	0.6
At 30 April 2023	**0.8**	**10.8**	**11.6**
Amortisation			
At 1 May 2021	(0.0)	–	(0.0)
Charge for the period	(0.1)	–	(0.1)
At 30 April 2022	(0.1)	–	(0.1)
At 1 May 2022	(0.1)	–	(0.1)
Charge for the period	(0.1)	–	(0.1)
At 30 April 2023	**(0.2)**	**–**	**(0.2)**
Net book value			
At 30 April 2022	0.7	10.2	10.9
At 30 April 2023	**0.6**	**10.8**	**11.4**

Additions to goodwill in the year relate to acquisitions as set out in Note 24.

13. Goodwill and other intangible assets continued

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 2023:

- Debt Advisory £0.8m
- JDC Group £3.2m
- Spectrum £5.6m
- BridgeShield £0.6m
- APP £0.6m

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 6% (2022: 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% (2022: 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% (2022: 1.0%) is used. This is derived from members' expectations based on market knowledge, numbers of new engagements, and the pipeline of opportunities.

13. Goodwill and other intangible assets continued

Key assumptions used in value in use calculation continued

Sensitivity to changes in assumptions

With regard to the assessment of value in use for Debt Advisory, JDC, Spectrum, BridgeShield, and APP 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.

14. Property, plant and equipment

		30 April 2023 Property, Plant and Equipment			
	Leasehold properties (right of use asset) £'million	Computer equipment £'million	Fixtures and fittings £'million	Leasehold improvements £'million	Total £'million
Cost					
At 1 May 2021	7.6	2.2	0.8	1.9	12.5
Additions	4.0	0.5	0.3	0.7	5.4
Disposals	–	(1.0)	(0.1)	(0.6)	(1.7)
At 30 April 2022	11.6	1.7	0.9	2.1	16.3
At 1 May 2022	11.6	1.7	0.9	2.1	16.3
Arising on acquisitions	0.1	0.0	0.0	0.0	0.1
Additions	1.7	0.4	0.1	0.1	2.3
Disposals	–	(0.2)	–	–	(0.2)
At 30 April 2023	**13.4**	**1.9**	**1.0**	**2.2**	**18.5**
Depreciation					
At 1 May 2021	(4.1)	(1.4)	(0.4)	(0.9)	(6.8)
Depreciation charge for the period	(1.3)	(0.4)	(0.1)	(0.3)	(2.1)
Disposals	–	1.0	0.1	0.6	1.7
At 30 April 2022	(5.3)	(0.8)	(0.4)	(0.7)	(7.2)
At 1 May 2022	(5.3)	(0.8)	(0.4)	(0.7)	(7.2)
Depreciation charge for the period	(1.6)	(0.4)	(0.1)	(0.3)	(2.4)
Disposals	–	0.1	–	–	0.1
At 30 April 2023	**(6.9)**	**(1.1)**	**(0.5)**	**(1.0)**	**(9.5)**
Net book value					
At 30 April 2022	6.3	0.9	0.6	1.4	9.1
At 30 April 2023	**6.5**	**0.8**	**0.5**	**1.2**	**9.0**

15. Trade and other receivables

Trade and other receivables	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Trade receivables	**7.9**	7.2
Other receivables	**4.6**	3.6
Unbilled revenue	**45.8**	35.3
	58.3	46.1

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

Due in:	As at 30 April 2023 £'million	As at 30 April 2022 £'million
<30 Days	**4.1**	3.4
30-60 Days	**1.6**	1.7
60-90 Days	**0.8**	0.8
90-180 Days	**0.8**	0.8
>180 Days	**0.6**	0.5
Total	**7.9**	7.2

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 non-recoverability.

