Real expertise. Real results.

FRP Advisory Group plc
Annual Report 2020

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 pensions, we deliver strategic solutions across a broad range of situations.

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

Contents

Basis of preparation

Readers should note that the Company was admitted to trading on the AIM market of the London Stock Exchange on 6 March 2020 (the "IPO") and the Company was incorporated on 14 November 2019 specifically for the purposes of the IPO.

The Group, now headed by FRP Advisory Group plc, was formed through a group reorganisation on 6 March 2020. These financial statements have been prepared, under the principles of merger accounting, to reflect the Group as if it had been headed by FRP Advisory Group plc continuously through the current and prior year.

Prior to the reorganisation, the Group was headed by a limited liability partnership that allocated all profits (as determined under UK GAAP) to its members. As a result, the income statement in these financial statements reflects full allocation to members of all profits (as determined under UK GAAP) prior to the reorganisation on 6 March 2020 as an expense. The recorded profit for the year therefore reflects the profits of the Group arising subsequent to 6 March 2020, together with immaterial amounts arising before that date relating to the difference between allocated profits under UK GAAP and recorded profits under IFRS.

The limited liability partnership also recorded partners capital as a liability. As a result, the balance sheet to the date of the reorganisation reflected no equity other than retained earnings relating to the difference between allocated profits under UK GAAP and recorded profits under IFRS.

Our highlights

Financial highlights

£63.2m

Revenue
(2019: £54.3m)

An increase of 16.3%.

£18.5m*

Adjusted underlying EBITDA
(2019: £14.1m)

An increase of 31%.

£1.2m

Average revenue per partner
(2019: £1.1m)

An increase of 12.2%.

£11.7m

Revenue
(c.2 months since IPO)

£3.5m

Adjusted EBITDA
(c.2 months since IPO)

Before £0.4 million exceptional IPO costs for the c.2 month period post IPO.

£3.3m

Adjusted profit before tax

Before £0.4 million exceptional IPO costs for the c.2 month period post IPO. For c.10 months of the year pre-IPO, the business was a full distribution Partnership. (2019: £nil million, fully distributed).

£2.5m

Adjusted profit after tax

For the c.2 month period since IPO, after adjusting for £0.4m of one-off IPO costs.

0.66p

Dividend of 0.66p per eligible Ordinary Share

For the period from 6 March 2020, the date of the IPO, to 30 April 2020. Post year end a dividend was paid up from a subsidiary to enable this company to make a distribution.

£21.3m

Net cash position

Following the oversubscribed £20 million equity fundraise at IPO. (2019 £4.9 million).

Operational highlights

- Admitted to trading on AIM on 6 March 2020.
- Seamless delivery of client service and business support resources during the COVID-19 pandemic.
- 189 administration appointments in the year, an increase of 34.0% (2019: 141).
- Continued growth in size and complexity of caseloads, with high-profile insolvency appointments including Bonmarché, Carluccio's and Debenhams
- Team grew by 27 to 351 as at the year-end (2019: 324), including one new partner and 15 other fee earners.

Post period end highlights

- Acquisition in June 2020 of a Newcastle based Restructuring Advisory team of 15, including two partners and 10 fee earners.
- Recruitment of a new Chief Financial Officer and independent Non-Executive Director.

*Underlying adjusted EBITDA is calculated by deducting 10 months partner profit allocation in the period up to IPO. Then for both the two month period post IPO and the ten month period before IPO the go forward partner compensation has been applied. For the 2019 comparative, a full 12 months adjustment has been applied.

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.

281*

Fee earners nationwide

Each with a wealth of experience navigating complex situations.

*As at 30 April 2020

351*

Team Members

Each with a wealth of experience navigating complex situations.

*As at 30 April 2020

19*

UK locations

National coverage, International experience and local knowledge.

*As at 30 April 2020

Corporate Finance

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

Debt Advisory

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

Pensions Advisory

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

Forensic Services

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

Restructuring Advisory

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

Chairman's Statement

I am pleased to present FRP Advisory Group plc and its subsidiaries (FRP) first annual report following our admission to trading on AIM on 6 March 2020.

Nigel Guy
Non-executive Chairman

Overview

Although the world has changed markedly since we began the process to float FRP on the London Stock Exchange, I am pleased to confirm the business has adapted swiftly to the challenges of COVID-19 and continues to provide seamless delivery of client service.

In responding to the pandemic, our key concerns have been:

- the health and safety of our people, our clients, and the wider community.
- adapting our ways of working to ensure minimal disruption to our services.
- supporting our clients and the business community through the crisis.

On behalf of the Board, I would like to thank the whole of our team for their outstanding response to the challenges of COVID-19 and in particular with the flexibility and commitment they have shown whilst operating remotely. I would also like to thank those outside the business who have continued to support us in delivering our services – our advisers, our facilities teams and the wider public services and key workers – despite facing significant challenges of their own.

Our talented people are our key asset, and we want to use our considerable expertise to play our part in helping businesses survive and recover. To this end, we have dedicated significant effort and resources to help businesses navigate the crisis.

In addition to our appointments, we have offered pro bono advice and shared extensive business support resources through the COVID-19 hub on our website.

Strong maiden financial results

During the year, FRP Advisory Group plc generated revenues of £63.2 million, up by more than 16.3% from the previous year. This growth was enabled by new team members and fee earners joining the business, and the continued hard work of the whole of the FRP team.

Profit before tax was £3.3 million, after excluding an element of one off £0.4 million of IPO costs, for the c. 2 month period post IPO. For c.10 months of the year pre-IPO, the business was a full distribution LLP Partnership. Prior year was also a full distribution partnership.

The Company's IPO in March 2020 was oversubscribed and raised £20 million in gross proceeds. The fundraising provides the Group with a strong balance sheet and an excellent capital base to grow the business, both organically and through strategic acquisition opportunities of talented individuals and teams as they arise.

Strategy

FRP's strategy is to seek steady and sustainable growth through organic and acquisitive strategies. We also remain alert to opportunities created by potential restructuring within the business advisory sector, as large firms tackle the need for independent audit and advisory functions.

Further details are set out in the Strategic Report on pages 28 to 41.

