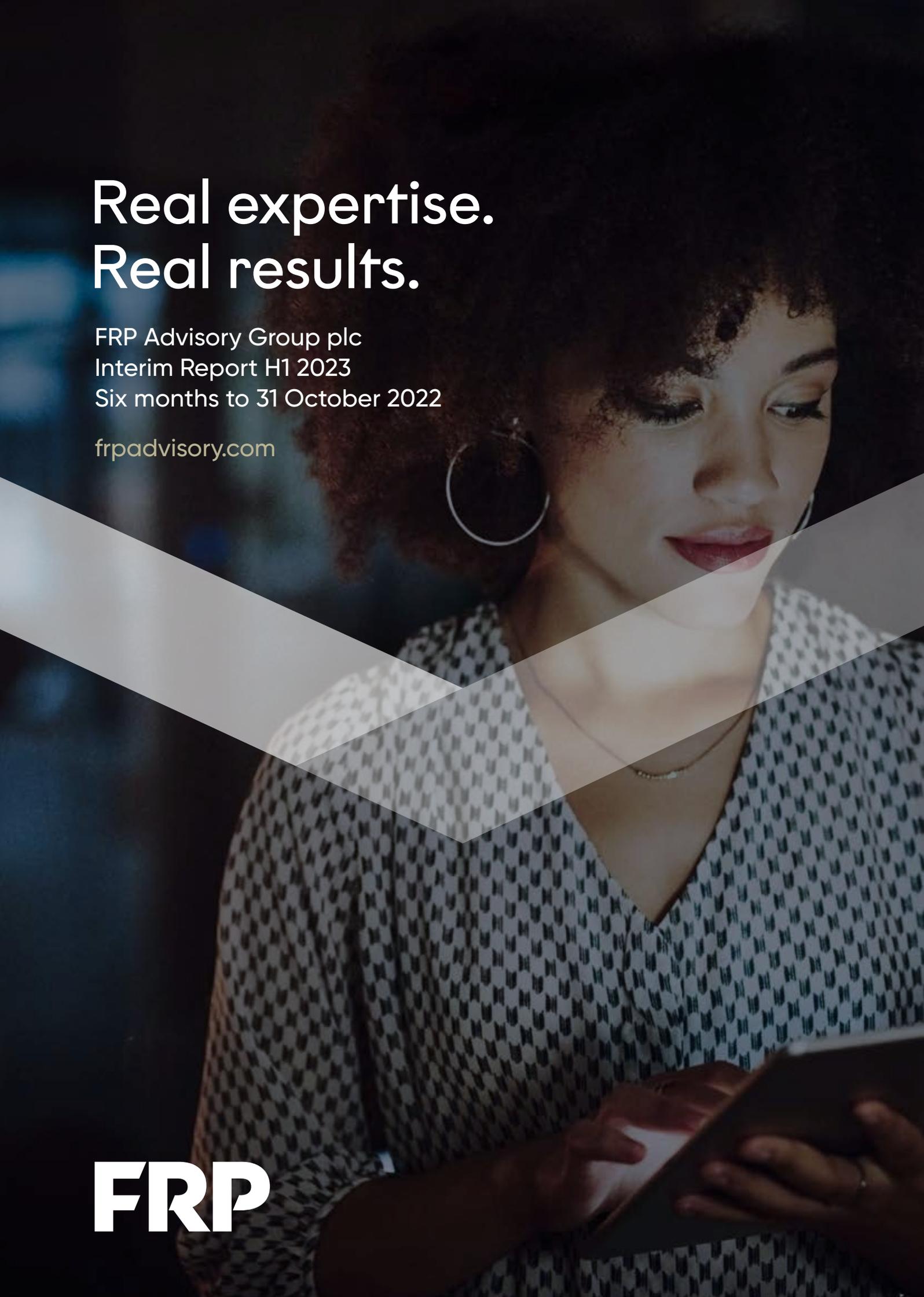


Real expertise. Real results.

FRP Advisory Group plc
Interim Report H1 2023
Six months to 31 October 2022

frpadvisory.com



FRP

Real expertise. Real results.

FRP seeks to provide solutions that create, preserve and recover value. Specialising in restructuring, corporate finance, debt, forensics and pensions, we deliver strategic solutions across a broad range of situations. Our five service pillars complement each other to support clients throughout their entire business lifecycle. We draw on experts within each of our service areas to put the best team forward for each circumstance.

