



Real expertise. Real results.

FRP Advisory Group plc
Interim Report H1 2024
Six months to 31 October 2023

frpadvisory.com

FRP

Real expertise. Real results.

FRP seeks to deliver solutions that create, preserve and recover value, enabling businesses to navigate a broad range of complex situations. Specialising in Restructuring, Corporate Finance, Debt, Forensics and Financial Advisory, we develop effective strategies tailored to the needs of businesses of all kinds. 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 situation.

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Highlights

For the six months ended 31 October 2023 - 'H1 2024'

Financial highlights

+19%

Revenue increased to £58.7 million, 16% on an organic basis and by 3% on an inorganic basis (APP and Wilson Field Group acquisitions)
H1 2023: £49.4 million

+34%

Underlying adjusted EBITDA¹ up 34% to £15.5 million
H1 2023: £11.6 million

£11.5m

Reported profit before tax £11.5 million
H1 2023: £5.6 million

£11.7m

Strong balance sheet with net cash at 31 October 2023 of £11.7 million² (H1 2023: £21.0 million) and a continued undrawn committed revolving credit facility ("RCF") of £10 million

4.20p

Adjusted total EPS⁴ of 4.20p, reported basic EPS of 3.76p
H1 2023: Adjusted total 2.68p, reported basic 3.35p

0.9p

Q2 Interim dividend of 0.9p
H1 2024: 1.8p (Q1 0.9p and Q2 0.9p)
H1 2023: 1.7p

Operational highlights

➤ Continued progress across five specialist service pillars:

- Restructuring
 - Administration appointments more than doubled in H1 2024 to 169 (H1 2023: 78) as market activity increased.
 - Administration appointment market share grew to 20% by volume which includes some group appointments. Underlying was circa. 15% (H1 2023: 13%).
- FRP Corporate Finance (including Debt Advisory)
 - Continued to remain active in the mid market, completing 25 transactions in H1 2024 with a combined deal value of £537 million and £209 million of debt raised.
 - Signs of an increase in debt refinancing and restructuring related M&A activity.
- Forensic Services
 - High level of activity across both investigations and disputes.
- Financial Advisory
 - Actively engaged in a range of assignments including option reviews and transaction due diligence, supported by our valuations and pensions advisory specialists.

➤ Seventh acquisition since IPO in March 2020

- Sheffield-based Wilson Field Group acquired in September 2023 for £4.8 million.
- Wilson Field provides restructuring advisory and debt advisory services to clients both locally and nationwide, supported by the Wilson Field website and operational platform.
- On an annual basis it is expected that Wilson Field's underlying incremental contribution to FRP will be revenue of £5.6 million and adjusted EBITDA of £1.1 million.
- Two of the firm's Directors joined as Partners along with their team of 61.

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 below.

2. £15.7m gross cash less £4.0m of structured debt (H1 2023: £26.6m less £5.6m), repayable over two and a half remaining years.

3. Adjusted profit before tax is reported profit before tax of £13.8m (H1 2023: £10.2m) adjusted for share-based payments of £2.3m (H1 2023: £4.5m) and exceptional items of £nil (H1 2023: £0.1m).

4. See note 4

Operational highlights continued

- Further investment in operational infrastructure
 - Formal certification of International Standard ISO/IEC 27001:2013 issued in November 2023 confirming that FRP have put in place a system to manage risks related to the security of data owned or handled by the Group.
- Investment in colleagues
 - FRP have launched a new leadership programme for 100 colleagues nationwide.
 - Continued investment in learning and development, including the launch of a learning management system (“LMS”).
 - Consistent high level of staff retention within FRP compared to the wider professional services industry (FRP voluntary attrition this half 10%, H1 2023: 10%).

Outlook and current trading

- The FRP team is experiencing increased demand for their advice and we have leading positions in our core markets.
- The Restructuring Team are considerably more active this half compared to the same period a year ago, with administration market share gains.
- Trading to date has been positive and the Board expects to exceed current consensus market expectations for FY 2024. If current activity levels continue the Board expects the Company to deliver revenue of £123m and adjusted EBITDA of £32m for FY 2024.