£3.3m

Profit before tax

Before £0.4 million exceptional IPO costs for the c.2 month period post IPO For c.10 months of the year pre-IPO, the business was a full distribution Partnership. (2019: £nil million, fully distributed).

189

Administration appointments +34%

Dividend

The Board declares a dividend of 70% of the comprehensive income after tax for the c.2 month period from IPO (6 March 2020) to the financial year end on 30 April 2020 of 0.66p per eligible Ordinary Share. To enable payment of this dividend, a dividend was paid up from a subsidiary to this company post year end. In future the Company's dividend policy will follow that outlined in the Company's IPO Admission Document.

Robust corporate governance and strengthened management team

The business believes strongly that a robust governance structure and input from multiple viewpoints are necessary to make the best decisions for the business and its stakeholders. The business's strong governance environment functions were bolstered by the addition of two independent non-executive directors, Kate O'Neill and David Chubb, in the year leading up to the IPO. Unfortunately, a change in personal circumstances meant that Kate had to step down at the end of June, but the Board was delighted to welcome Claire Balmforth as an independent non-executive director in August 2020.

We were also pleased to welcome Gavin Jones as Chief Financial Officer on 29 June 2020, meeting the commitment we made to investors at the time of our IPO. Gavin was previously the Global CFO of Bowring Marsh, part of MMC Group, and has held financial and operational leadership roles in a number of financial services businesses including Aon plc and ABN Amro.

He is a Chartered Accountant, having qualified with KPMG. He brings a wealth of financial leadership experience to our executive team and we look forward to him making a considerable contribution to our business as we continue to grow as a listed company.

Since the Company's IPO on 6 March 2020, FRP complies with the QCA Corporate Governance Code and you can find more information on our governance arrangements in the Corporate Governance Report on pages 49 to 52.

Further information on our Corporate Governance structure is also available on our website at:

www.frpadvisory.com/investor corporate-governance

Our people

We recognise the importance of our people to our ongoing success, and the Board was delighted to be able to implement an Employee Incentive Plan as part of the IPO.

The plan enables all our people to share in the success of the business alongside the partners. As at 30 April 2020, over 11.3m nil-cost options were held by more than 289 employees below partner level (representing 96% of our non-partner employees).

On behalf of the Board, I would again like to thank the whole of our team and our wider support network for their outstanding work across the financial year and beyond.

Annual general meeting

The Company's first annual general meeting will be held on 22 October 2020. 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

With a strong balance sheet and our new remote working environment operating well, the Board is looking to the future with cautious optimism. While the world adjusts to a new reality, we will continue to seek opportunities to help businesses in our wider communities and support our people and clients.

Nigel Guy
Non-executive Chairman
26 August 2020

351

Headcount
+8%

Chief Executive Officer's Report

Publishing our first annual report as a public company is a significant milestone for FRP and I am pleased to report on a year of significant growth and positive developments for the business.

Geoff Rowley
Chief Executive Officer

A broad and diversified business

Since launching in 2010, our firm has grown into a substantial independent business. At year end we had 19 offices across the UK, making us a formidable player in the national business advisory landscape with a robust platform to support our growth prospects.

Offering restructuring and insolvency services, forensics, corporate finance, debt and pensions services, we specialise in finding strategic solutions to a range of situations for clients of all sizes, from multinational organisations to small enterprises. Through our five pillar services, we offer a multi-disciplinary approach that allows us to support businesses across their lifecycle and all macro-economic environments.

A track record of scalable profitable growth

We have enjoyed another year of profitable growth, building on our strong track record to date. In line with our growth strategy, we have pursued strategic business opportunities and developed our regional networks by attracting talented individuals to grow our team. As at the year-end, our team had grown from 324 to 351 overall, while the number of fee earners, including partners, within that grew by 22 from 259 to 281.

Organic growth was strong, and we were appointed on a number of complex high-profile cases, mentioned below , alongside the extensive support we provide to regional businesses through our national network. Despite the challenges of COVID-19, we also continued to pursue growth through strategic acquisitions, completing a 15-strong restructuring team acquisition in June 2020 that further expands our UK footprint. Our strategy for future growth is set out in more detail in the Strategic Report.

Our Restructuring Advisory pillar was our strongest performer, as all our service pillars grew their revenues over the year, confirming our view that we can best support businesses by working together and drawing on expertise from our specialist teams across FRP. We have worked hard to avoid silos within the business, and we believe our agile, collaborative approach sets us apart from our peers, enables us to apply our situational expertise across many sectors, and allows us to continue to be appointed to increasingly large and complex cases. We look forward to building on this strong position in the future.

Strong trading results

FRP traded strongly during the second half of the financial year, continuing to grow caseloads in both size and complexity. We also secured a number of high-profile appointments, including the administrations of Bonmarché, Carluccio's and Debenhams.

As a result of this strong momentum, FRP generated £63.2 million in revenues for the year to 30 April 2020, up by 16.3% on the same period last year (£54.3 million). We closed the year strongly securing a number of high-value restructuring appointments, confirmed late in the year.

Our profit before tax was £3.3 million, after excluding £0.4 million, an element of one off IPO costs, for the c. 2 month period post IPO. For c.10 months of the year pre-IPO, the entity was full distribution Partnership. Prior year was also a full distribution partnership.

£63.2m

Revenue
+16.3%

A successful IPO, strengthening employee loyalty through ownership

In early March 2020, FRP's shares commenced trading on the London Stock Exchange's AIM market after an excellent reception during our IPO. We raised £20 million, before costs, through the issue of new shares, has strengthened our balance sheet and fund strategic acquisitions of talented individuals and teams to expand our profile and market share. We believe that the ability to offer shares as part of our incentive packages has made us more competitive in attracting the best talent to grow our expert team, allowing new and established team members to share in FRP's collective success.

Listing on the AIM market of the London Stock Exchange was a significant undertaking, and our success was made possible by our amazing internal team and external advisers who managed the process expertly to minimise the impact on the business. I would like to thank everyone who contributed to this outstanding achievement and significant milestone for our firm.

Defining our brand and values

In 2019, the business embarked on an important rebranding project, taking the opportunity to define what we stand for as a business.

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.

Responding to COVID-19

Many businesses across the UK suffered a sharp shock and their resilience has been tested since the country went into lockdown to manage the impact of the global pandemic.