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Highlights

For the six months ended 31 October 2022 - 'H1 2023'

Financial highlights

+10%

Revenue increased 10% to £49.4 million, 9% on an organic basis, 1% inorganic which is from the BridgeShield acquisition in April 2022
H1 2022: £44.7 million

£11.6m

Underlying adjusted EBITDA¹ up 5% to £11.6 million
H1 2022: £11.1 million

£5.4m

Reported profit before tax £5.4 million
H1 2022: £5.7 million

£21.0m

Strong balance sheet with net cash at 31 October 2022 of £21.0 million² (H1 2022: £9.2 million) and a continued undrawn committed revolving credit facility ("RCF") of £10 million

3.35p

Adjusted total EPS of 3.35p, reported basic EPS of 2.58p
H1 2022: Adjusted total 3.25p, reported basic 2.00p

0.85p

Q2 Interim dividend³ of 0.85p
H1 2023: 1.7p (Q1 0.85p and Q2 0.85p)
H1 2022: 1.6p

Operational highlights

- › FRP Corporate Finance completed 40 transactions in H1 2023 with a combined deal value of £1.2 billion and £0.6 billion of debt raised.
- › Engaged within Restructuring to provide both advisory and formal restructuring services across a range of sectors.
- › Administration appointment market share was similar at 13% (H1 2022: 14%), reflecting a 39% increase in total number of administration appointments.
- › 11% year-on-year increase in colleagues to 536 (H1 2022: 485) excluding Consultants, 9% increase in total fee earners.
- › Implementation of key system improvements, to aid operational efficiencies and to enhance internal controls including Salesforce, a CRM system, and an upgraded time recorded system. We have also implemented a new risk management framework and the Group now aligns with ISO 31000.
- › In June 2022, the Company executed a secondary placing and given the demand from investors, also raised an additional £7.5 million gross through the issue of new shares. Partner shareholders were invited to sell 20% of their holding in return for signing an extended lock-in to June 2024.

Post period end

- › On 7th December 2022 we were pleased to announce the acquisition of APP; who are based in Limassol, Cyprus and provide advisory, tax and audit services.

Outlook and current trading

- › Positive medium-term outlook for all of the Group's markets.
- › Well positioned for an expected increase in demand for FRP's broad range of services.
- › The Board is confident of making further progress in the current financial year and trading is in line with market expectations.

Key performance indicators (KPIs)

Financial	H1 2023	H1 2022
Revenue	£49.4m	£44.7m
Underlying adjusted EBITDA ¹	£11.6m	£11.1m
Cash collection (inclusive of VAT where applicable)	£52.0m	£47.1m
Adjusted profit before tax ⁴	£10.2m	£10.0m
Revenue per Partner for 6 months	£0.6m	£0.6m
Non-Financial	H1 2023	H1 2022
Number of administration appointments	78	56
Number of fee earners, including Partners	422	386
Colleague utilisation rate	63%	60%

1. Underlying adjusted EBITDA removes exceptional costs and non-cash costs including share based payments relating to deemed remuneration arising on acquisitions that is subject to continuing employment and the Employee Incentive Plan established on IPO and funded by Partners, resulting in no dilution to existing shareholders. This is illustrated in the underlying adjusted EBITDA table.
2. £26.6m gross cash less £5.6m of structured debt (H1 2022: £16.8m less £7.6m), repayable over approximately three years.
3. The Employee Incentive Plan ("EIP") established on IPO was used to grant options to colleagues. The trust holding these shares is not eligible for dividends as the rights were waived. When the options vest from 2023 onwards, the shares will gain rights to dividends.
4. Adjusted profit before tax is reported profit before tax of £5.4 million (H1 2022: £5.7 million) adjusted for share based payments of £4.5 million (H1 2022: £4.3 million) and exceptional items of £0.3 million (H1 2022: £nil).

Chief Executive Officer's Statement



FRP made good progress in the first half, continuing to grow its revenues, profits and team. Our strategy remains unchanged to deliver sustainable profitable growth by ensuring our five service pillars work together to provide solutions that achieve the best possible outcomes.

Our Restructuring team is well positioned to service the expected increase in demand stemming from the many challenges faced by UK businesses. Uncertainties persist over how long the available liquidity and government backed loans can sustain troubled businesses and how proactive key creditors like HMRC and institutional lenders will be on addressing overdue debts. Our Corporate Finance team has a good pipeline and are seeing an increase in demand for Debt Advisory colleagues to support on transactions.

The medium-term outlook for our key markets remains positive and the Board is confident of making further progress in the current financial year.