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. Changes from prior periods are due to specific loss allowances, and are detailed below as follows:

As at 30 April 2022	<30 Days £'million	30-60 Days £'million	60-90 Days £'million	90-180 Days £'million	>180 Days £'million	Total £'million
Expected loss rate	0%	2%	3%	7%	62%	12%
Gross carrying amount	3.4	1.7	0.8	0.9	1.3	8.1
Expected credit loss provision	(0.0)	(0.0)	(0.0)	(0.1)	(0.8)	(0.9)
	3.4	1.7	0.8	0.8	0.5	7.2

As at 30 April 2023	**<30 Days £'million**	**<60 Days £'million**	**<90 Days £'million**	**<180 Days £'million**	**>180 Days £'million**	**Total £'million**
Expected loss rate	**5%**	**2%**	**2%**	**16%**	**64%**	**16%**
Gross carrying amount	**4.3**	**1.6**	**0.8**	**1.0**	**1.6**	**9.3**
Expected credit loss provision	**(0.2)**	**(0.0)**	**(0.0)**	**(0.2)**	**(1.0)**	**(1.4)**
	4.1	**1.6**	**0.8**	**0.8**	**0.6**	**7.9**

16. Cash and cash equivalents

	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Cash at bank and in hand	**27.7**	24.9

17. Trade and other payables

Current liabilities	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Trade payables	**1.9**	1.6
Other taxes and social security costs	**8.4**	7.4
Liabilities to Partners go forward	**10.3**	9.1
Liabilities to Partners cessation profits at IPO	**–**	1.3
Deferred consideration	**–**	0.4
Other payables and accruals	**9.1**	10.3
	29.7	30.2

Non-current liabilities	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Other payables and accruals	**0.7**	1.4
Partner capital	**4.1**	4.3
	4.8	5.7

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

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

Other payables and accruals includes £5.5 million of staff costs (2022: £7.1 million).

18. Loans and borrowings

	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Current borrowings		
Bank loan	**1.6**	2.0
Lease liability	**1.2**	1.4
	2.8	3.4
Non-current borrowings		
Bank loan	**3.2**	4.8
Lease liability	**5.3**	4.9
	8.5	9.7
Bank loan is repayable:		
Within one year	**1.6**	2.0
Within two to five years	**3.2**	4.8
	4.8	6.8

The above £4.8 million (2022: £6.8 million) loan is with Barclays Bank plc (Barclays) and is repayable over quarterly instalments of £0.4m. Interest rate was 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 2023, running until 30 November 2023. These facilities were refinanced in July 2023 on better terms for 3 years. The Directors consider that the carrying value of loans and borrowings approximates to their fair value.

19. Deferred tax

	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Deferred tax asset brought forward	**2.4**	0.9
Recognised in profit and loss for the period	**0.1**	1.5
Deferred tax asset brought forward	**2.5**	2.4

The deferred tax provision is analysed as follows:

	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Accelerated capital allowance	**(0.2)**	(0.1)
Share-based payments	**2.8**	2.6
Deferred tax on acquisition	**(0.1)**	(0.1)
	2.5	2.4

20. Financial instruments

	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Financial assets held at amortised cost	**35.6**	32.1
Financial liabilities held at amortised cost	**38.1**	42.3

21. Share capital

Allotted, called up and fully paid	Group as at 30 April 2023 £	Group as at 30 April 2022 £
249,401,058 (2022: 243,191,489) Ordinary shares of £0.001 each	**249,401**	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 5,357,143 new Ordinary Shares were issued as part of a £7.5 million gross raise linked to an oversubscribed secondary share placing.

On 16 December 2022, 321,226 new Ordinary Shares were issued as part of the acquisition of FRP Advisory (Cyprus) Limited and APP Audit Co Ltd .

On 30 March 2023, 137,500 new Ordinary Shares were issued under the company share option scheme.

22. Dividends

For FY2023 a dividend of £1,887k, equivalent to 0.85p per eligible Ordinary Share, was declared on 15 September 2022 and paid on 23 December 2022. A dividend of £1,882k, equivalent to 0.85p per eligible Ordinary Share, was declared on 13 December 2022 and paid on 24 March 2023. A dividend of £1,959k, equivalent to 0.85p per eligible Ordinary Share, was declared on 13 February 2023 and paid on 16 June 2023. The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p per eligible Ordinary Share.