To support our clients, and the business community generally through this crisis, we quickly developed a Corporate Resilience Hub to provide practical, operational, and financial advice to businesses and their management teams affected by the pandemic. As well as a crisis toolkit and COVID-19 resources, we shared a range of insights and templates to help businesses navigate the unprecedented situation.

For our own part, we quickly transitioned to home-working arrangements and were pleased to be able to continue the majority of our business activities during lockdown. None of our people were placed on furlough and we have not taken advantage of any of the government backed lending schemes. Thanks to the collective efforts of our colleagues, our operations have not been impacted by the pandemic.

Empowering our 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. Development programmes include internal coaching, leadership courses and extensive professional training support. We view this investment in our people as an important investment in the future of our business.

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

An outstanding team

I would like to take this opportunity to thank our team for their hard work and dedication during the year. I am particularly proud of how they have all risen to the challenges posed by COVID-19. The team quickly sought to understand the government measures to support businesses as these initiatives changed and developed, helping our clients to navigate the swiftly changing landscape.

Despite the obvious challenges of our new working arrangements, the team transitioned smoothly to working from home and continued to provide our clients with the outstanding service and high-quality advice that we are known for. I am extremely proud of everyone and look forward to being able to work together in person again soon.

Outlook

For many businesses across the UK, their resilience was, and continues to be, tested as the country went into lockdown to manage the impact of the global pandemic. There remains a significant degree of uncertainty around the shape and scale of economic recovery, combined with potential additional pressure as the Brexit transitional agreement comes to an end in 2020.

The support measures made available to both firms and individuals by the UK Government in response to COVID-19 has reduced the number of insolvency appointments in our financial Q1 compared to prior year. Trading for the period since year end to signing these accounts has been in line with expectations. We have maintained steady growth and utlilisation rates by continuing to secure larger projects and market share, while sharing resources across our office network.

In a recessionary environment, there will naturally be higher levels of corporate financial distress, which depending on a number of factors – such as creditors' attitudes to forbearance – have historically led to an increase in insolvency volumes. We believe there should be an increase in restructuring assignments at all levels across the business community as the various UK government support mechanisms are phased out and the impact of Brexit is also felt across the wider economy when the current transitional agreement concludes.

With a significant and growing market share, FRP is well placed to service increasing levels of restructuring assignments in the UK, both on increasingly high profile, complex cases and across regional businesses through our national network. This is further supported by the breadth of our skillset across our service lines, including forensics, corporate finance and pensions advisory.

FRP is a resilient business, with a track record of growth throughout the entire economic cycle, a strong balance sheet and a structure that provides a good level of flexibility in our internal capacity, allowing us to be well positioned for an increase in demand for our services.

Geoff Rowley
Chief Executive Officer
26 August 2020

£18.5m*

Adjusted underlying EBITDA (2019: £14.1 m)

An increase of 31%.

*Underlying adjusted EBITDA is calculated by deducting 10 months partner profit allocation in the period up to IPO. Then for both the two month period post IPO and the ten month period before IPO the go forward partner compensation has been applied. For the 2019 comparative, a full 12 months adjustment has been applied.

FRP puts the future of heritage railway back on track

Weardale Railway Community Interest Company (CIC) owns and operates 19 miles of historic railway track between Stanhope and Bishop Auckland, running a number of leisure train ride experiences including its annual, festive 'Train to Christmas Town'.

FRP Partners were appointed Joint Administrators after US-based Iowa Pacific Holdings – the majority shareholder of British American Rail Services, which held a controlling stake in Weardale CIC – entered insolvency in the US.

173

Deal secured to save 173 year old Weardale Railway

Outcome

Our Restructuring Advisory team secured a successful accelerated sale of Weardale CIC to the subsidiary company of local regeneration organisation The Auckland Project. The sale protected jobs and helped to preserve the 173 year old Weardale Railway line for the future.

Carluccio's sale transfers 30 sites and more than 800 staff

FRP was appointed Joint Administrators of the Carluccio's restaurant chain on 30 March 2020, as the COVID-19 lockdown put incredible pressure on businesses across the leisure sector. Following an extensive marketing process the Boparan Restaurant Group (BRG), which houses well-known brands including Cinnamon, Fishworks, Slim Chickens, Giraffe and Ed's Easy Diner, acquired 30 Carluccio's sites across the UK.

30

Restaurants sites saved following the sale to Boparan Restaurant Group

Outcome

The sale will ensure the continuation of the Carluccio's brand, along with the transfer of more than 800 employees. Unfortunately, 40 sites not included in the transaction closed, and as Administrators we worked hard to facilitate redundancy payments for those staff.

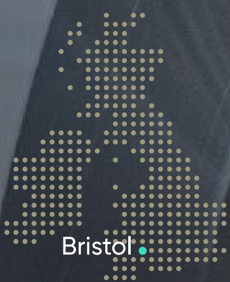
Corporate Finance

Shareholder sale wraps up a bright business future

Bristol-based Prowrap Ltd group is a specialist rewinder and manufacturer of aluminium foil, cling film and baking paper, with more than 50 staff, revenue of £22 million, and exports to 25 countries. The sole shareholder, looking to dispose of his majority shares to realise value and fund growth while remaining as Managing Director post-deal, appointed FRP's Corporate Finance team to advise on the sale.

22

Prowrap has a current revenue of £22 million



Outcome

We negotiated a sale to a mid-market investor for well in excess of the shareholder's expectations, enabling him to maintain a minority share going forward and continue as MD, while also securing the financial backing necessary for the business' future growth.

Building services group sale creates foundations for future growth

Outsourced facilities management firms T-Jolly Services and Atlas Sterile Services have a national reputation in the hotel, care home, retail and university sectors, for providing high-quality HVAC maintenance, repair and compliance testing services. With a turnover in excess of £7 million, the Managing Director and shareholders of this Preston-based group were looking for a business sale to fund continued future growth.

25,000

Businesses join JLA Group with major presence in UK & Ireland with over 25,000 customers

Outcome

Our Corporate Finance team was able to help secure the acquisition by JLA Group, guiding shareholders through the detailed sale process while also working with the client, the buyer and their advisers to ensure the transaction progressed as efficiently as possible.