Geoff Rowley
Chief Executive
Officer

Management Statement

The Group delivered another strong performance during the six months to 31 October 2022, continuing to grow its revenues, profits and team. Revenue has grown by 10% or £4.7m which has been primarily organic. This in turn has led to an increase in underlying adjusted EBITDA of 5% or £0.5m. The total number of colleagues increased by 6% over H1 2023, due to demand-led lateral hiring, and by 11% year-on-year, including colleagues that joined the Group following the BridgeShield Asset Management Ltd acquisition in April 2022.

It is positive to have been operating in an environment where the pandemic has for the most part been seen in the rear-view mirror. This has allowed both our colleagues and the businesses we advise to resume some sense of normality as teams returned to the office.

Over the last few years, many challenged UK corporates have avoided the need to consider and implement formal restructuring processes as they took advantage of the government-backed support measures made available during the pandemic. Furthermore, key creditors like HMRC have a tax arrears backlog to address and institutional lenders continue to be supportive where possible. In today's increasingly challenging environment it is even more important for clients to secure the best possible advice and more options exist the earlier our expert advice is sought.

During the first half of our financial year there has been economic and market related instability, including currency volatility, interest rate rises and UK government fiscal policy "U turns". These have caused additional uncertainties for businesses. To compound this, the UK economy is still experiencing challenges from significant inflation in food, raw

materials and energy prices, supply chain difficulties and wider impacts from the ongoing Russia/Ukraine conflict. There has also been wage pressures across industries and growing examples of strike action. This has resulted in an increase in enquires for restructuring services compared to last year.

Operational review

The Group's broad range of specialist advisory services form five complementary service pillars: Restructuring Advisory, Corporate Finance, Forensic Services, Debt Advisory and Pensions Advisory. These help make the business more versatile and resilient to support and advise clients throughout their entire lifecycle. While the Group intends to retain its five pillar structure, it is planned in 2023 that our Pensions Advisory pillar will be incorporated and relaunched in a new pillar branded Financial Advisory. This will sit alongside Restructuring Advisory, Corporate Finance, Forensic Services and Debt Advisory.

Financial Advisory will include our existing client facing, financial and pre-lending review services, financial modelling expertise and wider transaction services, including financial due diligence for buy-side and sell-side transactions. The Financial Advisory pillar will also include our Valuation services and Pensions Advisory services. The connection of our pillars is a key point of differentiation as colleagues work together to always ensure the right team from the right locations are working on each project.

Restructuring

FRP continues to be engaged on formal restructuring appointments across a range of sectors and is being increasingly mandated on confidential advisory projects.

The Restructuring team serve the full range of UK clients across all sectors, with a focus on the core mid-market, with assignments ranging from personal clients and SMEs right through to higher-profile appointments. Within the total market, the number of administrations in the first half increased by 51% to 589 (H1 2022: 390). This is still below pre-pandemic levels despite the long list of well documented headwinds facing UK corporates, as we have already highlighted above.

FRP's administration appointments increased by 22 to 78 (H1 2022: 56), a 39% increase. FRP's administration appointment market share was similar at 13% (H1 2022: 14%). Growth in the higher volume liquidations market, which are typically lower value and less complex, has continued, including Creditors Voluntary Liquidations ("CVLs") and Compulsory Liquidations. According to London and Regional Gazettes, figures show there were 11,338 formal company insolvencies (excluding Member Voluntary Liquidations) in England and Wales in the six months to 31 October 2022. This was 35% higher than in the six months to October 2021.

Many troubled UK corporates have avoided the need to consider and implement formal restructuring processes as they have taken advantage of the government-backed support measures made available during the pandemic. Furthermore, key creditors like HMRC have a tax arrears backlog to address and institutional lenders continue to be supportive where possible. The Group expects that as the headwinds further impact the UK economy, demand for the Group's restructuring services will continue to increase.

Corporate Finance (including Debt Advisory)

The integrated FRP Corporate Finance brand was launched in July 2022 supported with a new dedicated corporate finance website to amalgamate the previous FRP Advisory, Spectrum Corporate Finance (acquired in 2021) and JDC Corporate Finance (acquired in 2020) brands. The last six months has also seen the development of centralised support across corporate finance which encompasses research, marketing and deal origination to provide a strong and consistent platform for growth.

Despite the well-publicised economic headwinds, M&A in the UK mid-market proved resilient in H1 2023. FRP Corporate Finance (which includes Debt Advisory) continued to be an active player in this market, advising on 40 deals in the period with a combined value of £1.2 billion and raising £0.6 billion of debt.

Notable deals in H1 2023 included:

- MBO of healthcare services provider, Partnering Health Limited.
- Sale of multi-brand distributor, BTC Activewear to New Wave Group AB in Sweden.
- Sale of Blueback Global, a leader in global expansion services, to TopSource Worldwide.