23. Share-based payments

	Number of share options April 2023	Number of share options April 2022
Outstanding at the beginning of the year	**18,336,286**	16,163,479
Granted during the year	**2,112,312**	2,448,975
Forfeited during the year	**(295,595)**	(276,168)
Exercised during the year	**(7,865,946)**	–
Outstanding at the end of the year	**12,287,057**	18,336,286
Exercisable at the end of the year	**4,387,779**	–

The weighted average life of outstanding options was one year (2022: 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	**18,198,786**	**137,500**	**18,336,286**
Granted during the year	**2,112,312**	**–**	**2,112,312**
Forfeited during the year	**(295,595)**	**–**	**(295,595)**
Exercised during the year	**(7,728,446)**	**(137,500)**	**(7,865,946)**
Outstanding at the end of the year	**12,287,057**	**–**	**12,287,057**
Exercisable at the end of the year	**4,387,779**	**–**	**4,387,779**

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	**12,287,057**	**–**	**from 06/03/2023**

Weighted average fair value per option is £0.97 (2022: £0.85).

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 Group's share price since IPO;
- A risk-free interest rate of 3% has been used (2022: 0.6%); and
- 100% of the options issued under the employee scheme are expected to vest.

The total recognised share-based payment expense relating to the employee incentive plan during the year by the Group was £6.3 million (2022: £5.4 million).

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.

23. Share-based payments continued

	Value of deemed remuneration £'million
As at 1 May 2021	**5.2**
Amortised in the year	**(2.6)**
As at 30 April 2022	**2.6**
As at 1 May 2022	**2.6**
Granted in the year	**1.0**
Amortised in the year	**(2.1)**
As at 30 April 2023	**1.5**

24. 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.

APP (FRP Advisory Cyprus Limited and APP Audit Co Limited)

Date	Name	Location	Type	Percentage bought	Services
7 December 2022	FRP Advisory Cyprus Limited (formerly APP Advisory Limited)	Cyprus	Share	100%	Restructuring advisory
7 December 2022	APP Audit Co Limited	Cyprus	Share	49% Class A (Voting) and 100% Class B (Economic rights)	Audit

Acquisition costs of £0.01 million (2022: £0.03 million) relating to the acquisition have been expensed in the period but not adjusted for in adjusted underlying EBITDA.

The fair values of APP at the acquisition date on 7 December 2022, following the purchase price allocation exercise are detailed below.

On 16 December 2022, equity compensation of £540k was also granted to certain vendor fee earners. As this is subject to a lock-in, this has not been included within the cost of the acquisition but as deemed remuneration within the share-based payment reserve in the Statement of Changes in Equity.

The key shareholders who sold APP joined the Group as Partners.

The acquisition contributed £439k of revenue and £105k to the Group's underlying EBITDA for the period between the date of acquisition and the balance sheet date.

24. Acquisitions continued

Combined et assets acquired	Book value £'million	Fair value £'million
Right of use assets	0.1	0.1
Trade receivables	0.5	0.5
Unbilled revenue	0.2	0.2
Cash	0.5	0.5
Trade payables	(0.2)	(0.2)
Accruals	(0.2)	(0.2)
VAT	(0.1)	(0.1)
Corporation tax	(0.0)	(0.0)
Total	**0.8**	**0.8**

Consideration	1.4
Goodwill	**0.6**

Cash flow	£'million
Cash paid as consideration on acquisition	1.4
Less cash acquired at acquisition	(0.5)
Net cash outflow	**0.9**

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

Subsidiary	Consideration £'million
JDC (prior year acquisition)	**0.4**
BridgeShield (prior year acquisition)	**0.3**
APP (see above)	**0.9**
	1.6

25. Leases

	Group as at 30 April 2023 £'million	Group as at 30 April 2022 £'million
Expenses relating to short term leases	**0.4**	0.3
Lease interest	**0.2**	0.2
Cash outflow for leases	**1.7**	1.4

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 2023 £'million	Group as at 30 April 2022 £'million
Due within one year	**1.9**	1.6
Due within two to five years	**1.3**	1.5
Due after more than five years	**4.1**	4.0
	7.3	7.0

26. Cash flow of financing activities

	Notes	Bank loan £'million	Lease liability £'million
At 1 May 2021		8.0	3.6
Repayment of principal		(1.2)	(1.2)
New contracts entered		–	3.9
At 30 April 2022		**6.8**	**6.3**
At 1 May 2022	18	6.8	6.3
Repayment of principal		(2.0)	(1.4)
New contracts entered		–	1.6
At 30 April 2023		**4.8**	**6.5**

27. 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.