Forensic team instructed on family dispute

A dispute between relatives over a family company led to litigation, with the claimant alleging that the defendant had conducted company affairs in a way that prejudiced her interests, and had received unauthorised director's remuneration. FRP provided forensic accounting and valuation expertise on behalf of the defendant, quantifying the extent of transactions between the family business and related companies, and the value of the claimant's shareholding over the relevant period.

Our expert witness report set out the findings of the forensic accounting analysis, and our valuation of the claimant's shareholding

Outcome

Our Forensic Services team compiled an expert witness report setting out its findings, and prepared a joint statement with the claimant's expert. The parties considered the findings of both independent forensic accountants and reached a settlement through mediation.

Fast-turnaround eDiscovery services for expedited trial

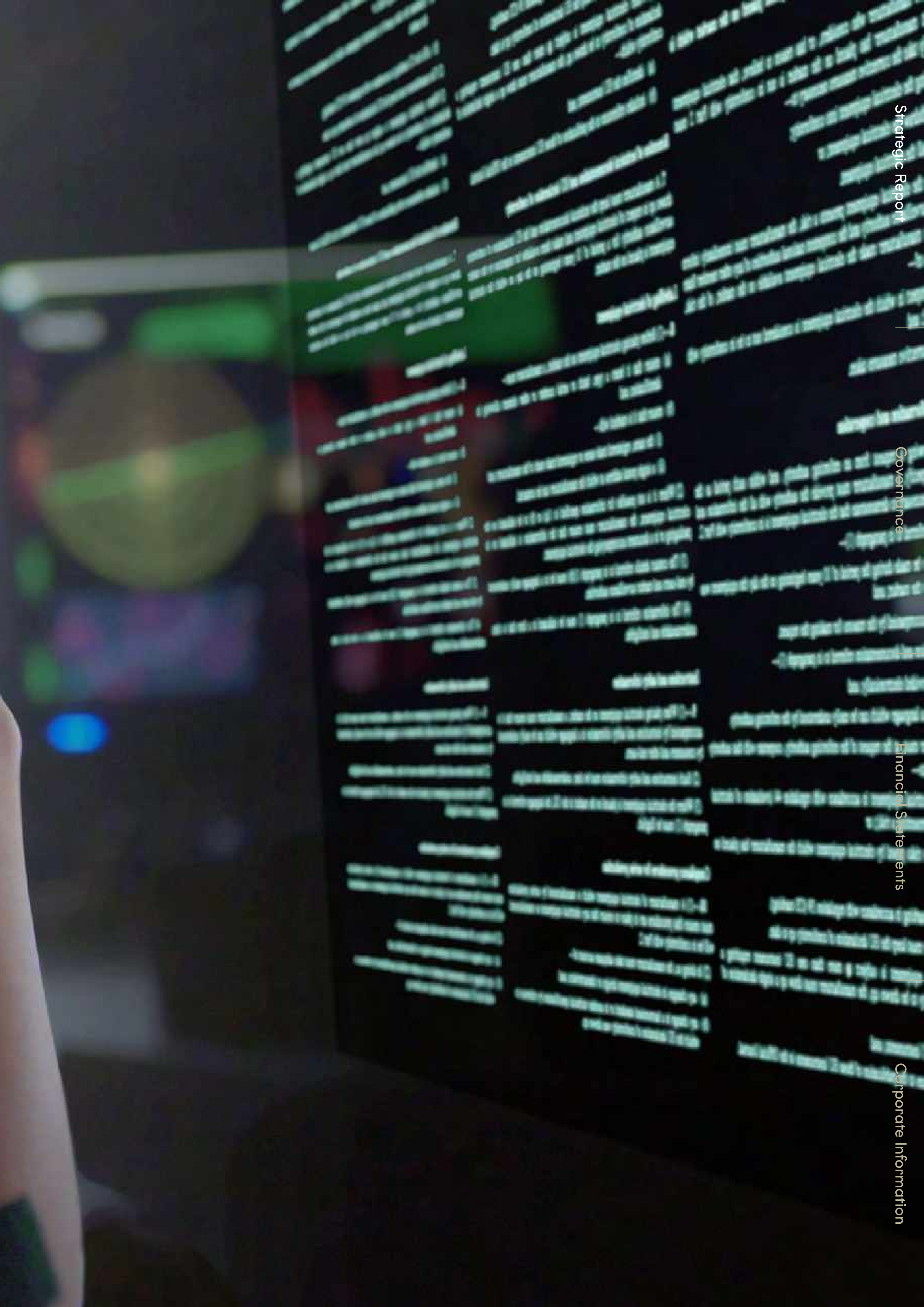
An international law firm appointed FRP to provide eDiscovery services to help its client in a legal dispute. The client held a large quantity of key documents, and our forensic technology team also received documents from other parties in the dispute. Undaunted by the tight eight-week turnaround, our team ensured most of the data was available to view within 24 hours of receipt, and relevant documents were produced in a suitable format for court.

24

Our team designed workflows to enable a speedy review within 24 hours

Outcome

The matter was heard in the High Court, and the firm was extremely grateful and impressed with our speedy turnaround and support. Our forensic technology team is now on the firm's panel of preferred suppliers for eDiscovery services.



FRP supports funding boost for Hereford Contract Canning

Hereford Contract Canning is the second largest contract-canning provider in the UK, delivering services for a range of high-profile cider and soft drink brands including Corinthian Brands, Kopparberg and Dash. Recently acquired by a private equity firm, the company sought further investment to meet market demand for small-to-medium size batch runs in the UK canning industry.

"

Founded in 2010, HCC provides canning services for a range of cider and soft drink brands including Corinthian Brands, Kopparberg, Dash and a range of other high profile drink brand manufacturers

Outcome

FRP secured a refinancing package that will enable the business to capitalise on changing market demands, as well as the industry-wide shift away from single-use plastics and launch a new production line that will substantially increase production capacity.

Addressing trustees' concerns over a multi-billion pound transaction

FRP was appointed by the trustees of the LGC Staff Pension Scheme to assist them during a transaction which involved the change in ownership of its sponsoring employer, part of the LGC Group.