The team has a good pipeline of existing M&A and Debt Advisory mandates and the level of new enquiries remains encouraging, although rising interest rates and the forecast recessionary period is likely to impact buyers' appetites, particularly in consumer exposed sectors, which could lead to reduce mainstream M&A activity over H2 2023 compared to last year. Conversely, this should lead to an increase in debt refinancings and restructuring related M&A activity.

Forensic Services

FRP's Forensic Services practice anticipates an uptick in fraud related matters as the economy slows down. FRP are well placed to undertake these assignments using a combination of forensic accounting, forensic technology and contentious insolvency skillsets.

FRP's membership of global advisory organisation Eight International has been enhanced with the launch of a new international Forensics & Dispute Resolution Network. FRP's Forensic Services team are working in close collaboration with Eight International's network of leading industry experts who can provide country-specific expertise and invaluable 'on-the-ground' knowledge in every corner of the globe. With the launch of this new network, our clients will have access to an extended, highly specialised, multilingual team of experts who can help to deliver complex projects in a variety of issues, from investigations and dispute services to compliance, financial risk and forensic technology.

The Forensic Services team has been ranked in Band 2 in the Chambers and Partners Litigation Support Guide for the second year running, with 2022 being the fourth consecutive year the firm has been recognised within this international legal directory. In addition, for the first time, the Forensic Services team have also been recognised by the Chambers and Partners for the provision of eDiscovery services, coinciding with the introduction of Relativity's cloud-based e-Discovery solution, RelativityOne.

Financial Advisory

This service pillar will bring together many of FRP's existing services which include: financial and pre-lending review services, financial modelling expertise, financial due diligence for buy-side and sell-side transactions, performance improvement, Valuation services and Pensions Advisory services.

From a company-side advisory perspective our restructuring team focus on helping client boards and their executive management teams preserve and restore value during uncertain times.

Working collaboratively with the restructuring team, our performance improvement colleagues provide a solutions-led approach to delivering stability to an organisation, navigating corporates back to sustainable growth and thereby restoring the confidence of key stakeholders.

Our growing Valuation team has increased its breadth of services to provide valuation advisory and support across the business cycle. The team provides valuations to support capital raise and investment decisions, independent valuations in support of transactions and restructuring processes and expert valuations to support contentious situations such as shareholder disputes. The team advise a range of stakeholders including funds, shareholders, lenders, boards of directors and administrators.

The Pensions team has enhanced its offering to provide in depth support to scheme trustees and employers in finding solutions to address the impact on defined benefit pension schemes of corporate transactions and volatile financial performance. This has focussed on managing risk and maximising value, particularly in a number of business acquisitions, disposals and re-organisations taking into account the changing dynamics for stakeholders arising from new regulations and legislation, including the Pensions Schemes Act 2021.

People and operations

At FRP we focus on the basics; delivering clear, honest advice and always doing the right thing. Our reputation is built on our colleagues helping stakeholders to achieve the best possible outcome.

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. An Employee Incentive Plan (EIP) was established on IPO in order to incentivise employees under which options over ordinary shares were granted to staff, vesting three years from IPO. The trust holding these options is not eligible for dividends as rights were waived. On vesting, the ordinary shares will gain rights to dividends.

In an increasingly competitive environment, we have continued to recruit talented individuals to join FRP and help us grow in targeted areas. Our team grew to 536 as at 31 October 2022, representing 11% growth year-on-year. Team growth can be seen in the table below:

	H1 23	FY 21	H1 21
Partners	80	80	76
Other Fee earners	342	317	310
Subtotal - Fee earners	422	397	386
Support	114	107	99
Total (ex consultants)	536	504	485

During H1 2023, we announced eight Director promotions and a further 86 promotions across a wide range of senior and specialist roles, from Office Managers to Associate Directors/Senior Managers.

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 Papatomas and Christina Papatomas, joined FRP as part of the acquisition of APP in Cyprus. The rest of the APP team also joined FRP, comprising fourteen colleagues and one consultant. Adding offices in selective new locations is part of our growth strategy and as at December 2022 we currently have 26 locations (H1 2022: 23) in the UK and 1 in Cyprus. All offices continue to work well together,

drawing on specialists from our five complementary service pillars as necessary, in order to deliver the best possible service and outcome.

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) is planned to be in place in early 2023.

The Group has been progressing projects to improve operational efficiencies and risk management, enhancing internal controls which include:

- The successful integration of a new CRM system, Salesforce and an upgraded time recording system.
- The rollout of a new HR system to include L&D modules and a Document Management System ("DMS") during the second half of this financial year.
- Adopting a new Enterprise Risk Management ("ERM") framework, enabling ISO 31000 certification in July 2022.
- Together with enhancements to the Group's Information Security Management System ("ISMS"), we are working towards achieving ISO 27001 accreditation within FY 2023.