Key Performance Indicators (KPIs)

Financial	H1 2024	H1 2023
Revenue	£58.7m	£49.4m
Underlying adjusted EBITDA ¹	£15.5m	£11.6m
Cash collection (inclusive of VAT where applicable)	£56.3m	£52.0m
Adjusted profit before tax ³	£13.8m	£10.2m
Revenue per Partner for 6 months	£0.7m	£0.6m
Non-Financial	H1 2024	H1 2023
Number of administration appointments	169	78
Number of fee earners, including Partners	484	422
Colleague utilisation rate	65%	63%

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 below.

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4. See note 4

Chief Executive Officer's Statement



I am proud of the team's achievements to date and FRP has performed well in the first half. Our strategy is to ensure our five service pillars and 28 locations are connected and work together to provide solutions that achieve the best possible outcomes, which supports our delivery of sustainable profitable growth. Our total revenue growth was 19%, of which organic revenue growth accounted for 16%, while underlying adjusted EBITDA grew by of 34%.

Our Restructuring Team are considerably more active compared to the same period last year and have increased their administration market share. The Forensic Services team is expanding, and are seeing an increase in demand for support on disputes and investigations, often driven by fraud related matters or the need for independent investigations. Financial Advisory and FRP Corporate Finance (including Debt Advisory) remain active in the mid-market and have a healthy H2 pipeline, although increased caution among investors and lenders in the current environment is also driving an increase in due diligence which means deals are taking longer to complete. There is also an increase in debt refinancing and restructuring related M&A activity.

As demand for our services continues to increase, we remain committed to retaining our healthy collegiate culture where we promote the development, health and well-being of our colleagues and believe that we can best serve clients by ensuring colleagues collaborate and help each other. FRP always aims to put forward the right team, from the right services pillars and locations for each project.

Trading to date has been positive and the Board expects to exceed current consensus market expectations for FY 2024. FRP is well positioned in our core markets, to support corporates through their business cycle and the Board is confident of continued progress.

Geoff Rowley
Chief Executive
Officer

Management Statement

The Group delivered another strong performance during H1 2024, continuing to grow its revenues, profits and team. Revenue grew by 19% (£9.3m) which was primarily organic. This in turn led to an increase in underlying adjusted EBITDA of 34% (£3.9m). The total number of colleagues increased by 13% over H1 2024, due to demand-led lateral hiring, and by 16% year-on-year, including colleagues that joined the Group following the Wilson Field Group acquisition in September 2023.

Operational review

The Group's multidisciplinary nature, with experts across Restructuring Advisory, Corporate Finance, Debt Advisory, Forensic Services and Financial Advisory, ensures that the business is versatile, resilient and can offer tailored solutions to support and advise clients throughout their entire lifecycle.

Restructuring

FRP continues to be one of the most active Restructuring Advisory businesses in the UK, supporting clients on both stress and distress situations where we create commercial solutions to achieve the best possible outcome.

During the 2023 calendar year, the restructuring market has seen an increase in activity levels, including administrations approaching pre-pandemic levels. Companies with significant borrowings who have rolled off lower interest rate arrangements are now subject to much higher debt service costs, with interest rates now considerably higher than the 2009-2021 period. Businesses are also exposed to much higher levels of cost inflation. Certain sectors such as construction, property, casual dining and food service, retail, administrative and support services are finding current trading conditions particularly challenging.

The Restructuring team serves the full range of UK clients across all sectors,

with a focus on the core mid-market, and assignments range from personal clients and SMEs through to higher-profile appointments.

Within the UK, the number of administrations in the first half increased by 37% to 846 (H1 2023: 616). FRP's administration appointments doubled year on year to 169 (H1 2023: 78). FRP's administration appointment market share grew to 20%, although this is slightly higher than our underlying share, circa 15%, due to reported group appointments where FRP may be listed as the administrator for many different entities in an overall group (H1 2023: 13%). 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. There were 12,914 formal company insolvencies (excluding Member Voluntary Liquidations) in England and Wales in the six months to 31 October 2023. This was 8% higher than in the six months to October 2022.

The source for all insolvency statistics are London and Regional Gazettes.

Corporate Finance (including Debt Advisory)

FRP Corporate Finance continued to invest in external and internal talent and recently announced six promotions within the team, including two Partner promotions. In addition, Tim Spooner joined as a Partner in the Bristol office, and Victoria Kisseleva joined in London, with particular expertise in the beauty and wellness sector.

Whilst deal volumes in the UK are down compared to the prior year – reflecting the challenging conditions seen across the broader economy – the team remained an active player in the mid-market, and closed 25 transactions in H1 2024, with a

combined value of £537m and raising £209m of debt (H1 2023: 40 deals with a combined value of £1.2bn and raising £552m of debt).