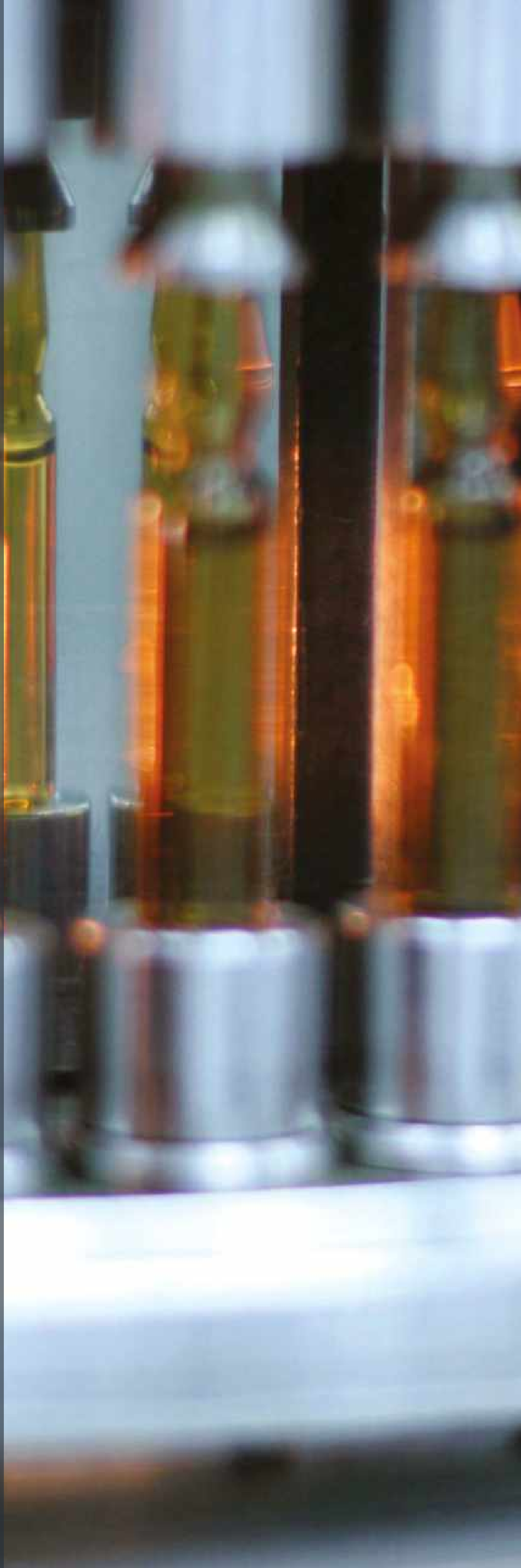
KKR had owned the global life sciences group for several years. The trustees wanted to ensure a continuation of the collaborative working agreement and that the position of the scheme was protected with the new owner.

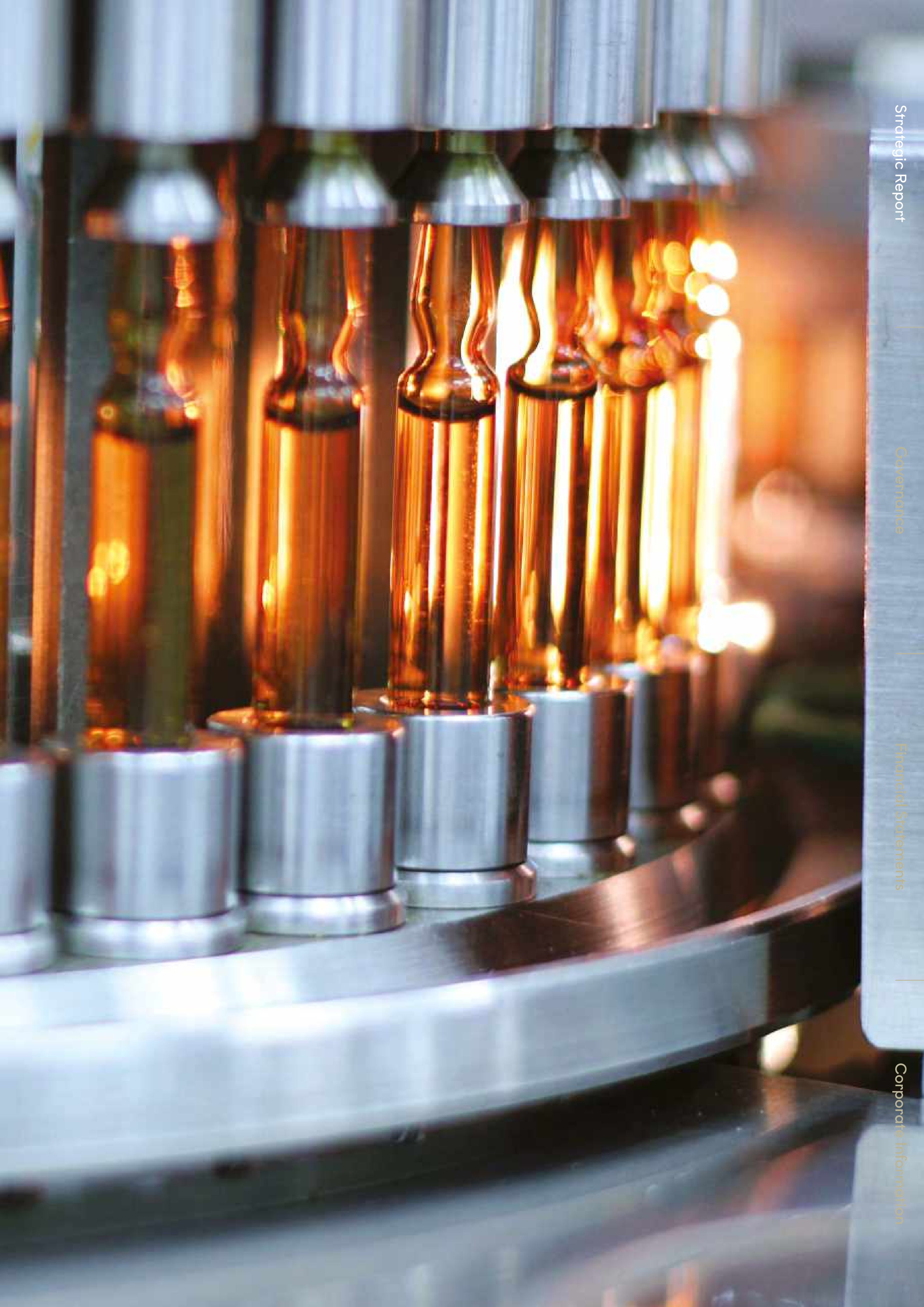
£3bn

Advice to Trustees on the impact of the disposal by KKR of its £3 billion stake in LGC to private equity entities

Outcome

FRP worked with the trustees to understand the transaction and identify aspects which impacted upon the Scheme. This swift assessment and practical solutions provided by FRP addressed the trustees' concerns and the multi-billion pound transaction to the new owners completed within the agreed timetable.