Environmental, Social and Governance ("ESG")

The ESG Committee ensures the Group has focus on relevant and proportionate value creative ESG initiatives. We have committed the Group to being Carbon Neutral by 2030. During H2 2023 we will launch an electric car scheme for colleagues to negotiate terms to lease or purchase electric cars and we offer flexible working arrangements which reduces colleague commuting. For further details please see our website:

<https://www.frp.advisory.com/about/approach/corporate-social-responsibility/environmental-social-and-governance/>

FRP have become a member of the UN Global Compact, whose aim is to strengthen corporate sustainability worldwide. Over 17,000 companies across 177 countries participate and membership will assist FRP to commit to, assess, define, implement, measure and communicate our sustainability strategy.

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 will join 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.

FRP 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.

Selective acquisitions

Our focus is organic growth, supplemented with selective acquisitions that meet our strict criteria. The three criteria we focus on when it comes to an acquisition are: cultural fit, strategic fit (within our five pillars/growth region) and economic fit (acceptable transaction economics).

In December 2022 FRP acquired APP, an advisory, tax and audit firm; who are based in Limassol, Cyprus. Augoustinos Papatomas and Christina Papatomas joined FRP as Partners. This 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.

Following an acquisition we treat the first 12 months' contribution to the Group as inorganic, with contribution from month 13 onwards becoming organic. The contribution from the April 2022 acquisition of BridgeShield Asset Management Limited is in line with management's expectations.

A strong financial performance

The Group delivered another strong performance during H1 2023, continuing to grow revenue and underlying adjusted EBITDA. The Group generated £49.4 million in revenues over the six months to 31 October 2022, up by 10% or £4.7 million on the same period last year (H1 2022: £44.7 million). This is split organic growth 9% and inorganic growth 1%. Underlying adjusted EBITDA was £11.6 million, up 5% or £0.5 million compared with the same period last year (H1 2022: £11.1 million).

Reported profit before tax for the period was in line with the Board's expectations at £5.4 million (H1 2022: £5.7 million), driven by exceptional costs, an increased share based payment charge and new locations. Converting work in progress to cash remains a top priority, however our success in winning larger, more complex assignments can extend the working capital cycle.

In June 2022, the Company completed a £39 million share placing and given the demand from new and existing institutional investors, this included raising £7.5 million (gross) through the issue of new ordinary shares. The transaction increased the free float and market liquidity of FRP, whilst Partner shareholders were invited to sell up to 20% of their holding in return for entering into an extended lock-in arrangement to June 2024. This successful placing 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 being met.

Dividend

Due to our continued profitability and cash generation, in line with our stated dividend policy, the Board declares an interim dividend for Q2 2023 of 0.85p per eligible share. This dividend will be paid on 24 March 2023 to shareholders on the Company's register on 24 February 2023, with an ex-dividend date of 23 February 2023. This dividend takes the total for H1 2023 to 1.7p per eligible share (H1 2022: 1.6p).

Going concern

During H1 2023, FRP has continued to grow profitably. The Group had net cash of £21.0 million (H1 2022: £9.2 million) and an undrawn RCF of £10 million as at 31 October 2022. Net cash is calculated based on £26.6m gross cash less £5.6m of structured debt (repayable over approximately three years).

The Directors have made appropriate enquiries and consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statement. Further detail on the assessment of going concern can be found within note 2.3 of this interim financial report.

Current trading and outlook

FRP is a resilient business, with a track record of growth regardless of general economic conditions. We have a robust business model and our five complementary service pillars are available to support clients throughout their entire lifecycle. This breadth of services enables us to help clients review their operating models and adapt or evolve as needed, in a fast-changing environment subject to many disruptive and economic pressures.

Our Restructuring team is well positioned to service the expected increase in demand stemming from the many challenges faced by UK businesses. Uncertainties persist over

how long the available liquidity and government backed loans can sustain troubled businesses and how proactive key creditors like HMRC and institutional lenders will be on addressing overdue debts. Our Corporate Finance team has a good pipeline and are seeing an increase in demand for Debt Advisory colleagues to support on transactions. The group has a strong balance sheet and a structure that provides a good level of flexibility to put forward the right team from the right locations for each project.

The medium-term outlook for our key markets remains positive and the Board is confident of making further progress in the current financial year.