Notable deals in H1 2024 included:

- The sale of CLC Group to HIG Group
- The sale of The Vegner Group to Odevo
- The refinancing of Bridge Farm Group
- A £33 million committed debt facility for Slater & Gordon

Going into H2 2024, our pipeline of new opportunities remains robust and we are continuing to see good levels of activity across the national Corporate Finance practice. Whilst the mid-market in which we operate is appearing to remain resilient – aided by the availability of capital and an eagerness to deploy – there is a clear flight to quality. Investors are understandably cautious and requiring additional diligence, meaning deals are taking longer to complete but there are signs that confidence is returning, and we continue to work closely with the PE community having closed transactions with 11 mid-market firms in H1 2024. As predicted, we are seeing signs of an increase in debt refinancing and restructuring related M&A activity.

Forensic Services

Forensic Services have seen a high level of activity across both investigations and disputes. We have seen more assignments requiring forensic accounting support and have hired more staff across multiple locations to meet the increase in demand for our services.

Financial Advisory

The team is actively engaged in a range of assignments including option reviews and transaction due diligence, where stakeholders are seeking more assurance on the viability of new investments and re-financing, given the greater cost of capital and a higher risk environment.

Management Statement continued

Our valuation specialists have been active with both mainstream projects and preparing valuations which underpin restructuring plans and schemes of arrangement.

Our pensions advisory specialists continue to work with trustees and corporates, increasingly those moving towards buying-out schemes with insurers to secure member benefits after the recent changes in market conditions, as well as those navigating the changing regulatory environment and its impact on corporate transactions and scheme funding.

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.

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. We believe highly engaged colleagues deliver excellent client service and results, and in turn, strengthen our reputation in the market.

We work hard to attract and retain highly skilled professionals by creating a rewarding, high-performing environment. 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 622 as at 31 October 2023, representing 16% growth year-on-year, set out in the table below.

	H1 24	FY 23	H1 23
Partners	88	78	80
Other Fee earners	396	361	342
Subtotal - Fee earners	484	439	422
Support	138	112	114
Total (ex Consultants)	622	551	536

In May 2023 the Group promoted a record 12 colleagues to Partner, part of a total 72 promotions across locations and our five service pillars. Combined with our ongoing investments in learning and development, this demonstrates the Group's long-term commitment to developing talent and providing attractive career paths. FRP have launched a new leadership programme for 100 colleagues nationwide, which complements an existing programme, First in Leadership and Management ("FILM").

In November 2023, we announced a further 33 promotions across our five service pillars and within the Central Services teams, which included three new Partners and six new Directors.

Four lateral hire Partners were appointed to our Bristol, London and Manchester offices between September and November 2023.

In June 2023, we opened an additional office in Salisbury, to support continued team and business growth from our Southampton office and the Wilson Field acquisition brought a second new office, in Sheffield. Adding offices in selective new locations is part of our growth strategy and as at October 2023, we have 27 locations (H1 2023: 26) 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.

In September 2023, Glasgow Restructuring Partner, Michelle Elliot won 'Corporate Leader of the Year' at the Scottish Women's Awards.

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. FRP has consistent high level of staff retention compared to the wider professional services industry (FRP voluntary attrition this half 10%, H1 2023: 10%).

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

- Together with enhancements to the Group's Information Security Management System ("ISMS"), we were formally awarded ISO 27001 accreditation in October 2023. This confirms that FRP has put in place a system to manage risks related to the security of data owned or handled by the Group and that this system respects all of the best practices and principles enshrined in this International Standard.
- The rollout of a new learning management system ("LMS"), and continued planning around the launch of a document management System ("DMS").
- Updated finance system allows for improved efficiencies and internal controls

Environmental, Social and Governance ("ESG")

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 recognise that improvements have to be made and after the appointment of a specialist Sustainability Manager, Alexis Ioannidis in June 2023 our EcoVadis rating was upgraded to Silver, putting FRP in the 87th percentile of companies. During H1 2024, we have seen a 22% reduction in our Scope 1 emissions compared to the prior year (sourced from the use of a company car fleet) and a corresponding 7% reduction in our Scope 2 emissions (sourced from the generation of purchased electricity, heat and steam). We have also improved our emissions estimate calculations to account for all Scope 3 categories and we are on track to publish a full emissions inventory, along with our updated carbon reduction plan in 2024. Finally, we are launching a waste reduction initiative in H2 2024 to reduce our office printing numbers.