Strategic Report

For the year ended 30 April 2020

The Directors present their strategic report for the year ended 30 April 2020 ("FY20").

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 service pillars:

- **Restructuring and insolvency services:** 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.
- **Forensic services:** forensic investigations, compliance and risk advisory, dispute services and forensic technology.
- **Pensions advisory:** pension scheme transaction advisory, pension scheme restructuring advisory, covenant advisory and corporate governance.

The Group considers that it can best support businesses through collaborating and drawing in expertise from specialist teams across different areas of the business. Accordingly, each of the Group's service pillars are structured to support and facilitate other work streams and often work together on engagements to best support clients.

The Group provides its professional services across multiple sectors and all business sizes, however it principally services smaller and mid-market companies.

Financial review

Basis of preparation

The Company was admitted to trading on the AIM market of the London Stock Exchange on 6 March 2020 (the "IPO") and the Company was incorporated on 14 November 2019 specifically for the purposes of the IPO. The comparative figures, for the consolidated financial statements, presented in this annual report for the year ended 30 April 2019 ("FY19") are for FRP Advisory LLP and its subsidiary companies, the businesses of which were acquired by the Company immediately prior to the IPO. For the year ended 30 April 2020, the consolidated figures represent the results of the underlying business for the whole financial period before and after acquisition by the Company at the time of the IPO. Merger accounting principles were adopted. The financial statements have been compiled on this basis to provide useful comparative information to shareholders.

Revenue

The Group's total revenue for FY20 increased by more than 16.3% to £63.2 million (FY19: £54.3 million) driven by a growing number of client engagements year-on-year, higher value cases and increased numbers of fee earners across the Group. The overall higher levels of uncertainty within "UK Plc" during the financial year under review expanded the size of the Group's market, due in part to Brexit and the political uncertainty during the period.

The Group's continued steady growth can be demonstrated by it having been formally appointed on 1,654 engagements during the year, an increase of almost 7% on the prior year's total of 1,547 appointments. This percentage uplift is in line with the Group's 10-year compound annual growth rate in case appointments, particularly within the Group's restructuring advisory business, which again captured the bulk of the appointments and continues to be the largest of the Group's five service pillars.

The Group's growing reputation led to assignments on a number of high-profile cases during the period, including Bonmarché, Carluccio's and Debenhams, as well as an improved geographical spread of engagements across the UK.

Adjusted underlying EBITDA

	FY20 £m	FY19 £m
Adjusted EBITDA*	3.5	1.6
Add 10 months EBITDA**	2.9	–
Add pre IPO full distribution	23.0	24.5
Deduct post IPO partner compensation***	(10.9)	(12.0)
Total	**18.5**	**14.1**

*Adjusted EBITDA is after adding back element of IPO exceptional costs of £0.4 million.

**After adding back the remaining element of IPO exceptional costs of £1.6 million.

***As per current going forward partner compensation model since IPO.

Operating profit

Reported operating profit for the c.2 month period was £3.1m. The 10 month period before IPO and prior year were both a fully distributed partnership. In these Financial Statements partners compensation has been included as an expense.

The Group started the financial year under review with 324 employees operating out of 19 offices. By 30 April 2020, this number had increased to 351 people, as set out in the table below:

Group's employee numbers at year-end:

	FY20	FY19
Partners	51	50
Fee earners	230	209
Administration	70	65
Total	**351**	**324**
Number of offices	**19**	**19**

Since the end of FY20, total colleague numbers have increased further such that, at the date of this report, the Group employs 400 people, of which 56 are partners. On 31 July 2020 the Group closed its Glasgow office.

Each of the Group's 19 offices provide restructuring advisory services, with six providing one or more additional service lines from the partners and employees based there. The Group's network of offices covers the length of the UK, with an office as far north as Inverness and one as far south as Brighton. The London office, where 17 of the Group's partners are based, has the greatest breadth of service offering, and is the largest office by partner and employees number. The Group's Brentwood office also operates as the Central Services Headquarters.

Reflecting the increase in headcount during the year, the Group's employee costs, including partners compensation charged as an expense, increased 6.5% to £42.7 million (FY19: £40.1 million). The Group's other operating expenses in the year increased 11.0% to £14.1 million (FY19: £12.7 million) and the Group incurred £2 million of one-off exceptional costs associated with the IPO in March 2020. Planned increased investment spending on marketing and IT compared to the prior year came through as the Group builds the necessary foundations for its continued steady growth.

The Group's net finance costs for the year were £0.2 million (FY19: £0.3 million) and relate to the interest on its bank borrowing facilities.

The Group's reported profit before tax for the year is £2.9 million, which arose in the c.2month period to year end. The 10 months before IPO and prior year were a fully distributed partnership with partner compensation treated as an expense in these Financial Statements.

The overall tax charge for the year was £0.8 million, arising from the period following the IPO to the end of the financial year. As the business was partner-owned before the IPO, there was no material corporate taxation incurred within the Group.

Earnings per share for the year (after tax) was 0.87p. During FY19 and the first 10 months of FY20, the business was a partner-owned full profit distribution LLP, and therefore there is no comparative EPS figure available.

Balance sheet and cash flow

The Group's net asset position as at 30 April 2020 was £20.5 million (2019: net liability £(0.9) million). On a like for like basis, trade and other receivables were £33.6 million at the year-end (2019: £31.1million) of which £28.3 million (2019: £26.3 million) was in relation to unbilled revenue.