Geoff Rowley
Chief Executive
Officer



Nigel Guy
Non-Executive
Chairman

Underlying adjusted results

For the six months ended 31 October 2022

Calculation of underlying adjusted EBITDA

(Earnings Before Interest Tax Depreciation and Amortisation)

£m	H1 2023	H1 2022	FY 2022
Reported profit before tax (PBT)	5.4	5.7	15.1
Add interest, depreciation, amortisation	1.4	1.1	2.6
Reported EBITDA	6.8	6.8	17.7
Add exceptional items	0.3	-	-
Add share based payment expense relating to the Employee Incentive Plan (EIP)	3.3	2.9	5.4
Add share based payment expense - deemed remuneration	1.2	1.4	2.6
Underlying adjusted EBITDA	11.6	11.1	25.7

At present the Company has expensed in H1 2023 but not underlying adjusted EBITDA for:

- Employers National Insurance due to the EIP awards when the options vest in 2023, £0.9m (H1 2022: £0.6m) accrued in the period.

Consolidated statement of comprehensive income

For the six months ended 31 October 2022

	Notes	Unaudited 6 months ended 31 Oct 22 £million	Unaudited 6 months ended 31 Oct 21 £million	Audited Year ended 30 Apr 22 £million
Revenue		49.4	44.7	95.2
Personnel costs		(32.3)	(28.9)	(58.8)
Depreciation and amortisation		(1.2)	(1.0)	(2.1)
Other operating expenses		(10.0)	(8.9)	(18.7)
Exceptional costs	3	(0.3)	-	-
Operating profit		5.6	5.9	15.6
Finance income		0.1	-	-
Finance costs		(0.3)	(0.2)	(0.5)
Net finance costs		(0.2)	(0.2)	(0.5)
Profit before tax		5.4	5.7	15.1
Taxation		0.3	(1.2)	(3.2)
Profit for the period		5.7	4.5	11.9
Total comprehensive income for the period		5.7	4.5	11.9
Earnings per share (in pence)				
Total	4	2.30	1.85	4.90
Basic	4	2.58	2.00	5.35
Diluted	4	2.42	1.91	5.04
Adjusted earnings per share (in pence)				
Total	4	3.35	3.25	7.57
Basic	4	3.76	3.52	8.27
Diluted	4	3.51	3.36	7.80

All results derive from continuing operations.

Consolidated statement of financial position

For the six months ended 31 October 2022

	Notes	Unaudited 6 months ended 31 Oct 22 £million	Restated Unaudited 6 months ended 31 Oct 21 £million	Audited Year ended 30 Apr 22 £million
Non-current assets				
Goodwill		10.2	9.6	10.2
Other intangible assets		0.7	0.7	0.7
Property, plant and equipment		2.7	2.5	2.8
Right of use asset		5.6	3.9	6.3
Deferred tax asset		4.7	1.8	2.4
Total non-current assets		23.9	18.5	22.4
Current assets				
Trade and other receivables	6	48.5	46.2	46.1
Cash and cash equivalents		26.6	16.8	24.9
Total current assets		75.1	63.0	71.0
Total assets		99.0	81.5	93.4
Current liabilities				
Trade and other payables	7	26.1	26.7	30.2
Loans and borrowings		1.6	2.0	2.0
Lease liabilities		1.7	0.4	1.3
Total current liabilities		29.4	29.1	33.5
Non-current liabilities				
Trade and other payables	7	5.4	6.3	5.7
Loans and borrowings		4.0	5.6	4.8
Lease liabilities		4.0	3.6	4.9
Total non-current liabilities		13.4	15.5	15.4
Total liabilities		42.8	44.6	48.9
Net assets		56.2	36.9	44.5
Equity				
Share capital		0.2	0.2	0.2
Share premium		31.7	23.7	23.7
Treasury shares reserve		(0.0)	(0.0)	(0.0)
Share based payment reserve		2.9	0.2	(1.1)
Merger reserve		1.3	1.3	1.3
Retained earnings		20.1	11.5	20.4
Shareholders' equity		56.2	36.9	44.5

Approved by the Board and authorised for issue on 12 December 2022.