In addition, Alexis works within our Financial Advisory pillar as a sustainability consultant and is currently advising an investment conglomerate.

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. For further details please see our website:

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

FRP is a member of the UN Global Compact, whose aim is to strengthen corporate sustainability worldwide. Over 23,500 companies across 167 countries participate and membership will assist FRP to commit to, assess, define, implement, measure and communicate our sustainability strategy.

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. During H1 2024, we donated £23,600 to our professional network's charity programmes, with colleagues raising an additional £22,400. Notable colleague activities included Manchester's Josh Richmond swimming the English Channel in a 6-person relay team, collectively raising over £12,000 for the Children's Air Ambulance and our London City office taking part in the Lord Mayor's Appeal Charity's 'City Giving Day', raising £6,400, which included a matched donation from FRP. A percentage of this total was distributed to the Appeal, with the remainder to The Connection at St Martin's in the Fields.

Selective acquisitions

FRP's strategy is to generate sustainable profitable growth by combining a focus on organic growth with acquisitions that meet the Group's selective criteria. The three acquisition criteria we focus on are: cultural fit, strategic fit (within our five pillars/growth region) and economic fit (acceptable transaction economics).

The Wilson Field Group was acquired in September 2023 for £4.8m and this team serve clients both locally in Sheffield and nationally through

a digital platform. Integration of the business continues as planned and their results and contribution for the seven weeks post-acquisition are in line with the Board's expectations.

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

A strong financial performance and continued discipline

The Group delivered another strong performance during H1 2024, continuing to grow revenue and underlying adjusted EBITDA. The Group generated £58.7m in revenue in H1 2024, up by 19% or £9.3m on the same period last year (H1 2023: £49.4m), comprising organic growth of 16% and inorganic growth of 3%. Underlying adjusted EBITDA was £15.5m, up 34% or £3.9m (H1 2023: £11.6m).

Reported profit before tax for the period increased by 105% to £11.5m (H1 2023: £5.6m) and was in line with the Board's expectations. This was driven by both revenue increases and a stable cost base. Converting unbilled revenue (also known as work in progress or "WIP") to cash remains a top priority, however our success in winning larger, more complex assignments can extend the working capital cycle. As our activity levels have increased, there has been an expected growth in our unbilled revenue although we have consistently maintained our discipline around appropriate valuation. The increase has arisen as FRP has been appointed on new, large and/or complex administration assignments that have assets other than cash (i.e. property) and/or a longer creditor approval process before fees can be drawn. FRP continues to have a strong track record of converting WIP into cash.

Dividend

Due to our continued profitability and cash position, in line with our stated dividend policy, the Board declares an interim dividend for Q2 2024 of 0.9p per eligible ordinary share. This dividend will be paid on 22 March 2024 to shareholders on the Company's register on 23 February 2024, with an ex-dividend date of 22 February 2024. This dividend takes the total for H1 2024 to 1.8p per eligible share (H1 2023: 1.7p).

Going concern

During H1 2024, FRP has continued to grow profitably. The Group had net cash of £11.7m (H1 2023: £21.0m) and an undrawn RCF of £10m as at 31 October 2023. Net cash is calculated based on £15.7m gross cash less £4.0m of structured debt (repayable over approximately two and a half years). The Group also has an accordion acquisition facility of £15m.

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 throughout the economic cycle. 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.

The Restructuring Team are considerably more active this half compared to the same period a year ago and have increased administration market share. Companies with significant borrowings who have rolled off lower interest rate arrangements are now subject to much higher debt service costs, with interest rates now considerably higher than the 2009-2021 period. Businesses are also exposed to much higher levels of cost inflation. FRP continues to be one of the most active Restructuring Advisory businesses in the UK, supporting clients on both stress and distress situations where we create commercial solutions to achieve the best possible outcome. Certain sectors such as construction, property, casual dining and food service, retail, administrative and support services are finding current trading conditions particularly challenging.

The Forensic services team is expanding, and are seeing an increase in demand for support on disputes and investigations, often driven by fraud related matters or the need for independent investigations.

Financial Advisory are supporting on range of assignments including option reviews and transaction due diligence, where stakeholders are seeking more assurance on the viability of new investments and re-financing given the greater cost of capital and a higher risk environment. Our valuation specialists have been active with both mainstream projects and preparing valuations which underpin restructuring plans and schemes of arrangements.