The Group's cash balance at the year-end of £21.3 million (2019: £4.9 million) was bolstered significantly as a result of the IPO when the Company raised £20 million gross. The net cash raised has been used to strengthen the Group's balance sheet and provide resources for potential strategic acquisitions. The Group had no borrowings as at 30 April 2020 (2019: £3.6 million), and the Group has an unused revolving credit facility of £5 million.

The Group retained its strong cash generation during FY20, with cash collection from cases up £15.7 million from the prior year to £72.9 million (FY19: £57.2 million) including VAT where applicable.

The Group's current trade and other payables decreased from £30.9 million at the end of April 2019 to £27.3 million. This includes £9.5 million of non-current liabilities (FY19: £4.6 million) which predominantly relate to amounts owed to partners and related statutory deductions following the corporate restructuring ahead of the IPO.

Dividend

In line with its stated strategy at the time of the IPO, the Directors expect the Group to continue to be cash-generative and accordingly, the dividend policy reflects the long-term earnings and cashflow potential of the Group. The Directors' stated dividend policy is to pay a 70% overall dividend.

In respect of the Group's trading in the two-month period from the date of its IPO to the end of FY20, the Board declared a dividend of 0.66 pence per eligible ordinary share. To enable payment of this dividend, a dividend was paid up from a subsidiary to the Company post year end. The Company's annual general meeting ("AGM") is to be held on 22 October 2020, the dividend will be paid on 13 November 2020 to all shareholders on the register on the record date of 23 October 2020.

Business model and strategy

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.

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 which provides us with a broad knowledge base, the ability to draw on multiple sources of expertise on any given engagement and the ability to support businesses through their entire life cycle.

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

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 Advisory Academy and other learning providers.

Close relationships
We maintain close relationships with our referral network and Panel partners.

Cross-selling
We seek to leverage cross-selling opportunities across our business.

Our values

Straight forward

We convey our expertise and integrity through clarity. We are straightforward about our services and the breadth of our offering.

Confident

We give our clients clear advice, making a real recommendation based on their situation, not just listing a range of confusing options.

Pragmatic

We speak plainly and honestly to our clients, focusing on tangible outcomes for our clients.

Real

We speak like real people and use language that's direct and personal, while also professional.

How we create value

1
Increasing our fee earning capacity through providing shared central services, compliance, marketing, and strategy management to enable fee earners to focus on clients, business development and professional development.

2
Growing our fee earning capacity through the recruitment of high-quality individuals, teams and businesses and integrating them into our model.

3
Investing in our team to enable them to provide the best possible service and fulfil their own ambitions.

4
Developing our *Corporate Finance, Debt Advisory, Forensic and Pension Advisory services* alongside our *Restructuring Advisory Services* to create an integrated business able to take advantage of opportunities across the economic cycle and the life cycle of individual businesses as well as providing a broad range of expertise to deploy on any given engagement through inter-pillar collaboration.

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 charge on the basis of time costs, fixed fees or percentage of realisations and/or distributions or a combination of bases as approved by creditors.

The Group's fees for acting in connection with formal insolvency proceedings are paid from the proceeds of the sale of the insolvent estate's assets and rank ahead of distributions to creditors.

Other service pillars:

Fee structures for the other service pillars are charged on a project appropriate basis.

Fee structures include time charged (potentially with a cap), fixed fees and part committed/part contingent success fees based on transaction value.

Growth strategy

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

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

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

Organic growth

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

- 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.
- Attracting and retaining new talent who want to be part of an independent, prominent, and growing restructuring and advisory firm.
- Developing the Group's smaller Corporate Finance, Debt Advisory, Forensic Advisory and Pensions Advisory service pillars.
- Enhancing cross-selling of and from the Group's Corporate Finance, Debt Advisory, Forensic Advisory and Pensions Advisory businesses and leveraging growth in these businesses to further drive cross-selling opportunities.
- Increasing the level of restructuring engagements from clients based outside of the UK.
- Taking on engagements which are larger in size and complexity and therefore likely to generate a higher level of fees.

Acquisitive growth

In addition to organic growth, the Group intends to take selective advantage of anticipated consolidation within the restructuring advisory sector and of opportunistic acquisition opportunities. The Group focuses primarily on acquisitions of smaller partner groups and related employees in specialist restructuring advisory, corporate finance and other related businesses. Despite the challenges encountered due to COVID-19, the Group has remained active in reviewing potential opportunities and conducting due diligence, completing the acquisition of a restructuring advisory team of 15 in June 2020. The Company maintains acquisition as a key part of the growth strategy.

The Group only pursues opportunities where it believes it will be acquiring teams or businesses which are aligned with its values and business model, will progress its strategic aims and can deliver high-quality professional services to the Group's clients. Acquisitions and integrations can be disruptive and management intensive and accordingly the Group's acquisition and team recruitment strategy is managed to enable acquisitions to become embedded in the business effectively without overburdening the management infrastructure. Failed integrations can lead to poor results and reputational damage. To address these risks, the Group carries out extensive due diligence on potential targets and follows internally developed integration protocols to assist with effective integration.

Growth opportunity

Market growth

In the short to medium term, the Company considers that the economic environment and outlook means that the services of insolvency and restructuring specialists are likely to be in increased demand. The number of UK businesses considered to be in significant distress was approximately 527,000 as at 30 June 2020, an increase of 8.9% since 30 June 2019. The sectors considered the most severely affected are the real estate and property, leisure and hospitality, construction, retail and travel sectors but the majority of industries have been impacted to an extent, with the COVID-19 crisis exacerbating this trend across most sectors.

Although Government support measures combined with the forbearance of lenders, landlords and other creditors has helped maintain viable businesses through the nationwide lockdown, the phased withdrawal of the furlough scheme, combined with increased financial pressure from the unwind of working capital savings, could create significant pressure on many businesses in the UK.

The group anticipates that the UK will continue to experience an underlying level of corporate insolvencies further impacted by, the withdrawal of support introduced during the COVID-19 crisis and the effects on business of the withdrawal of the UK from the European Union. However, Government support measures and legislative initiatives designed to assist businesses in the short term through the COVID-19 crisis are likely to cause delay in formal restructuring and insolvency appointments. HMRC will become a secondary preferential creditor from 1 December, which may change the timing of insolvencies as secured lenders seek to protect their positions.