Jeremy French

Director, COO

Company Registration No. 12315862

Gavin Jones

Director, CFO

Consolidated statement of changes in equity

For the six months ended 31 October 2022

	Called up share £million	Share premium £million	Treasury share £million	Share based payment £million	Merger reserve £million	Retained earnings £million	Total equity £million
Balance at 31 October 2021 (Unaudited, restated)	0.2	23.7	(0.0)	0.2	1.3	11.5	36.9
Profit for the period	-	-	-	-	-	7.5	7.5
Other movements	-	-	(0.0)	-	-	(0.0)	(0.0)
Dividends	-	-	-	-	-	(3.6)	(3.6)
Share based payment expense	-	-	-	2.5	-	-	2.5
Deemed remuneration	-	-	-	1.2	-	-	1.2
Transfer to retained earnings	-	-	-	(5.0)	-	5.0	-
Balance at 30 April 2022 (Audited)	0.2	23.7	(0.0)	(1.1)	1.3	20.4	44.5
Profit for the half year	-	-	-	-	-	5.7	5.7
Dividends	-	-	-	-	-	(6.0)	(6.0)
Issue of share capital	0.0	8.0	-	-	-	-	8.0
Share based payment expense	-	-	-	3.3	-	-	3.3
Deemed remuneration	-	-	-	0.7	-	-	0.7
Balance at 31 October 2022 (Unaudited)	0.2	31.7	(0.0)	2.9	1.3	20.1	56.2

Consolidated statement of cash flows

For the six months ended 31 October 2022

	Unaudited 6 months ended 31 Oct 22 £million	Restated Unaudited 6 months ended 31 Oct 21 £million	Audited Year ended 30 Apr 22 £million
Cash flows from operating activities			
Profit before tax	5.4	5.7	15.1
Depreciation, amortisation and impairment (non cash)	1.2	1.0	2.1
Share based payments: employee options	3.3	3.0	5.4
Share based payments: deemed remuneration	0.7	1.4	2.6
Net finance expenses	0.2	0.2	0.5
Increase in trade and other receivables	(2.4)	(3.9)	(3.5)
Decrease in trade and other payables	(5.1)	(2.3)	1.6
Tax paid	(0.2)	(1.7)	(5.5)
Net cash from operating activities	3.1	3.4	18.3
Cash flows from investing activities			
Purchase of tangible assets	(0.3)	(0.6)	(1.4)
Acquisition of subsidiaries less cash acquired	(0.4)	(3.6)	(4.4)
Net cash used in investing activities	(0.7)	(4.2)	(5.8)
Cash flows from financing activities			
Gross proceeds from share sales	7.5	-	-
Dividends	(6.0)	(5.6)	(9.2)
Principal elements of lease payments	(0.7)	(0.6)	(1.2)
Repayment of loans and borrowings	(1.2)	(0.4)	(1.2)
Interest paid	(0.3)	(0.2)	(0.4)
Net cash used in financing activities	(0.7)	(6.8)	(12.0)
Net increase/(decrease) in cash and cash equivalents	1.7	(7.6)	0.5
Cash and cash equivalents at the beginning of the period	24.9	24.4	24.4
Cash and cash equivalents at the end of the period	26.6	16.8	24.9

Notes to the Financial Statements

For the six months ended 31 October 2022

1. General information

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

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

2. Basis of preparation and accounting policies

The condensed consolidated financial information is prepared in sterling, which is the presentational currency of the Company. Amounts in this financial information are rounded to the nearest £0.1 million.

The condensed consolidated financial information has been prepared on the basis of Company accounting policies and should be read in conjunction with the Group's last annual consolidated financial statements.

This financial information does not include all of the information required for a complete set of IFRS financial statements.

This condensed consolidated H1 2023 financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2022 were approved by the Board of Directors on 22 July 2022 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

2.1 Basis of consolidation

The financial statements incorporate the results of FRP Advisory Group plc and all of its subsidiary undertakings as at 31 October 2022.

FRP Advisory Group plc is the 100% shareholder of FRP Advisory Trading Limited. FRP Advisory Trading Limited has eight wholly owned subsidiaries, FRP Debt Advisory Limited, FRP Corporate Finance Limited, Litmus Advisory Limited, Abbott Fielding Limited, JDC Accountants & Business Advisors Limited, JDC Holdings Limited, Spectrum Corporate Finance Limited and BridgeShield Asset Management Limited. FRP Advisory Trading Limited is also a member of FRP Advisory Services LLP and Apex Debt Solutions LLP. JDC Holdings Limited has two subsidiaries, Jon Dodge & Co Limited and Walton Dodge Forensic Limited. FRP has 100% of the economic interest in JDC Accountants & Business Advisors Ltd.

2.2 Significant accounting policies

Accounting policies adopted in preparation of the H1 2023 condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2022.

2.3 Going concern

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

At period end the Group had net cash of £21.0m. The Group also has available an undrawn £10m committed revolving credit facility. Ongoing operational cash generation and this cash balance means the company has sufficient resources to both operate and move swiftly should acquisition opportunities arise.

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 equally support the Restructuring Advisory offering and also earn fees autonomously.