Own shares (EBT)

The Own shares reserve represents the shares of FRP Advisory Group plc that are held by the Employee Benefit Trust ("EBT").

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.

28. 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 £21.1 million (2022: 19.9 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.

29. 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.

30. Events after the reporting period

A dividend of £2.0m, equivalent to 0.85p per eligible Ordinary Share, was declared on 13 February 2023 and paid on 16 June 2023. The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p per eligible Ordinary Share.

31. Capital commitments

At the balance sheet date, the Group had no material capital commitments in respect of property, plant and equipment (2022: £nil).

32. 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 2023

	Notes	Company as at 30 April 2023 £'million	Restated Company as at 30 April 2022 £'million
Non-current assets			
Investment in subsidiaries	6	**15.8**	9.5
Total non-current assets		**15.8**	9.5
Current assets			
Trade and other receivables	7	**36.8**	26.4
Cash and cash equivalents	9	**5.4**	5.6
Total current assets		**42.2**	32.0
Total assets		**58.0**	41.5
Current liabilities			
Trade and other payables	8	**–**	0.4
Total current liabilities		**–**	0.4
Net assets		**58.0**	41.1
Equity			
Share capital	11	**0.2**	0.2
Share premium		**32.0**	23.7
Share-based payment reserve	12	**1.3**	(1.1)
Merger reserve		**1.4**	1.4
Retained earnings		**23.1**	16.9
Total Equity		**58.0**	41.1

The Company made a profit of £11.0 million in the year ended 30 April 2023 (2022: £10.1 million).

Parent Company statement of changes in equity

For the year ended 30 April 2023

	Called up Share Capital £'million	Share premium account £'million	Restated Share-based payment reserve £'million	Merger Reserve £'million	Profit & loss account £'million	Total equity £'million
Balance at 30 April 2021	**0.2**	**23.7**	**(4.1)**	**1.4**	**10.9**	**32.2**
Profit for the year	–	–	–	–	10.1	10.1
Issue of share capital	–	–	–	–	(9.2)	(9.2)
Share-based payment expense	–	–	5.4	–	–	5.4
Deemed remuneration	–	–	2.6	–	–	2.6
Transfer to retained earnings	–	–	(5.0)	–	5.0	–
Balance at 30 April 2022	**0.2**	**23.7**	**(1.1)**	**1.4**	**16.9**	**41.1**
Profit for the year	–	–	–	–	11.0	11.0
Issue of share capital	0.0	8.5	–	–	–	8.5
Issue costs	–	(0.2)	–	–	–	(0.2)
Dividends	–	–	–	–	(9.8)	(9.8)
Share-based payment expense	–	–	6.3	–	–	6.3
Deemed remuneration addition	–	–	(1.0)	–	–	(1.0)
Deemed remuneration	–	–	2.1	–	–	2.1
Transfer to retained earnings	–	–	(5.0)	–	5.0	–
Balance at 30 April 2023	**0.2**	**32.0**	**1.3**	**1.4**	**23.1**	**58.0**

Notes to the Parent Company financial statements

For the year ended 30 April 2023

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 the 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 £'million.

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 2023 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 £11.0 million in the year ended 30 April 2023 (2022: £10.1 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.
- The requirements of IFRS 13 Fair Value Measurement.

A listing of new and amended standards adopted by the company have been included on page 89. The adoption of the standards and interpretations has not led to any changes to the company's accounting policies or had any material impact on the financial position or performance of the company.

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. Significant accounting policies continued

2.4 Restatement of prior year results

The restatement of prior period results related to the recognition of equity compensation as deemed remuneration as it is subject to a lock-in period.

	Previously reported £'million	Adjustment £'million	After restatement £'million
Statement of changes in equity			
Share-based payment reserve	1.5	(2.6)	**(1.1)**
Statement of financial position			
Trade and other receivables	29.0	(2.6)	**26.4**

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, as follows), 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 and intercompany balances

The Directors assess the recoverability of investments and debtor balances 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's consolidated financial statements are disclosed in Note 6 of the Group's consolidated financial statements.