FRP Corporate Finance (including Debt Advisory) remains active in the mid-market and have a healthy H2 pipeline, although increased caution among investors and lenders in the current environment is also driving an increase in due diligence which means deals are taking longer to complete. There is also an increase in debt refinancing and restructuring related M&A activity.

The group has a strong balance sheet and available facilities to support continued growth.

Trading to date has been positive and the Board expects to exceed current consensus market expectations for FY 2024. If current activity levels continue the Board expects the Company to deliver revenue of £123m and adjusted EBITDA of £32m for FY 2024.



Geoff Rowley
Chief Executive
Officer



Nigel Guy
Non-Executive
Chairman

Underlying adjusted results

For the six months ended 31 October 2023

Calculation of underlying adjusted EBITDA

(Earnings Before Interest Tax Depreciation and Amortisation)

£m	H1 2024	(Restated) H1 2023	FY 2023
Reported profit before tax (PBT)	11.5	5.6	15.6
Add interest, depreciation, amortisation	1.7	1.4	2.9
Reported EBITDA	13.2	7.0	18.5
Add exceptional items	-	0.1	0.1
Add share-based payment expense relating to the Employee Incentive Plan (EIP)	1.6	3.3	6.3
Add share-based payment expense - deemed remuneration	0.7	1.2	2.1
Underlying adjusted EBITDA	15.5	11.6	27.0

At present the Company has expensed in H1 2024 but not underlying adjusted EBITDA for:

- Employers National Insurance due to the EIP awards when the options vest, £0.4m (H1 2023: £0.9m) accrued in the period.

Consolidated statement of comprehensive income

For the six months ended 31 October 2023

	Notes	Unaudited 6 months ended 31 Oct 23 £million	Unaudited 6 months ended 31 Oct 22 £million	Audited Year ended 30 Apr 23 £million
Revenue		58.7	49.4	104.0
Personnel costs		(33.0)	(32.3)	(64.3)
Depreciation and amortisation		(1.3)	(1.2)	(2.5)
Other operating expenses		(12.5)	(10.0)	(21.1)
Exceptional costs	3	-	(0.1)	(0.1)
Operating profit		11.9	5.8	16.0
Finance income		0.2	0.1	0.2
Finance costs		(0.6)	(0.3)	(0.6)
Net finance costs		(0.4)	(0.2)	(0.4)
Profit before tax		11.5	5.6	15.6
Taxation		(2.7)	0.3	(2.9)
Profit for the period		8.8	5.9	12.7
Total comprehensive income for the period		8.8	5.9	12.7
Earnings per share (in pence)				
Total	4	3.53	2.38	5.13
Basic	4	3.76	2.68	5.58
Diluted	4	3.64	2.50	5.33
Adjusted earnings per share (in pence)				
Total	4	4.20	3.35	7.83
Basic	4	4.49	3.76	8.52
Diluted	4	4.34	3.51	8.14

All results derive from continuing operations.

Consolidated statement of financial position

For the six months ended 31 October 2023

	Notes	Unaudited 6 months ended 31 Oct 23 £million	Restated Unaudited 6 months ended 31 Oct 22 £million	Audited Year ended 30 Apr 23 £million
Non-current assets				
Goodwill		12.7	10.2	10.8
Other intangible assets		2.3	0.7	0.6
Property, plant and equipment		2.5	2.7	2.5
Right of use asset		6.0	5.6	6.5
Deferred tax asset		1.6	4.7	2.5
Total non-current assets		25.1	23.9	22.9
Current assets				
Trade and other receivables	6	68.5	48.5	58.3
Cash and cash equivalents		15.7	26.6	27.7
Total current assets		84.2	75.1	86.0
Total assets		109.3	99.0	108.9
Current liabilities				
Trade and other payables	7	26.6	26.1	29.7
Loans and borrowings		1.6	1.6	1.6
Lease liabilities		1.6	1.7	1.2
Total current liabilities		29.8	29.4	32.5
Non-current liabilities				
Trade and other payables	7	5.1	5.4	4.8
Loans and borrowings		2.4	4.0	3.2
Lease liabilities		4.5	4.0	5.3
Total non-current liabilities		12.0	13.4	13.3
Total liabilities		41.8	42.8	45.8
Net assets		67.5	56.2	63.1
Equity				
Share capital		0.2	0.2	0.2
Share premium		33.7	31.5	32.0
Treasury shares reserve		(0.0)	(0.0)	(0.0)
Share-based payment reserve		1.9	2.9	1.3
Merger reserve		1.3	1.3	1.3
Retained earnings		30.4	20.3	28.3
Shareholders' equity		67.5	56.2	63.1

Approved by the Board and authorised for issue on 11 December 2023.