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

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

2.4 Restatement of prior year results

The Group have changed their dividend recognition policy. Previously the Group recognised interim dividends at the point when the Board declared publicly, however, going forward the Group will follow paragraph 2.10 of the ICAEW's Technical Release 02/17BL and recognise interim dividends when paid. The impact of this change results in the de-recognition of a £1.8 million interim dividend liability in H1 2022 as it was paid in H2 2022, with a corresponding increase in net assets and retained earnings of the same amount. There was no impact on the Group's profit or cash flows.

3. Exceptional costs

Exceptional costs relate to the Share placing in June 2022, which included an extension of the lock-in for Partners.

4. Earnings per share ("EPS")

The 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 H1 2023	Adjusted EPS H1 2023	EPS H1 2022	Adjusted EPS H1 2022
Reported Profit after tax	5.7	5.7	4.5	4.5
Add exceptional items	-	0.3	-	-
Add share based payments	-	4.5	-	4.3
Less deferred tax	-	(2.2)	-	(0.9)
Adjusted profit after tax	5.7	8.3	4.5	7.9
Total shares in issue	247,448,913	247,448,913	243,191,489	243,191,489
Total share EPS (pence)	2.30	3.35	1.85	3.25
Weighted average shares in issue excluding EBT	220,504,872	220,504,872	224,441,489	224,441,489
Basic EPS (pence)	2.58	3.76	2.00	3.52
Dilutive potential ordinary shares under share option schemes	15,213,834	15,213,834	10,811,851	10,811,851
Weighted diluted shares in issue	235,718,706	235,718,706	235,253,340	235,253,340
Diluted EPS (pence)	2.42	3.51	1.91	3.36

The Employee Benefit Trust (EBT) does not have an entitlement to dividends, holding 26,944,041 (H1 2022: 18,750,000) shares of the above 247,448,913 (H1 2022: 243,191,489) ordinary shares.

5. Dividend

The Board declared an interim dividend for Q2 2023, the period to 31 October 2022 of 0.85p per eligible* share. This dividend will be paid on 24 March 2023 to shareholders on the Company's register on 24 February 2023, with an ex-dividend date of 23 February 2023.

*An Employee Incentive Plan (EIP) established on IPO was used to grant options to staff. The trust holding these shares is not eligible for dividends, as rights were waived. When the options vest from March 2023 onwards, the shares will gain rights to dividends.

6. Trade and other receivables

	Unaudited 6 months ended 31 Oct 22 £million	Unaudited 6 months ended 31 Oct 21 £million	Audited Year ended 30 Apr 22 £million
Trade and other receivables			
Trade receivables	6.0	7.7	7.2
Other receivables	2.4	1.8	3.6
Unbilled revenue	40.1	36.7	35.3
	48.5	46.2	46.1

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

Due in	As at 31 Oct 22 £million	As at 31 Oct 21 £million	As at 30 Apr 22 £million
<30 Days	3.0	4.0	3.4
30-60 Days	1.0	1.5	1.7
60-90 Days	0.3	0.5	0.8
>90 Days	1.7	1.7	1.3
Total	6.0	7.7	7.2

7. Trade and other payables

	Unaudited 6 months ended 31 Oct 22 £million	Restated Unaudited 6 months ended 31 Oct 21 £million	Audited Year ended 30 Apr 22 £million
Current liabilities			
Trade payables	0.7	0.7	1.6
Other taxes and social security costs	5.7	4.9	7.4
Liabilities to Partners go forward	10.9	11.5	9.1
Liabilities to Partners cessation profits at IPO	-	3.9	1.3
Deferred consideration	-	0.8	0.4
Other payables and accruals	8.8	4.9	10.4
	26.1	26.7	30.2

	Unaudited 6 months ended 31 Oct 22 £million	Unaudited 6 months ended 31 Oct 21 £million	Audited Year ended 30 Apr 22 £million
Non-current liabilities			
Other payables and accruals	1.1	2.2	1.4
Partner capital	4.3	4.1	4.3
	5.4	6.3	5.7

8. Post balance sheet events

In December 2022 FRP acquired APP Advisory Ltd and the economic rights to APP Audit Co Ltd; both are based in Limassol, Cyprus. The business provides advisory, tax and audit services.

Directors & advisers

Directors

Nigel Guy

Non-Executive Chairman

Geoff Rowley

Chief Executive Officer

Jeremy French

Chief Operating Officer

Gavin Jones

Chief Financial Officer

David Adams

Non-Executive Director

David Chubb

Senior Independent Non-Executive Director

Claire Balmforth

Independent Non-Executive Director

Corporate Information

Company Secretary

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Solicitors

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