5. Director and employee information

The average number of directors during the year was:

	Period ended 30 April 2023 Number	Period ended 30 April 2022 Number
Directors	**7**	7

No amounts were paid to Directors through this Company. The Directors are remunerated through other group entities and it is not possible to allocate their remuneration to this entity.

6. Investment in subsidiaries

	Company £'million
Cost	
At 30 April 2021	4.2
Additions	5.3
At 30 April 2022	**9.5**
At 1 May 2022	9.5
Additions	6.3
At 30 April 2023	**15.8**
Net book value	
At 30 April 2022	9.5
At 30 April 2023	**15.8**

Additions in the year ended 30 April 2023 of £6.3m (2022: £5.3m) 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:

Subsidiaries and Partnerships linked to the Group	**Country of Incorporation**	**Principal activity**	**Shareholding % Ordinary Shares held** Direct 2023	Indirect 2023
FRP Advisory Trading Limited	England & Wales	Professional Services	100%	0%
FRP Advisory Services LLP	England & Wales	Professional Services	0%	99.90%
FRP Corporate Advisory Limited	England & Wales	Professional Services	0%	100%
FRP Corporate Finance Limited	England & Wales	Dormant	0%	100%
FRP Debt Advisory Limited	England & Wales	Dormant	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%	49%*
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 Cyprus	Cyprus	Professional Services	0%	100%
APP Audit Co Limited	Cyprus	Professional Services	0%	49%*

* 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 either officers of, or Partners in, entities within the FRP Group.

6. Investment in subsidiaries 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 £3.8 million (2022: £4.1 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

7. Trade and other receivables

	As at 30 April 2023 £'million	Restated As at 30 April 2022 £'million
Other receivables	**0.0**	0.0
Amounts owed by Group undertaking falling due within one year	**11.8**	1.4
	11.8	1.4
Amounts owed by Group undertaking falling due after one year	**25.0**	25.0

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 2023 £'million	As at 30 April 2022 £'million
Current liabilities		
Other payables and accruals	**–**	0.4

9. Cash and cash equivalents

	As at 30 April 2023 £'million	As at 30 April 2022 £'million
Cash at bank and in hand	**5.4**	5.6

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

10. Financial instruments

	As at 30 April 2023 £'million	Restated As at 30 April 2022 £'million
Financial assets held at amortised cost	**42.2**	32.0
Financial liabilities held at amortised cost	**–**	0.4

11. Share capital

Refer to Note 27 to the Group's financial statements.

12. Share-based payments

Refer to Note 23 to the Group's 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.

15. Events after the reporting period

A dividend of £2.0m, equivalent to 0.85p per eligible Ordinary Share, was declared on 13 February 2023 and paid on 16 June 2023. The Board recommends a final dividend of 2.05p per eligible Ordinary Share for the financial year ended 30 April 2023. Subject to approval by shareholders, the final dividend will be paid on 27 October 2023 to shareholders on the Company's register at close of business on 29 September 2023. If the final dividend is approved, the total dividends paid by the Company relating to the financial year ended 30 April 2023 will be 4.6p per eligible Ordinary Share.

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

Claire Balmforth

Non-Executive Director

David Chubb

Non-Executive Director

Kathryn Fleming

Non-Executive Director

Corporate Information

Company Secretary

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London EC4Y 0DT

Registered Office

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London EC4N 6EU

Company number

12315862
(Registered in England and Wales)

Company Website

www.frpadvisory.com

Advisers

Nominated adviser and broker

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London EC2R 7AS

Joint broker

Investec Bank plc
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London EC2V 7QP

Independent auditor

Mazars LLP
30 Old Bailey
London EC4M 7AU

Solicitors

Bryan Cave Leighton Paisner LLP
Governor's House
5 Laurence Pountney Hill
London EC4R 0BR

Registrars

Link Market Services Trustees Limited
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Financial PR Consultants

MHP
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Bankers

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This Annual Report is available
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