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 2023

	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 2022 (Unaudited, restated)	0.2	31.5	(0.0)	2.9	1.3	20.3	56.2
Profit for the half year	-	-	-	-	-	6.8	6.8
Other movements	-	-	0.0	-	-	(0.0)	-
Dividends	-	-	-	-	-	(3.8)	(3.8)
Issue of share capital	0.0	0.5	-	-	-	-	0.5
Share-based payment expense	-	-	-	3.0	-	-	3.0
Deemed remuneration additions	-	-	-	(1.0)	-	-	(1.0)
Deemed remuneration charge	-	-	-	1.4	-	-	1.4
Transfer to retained earnings	-	-	-	(5.0)	-	5.0	-
Balance at 30 April 2023 (Audited)	0.2	32.0	(0.0)	1.3	1.3	28.3	63.1
Profit for the half year	-	-	-	-	-	8.8	8.8
Dividends	-	-	-	-	-	(6.7)	(6.7)
Issue of share capital	0.0	1.7	-	-	-	-	1.7
Other movements	-	-	0.0	-	-	(0.0)	-
Share-based payment expense	-	-	-	1.6	-	-	1.6
Deemed remuneration additions	-	-	-	(1.7)	-	-	(1.7)
Deemed remuneration charge	-	-	-	0.7	-	-	0.7
Balance at 31 October 2023 (Unaudited)	0.2	33.7	(0.0)	1.9	1.3	30.4	67.5

Consolidated statement of cash flows

For the six months ended 31 October 2023

	Unaudited 6 months ended 31 Oct 23 £million	Restated Unaudited 6 months ended 31 Oct 22 £million	Audited Year ended 30 Apr 23 £million
Cash flows from operating activities			
Profit before taxation	11.5	5.6	15.6
Depreciation, amortisation and impairment (non cash)	1.3	1.2	2.5
Share-based payments: employee options (non cash)	1.6	3.3	6.3
Share-based payments: deemed remuneration (non cash)	0.7	0.7	2.1
Net finance expenses	0.4	0.2	0.4
Increase in trade and other receivables	(7.5)	(2.6)	(11.6)
Decrease in trade and other payables	(1.5)	(5.1)	(2.2)
Tax paid	(5.4)	(0.2)	(2.0)
Net cash from operating activities	1.1	3.1	11.1
Cash flows from investing activities			
Purchase of tangible assets	(0.2)	(0.3)	(0.6)
Acquisition of subsidiaries less cash acquired	(4.1)	(0.4)	(1.6)
Interest received	0.2	0.0	0.2
Net cash used in investing activities	(4.1)	(0.7)	(2.0)
Cash flows from financing activities			
Gross proceeds from share sales	-	7.5	7.5
Dividends	(6.8)	(6.0)	(9.8)
Principal elements of lease payments	(1.0)	(0.7)	(1.4)
Repayment of loans and borrowings	(0.8)	(1.2)	(2.0)
Interest paid	(0.4)	(0.3)	(0.6)
Net cash used in financing activities	(9.0)	(0.7)	(6.3)
Net (decrease)/increase in cash and cash equivalents	(12.0)	1.7	2.8
Cash and cash equivalents at the beginning of the period	27.7	24.9	24.9
Cash and cash equivalents at the end of the period	15.7	26.6	27.7

Notes to the Financial Statements

For the six months ended 31 October 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. 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 2024 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 2023 were approved by the Board of Directors on 25 July 2023 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 2023.

FRP Advisory Group plc is the 100% shareholder of FRP Advisory Trading Limited. FRP Advisory Trading Limited has twelve wholly owned subsidiaries, FRP Advisory Cyprus, APP Audit Co Limited, FRP Debt Advisory Limited, FRP Corporate Finance Limited, FRP Corporate Advisory Limited, Litmus Advisory Limited, Abbott Fielding Limited, JDC Accountants & Business Advisors Limited, JDC Holdings Limited, Spectrum Corporate Finance Limited, BridgeShield Asset Management Limited and Wilson Field Group 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. Wilson Field Group limited has two subsidiaries, Wilson Field Limited and WF Financial Solutions. FRP has 100% of the economic interest in JDC Accountants & Business Advisors Ltd and APP Audit Co Limited.

2.2 Significant accounting policies

Accounting policies adopted in preparation of the H1 2024 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 2023.

2.3 Going concern

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

At period end the Group had net cash of £11.7m. The Group also has available an undrawn £10m committed revolving credit facility. Ongoing operational cash generation and this cash balance mean we have 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 supporting 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 period results

The restatement of prior period results is the reclassification of £0.2m of costs relating to the issue of share capital from exceptional costs to offsetting with share premium.

3. Exceptional costs

Exceptional costs in the prior period relate to the 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 2024	Adjusted EPS H1 2024	EPS H1 2023	Adjusted EPS H1 2023
Reported Profit after tax	8.8	8.8	5.9	5.9
Add exceptional items	-	-	-	0.1
Add share-based payments	-	2.3	-	4.5
Less deferred tax	-	(0.6)	-	(2.2)
Adjusted profit after tax	8.8	10.5	5.9	8.3
Total average shares in issue	249,813,394	249,813,394	247,448,913	247,448,913
Total share EPS (pence)	3.53	4.20	2.38	3.35
Weighted average shares in issue excluding EBT	234,015,204	234,015,204	220,504,872	220,504,872
Basic EPS (pence)	3.76	4.49	2.68	3.76
Dilutive potential ordinary shares under share option schemes	7,827,995	7,827,995	15,213,834	15,213,834
Weighted diluted shares in issue	241,843,199	241,843,199	235,718,706	235,718,706
Diluted EPS (pence)	3.64	4.34	2.50	3.51

The Employee Benefit Trust does not have an entitlement to dividends, holding 15,798,190 (H1 2023: 26,944,041) shares of the above 249,813,394 (H1 2023: 247,448,913) ordinary shares.

5. Dividend

The Board declared an interim dividend for Q2 2024, the period to 31 October 2023 of 0.9p per eligible* share. This dividend will be paid on 22 March 2024 to shareholders on the Company's register on 23 February 2024, with an ex-dividend date of 22 February 2024.

* 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, rights were waived. The options vested from March 2023 onwards, and gain rights to dividends.

6. Trade and other receivables

	Unaudited 6 months ended 31 Oct 23 £million	Unaudited 6 months ended 31 Oct 22 £million	Audited Year ended 30 Apr 23 £million
Trade and other receivables			
Trade receivables	7.6	6.0	7.9
Other receivables	4.5	2.4	4.6
Unbilled revenue	56.4	40.1	45.8
	68.5	48.5	58.3

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

Due in	As at 31 Oct 23 £million	As at 31 Oct 22 £million	As at 30 Apr 23 £million
<30 Days	5.0	3.0	4.1
30-60 Days	0.3	1.0	1.6
60-90 Days	0.3	0.3	0.8
>90 Days	2.0	1.7	1.4
Total	7.6	6.0	7.9

7. Trade and other payables

	Unaudited 6 months ended 31 Oct 23 £million	Restated Unaudited 6 months ended 31 Oct 22 £million	Audited Year ended 30 Apr 23 £million
Current liabilities			
Trade payables	3.0	0.7	1.9
Other taxes and social security costs	4.0	5.7	8.4
Liabilities to Partners go forward	11.4	10.9	10.3
Other payables and accruals	8.2	8.8	9.1
	26.6	26.1	29.7

	Unaudited 6 months ended 31 Oct 23 £million	Unaudited 6 months ended 31 Oct 22 £million	Audited Year ended 30 Apr 23 £million
Non-current liabilities			
Other payables and accruals	0.6	1.1	0.7
Partner capital	4.5	4.3	4.1
	5.1	5.4	4.8

Directors & advisers

Directors

Nigel Guy

Non-Executive Chairman

Geoff Rowley

Chief Executive Officer

Jeremy French

Chief Operating Officer

Gavin Jones

Chief Financial Officer

David Chubb

Independent Non-Executive Director

Claire Balmforth

Independent Non-Executive Director

Kathryn Fleming

Independent Non-Executive Director

Corporate Information

Company Secretary

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Company number

12315862
(Registered in England and Wales)

Company Website

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Independent auditor

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