Structural growth
The Directors believe that with the recent increased levels of regulatory and political scrutiny which have impacted the "Big Four" and other mid-tier accounting firms, there may be an opportunity for the Group to gain market share in restructuring and other advisory work. This opportunity derives from perceived potential conflicts of interest affecting these accounting firms given a large portion of their revenues are derived from auditing. The Directors believe it may increasingly be considered beneficial to appoint a larger specialist restructuring adviser which does not have an auditing function and does not suffer from conflicts or potential conflicts created by the full-service model of large accounting firms. In 2010, approximately 33% of administration appointments were completed by the "Top six" and other mid-tier accounting firms, with this figure closer to 16% in 2019. Any such sustained trend could considerably increase the Group's market share and revenues.

The Directors believe there may, in addition, be future inorganic opportunities as a result of any future operational separation of the "Big Four's" and other mid-tier firms' advisory and audit functions as recommended by the UK Competition and Markets Authority in 2019 and, in the case of the "Big Four", mandated by the FRC in July 2020 to be completed by June 2024. The Directors believe that such a separation of advisory services and the related market changes may present the Group with opportunities to acquire teams or experienced partners from these firms.

The Board continues to monitor developments in this area.

Key performance indicators (KPIs)

Financial	Year Ended 30 April 2020 £million	Year Ended 30 April 2019 £million
Revenue	**63.2**	54.3
Adjusted underlying EBITDA*	**18.5**	14.1
Adjusted Profit Before Tax** (c.2 months)	**3.3**	0.0
Cash collection (inclusive of VAT where applicable)	**72.9**	57.2
Revenue per Partner***	**1.2**	1.1

*Underlying adjusted EBITDA is calculated by deducting 10 months partner profit allocation in the period up to IPO. Then for both the two month period post IPO and the ten month period before IPO the go forward partner compensation has been applied. For the 2019 comparative, a full 12 months adjustment has been applied.

**For the c.2 month period and adjusted for a £0.4 million element of the one-off exceptional costs associated with the IPO.

***Based on 12 months revenue and partner numbers as at the respective financial year end.

Non-Financial	Year Ended 30 April 2020	Year Ended 30 April 2019
Number of administration appointments	**189**	141
Number of fee earners, including partners	**281**	259
Staff utilisation rate	**65%**	65%

Principal risks and uncertainties

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

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

Risk	Mitigation and Control
Colleague risk	
For any professional services business, personnel are a particularly prominent asset contributing to the Group's continued growth and success. The Group is heavily reliant on its partners and employees to generate, manage, progress, and complete the Group's engagements. As part of this, the Group is reliant on its licensed insolvency practitioners to act on insolvency and restructuring matters (which account for the majority of the Group's revenue). In particular, the top 10 partners were responsible for approximately 50% of the Group's revenue in FY20 (FY19: 50%). 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 › The employee share option scheme › Providing support for our people to reach their potential through professional training programmes, coaching initiatives and the FRP Leadership Academy › Maintaining a corporate culture which keeps the team motivated and engaged In the short to medium term, partners at the time of the IPO will, save in certain circumstances, forfeit all or most of their shares in the Company if they give notice to leave the Group before the third anniversary of the IPO in 2023. This acts as a lock-in mechanism for the Group. In addition, the partners' compensation is linked to the success of the business both in terms of direct partner drawings and in terms of dividends and share price. Accordingly, the partners are significantly and directly incentivised to pursue the success of the business.
Reliance on senior management	
Since 2010, the Group's senior management has developed the business of the Group and its future success is, to an extent, currently dependent on a small number of individuals. These individuals include Geoff Rowley and Jeremy French. The continued involvement of the Group's senior management and Directors is therefore important and their replacement at short notice would be very challenging at present.	The Group has taken steps to ensure that the knowledge, skills, contacts and expertise of key individuals are shared, where possible. The appointment of an experienced CFO to the Board with full responsibility for the Group's financial matters will improve the governance and add a new perspective on decision making. All partners employed by the Group at 6 March 2020 are subject to lock in for 3 years (see "Colleague risk"). The Nomination Committee is responsible for ensuring that adequate focus is given to succession planning.

Risk	Mitigation and Control
Referral relationship risk The Group is heavily reliant on its referral network in order to generate business. These relationships are managed by the Group's partners and are critical for revenue generation. The Group is on every major UK clearing bank's formal approved advisory panel together with those of numerous other regional and national lenders, such as asset-based lenders, investment banks, credit funds and peer-to-peer lenders. The Group also sits on the formal panels for other bodies such as the Department for Education. A failure to manage and grow these relationships (or the departure of key partners that are responsible for maintaining these relationships) could result in the firm not being appointed to new advisory panel positions, or not being reappointed to the Group's existing positions (which could also negatively affect the Group's reputation). Either of these outcomes would have a detrimental effect on the Group's ability to generate revenue, which would, in turn, impact the Group's financial performance and position.	All partners employed by the Group at 6 March 2020 are subject to lock in for 3 years until March 2023 (see "Colleague risk"). Each office maintains a strong network of local accountants and lawyers. The Group believes the best way to maintain this network is to continue delivering a high-quality service to clients.
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 damage, retaining key partners/ employees, removal of clients from bank panel work, investor trust & future opportunities. There is a risk that a serious regulatory violation, or a major security incident (reportable GDPR data breach or loss of client data) could impact the Group's reputation.	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 a Governance, Risk & Compliance framework through effective Enterprise Risk Management, Information Security Management System & Cyber Security framework.
Cyber-crime risk The risk of cyber-crime to FRP 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.

Risk	Mitigation and Control
Acquisition risk Part of the Group's strategy is to acquire teams and businesses to join the Group. There is a risk that acquisitions either do not generate the returns that were anticipated and/or fail to embed properly within the culture and systems of the Group. This can lead to below expected returns on investment, excessive application of management time and ultimately failure of the acquisition resulting in potentially wasted costs, loss of opportunity and negative reputational impacts. There is also a risk that the Group will not be able to source appropriate acquisition opportunities at an acceptable valuation or at all.	The Group conducts financial and legal due diligence and financial modelling exercises to minimise the risk of overvaluing an acquisition and to understand any issues within the target. Potential joiners meet Board Members and key central services to ensure that the businesses are culturally aligned and operationally ready to join. Consideration structures including earn outs may be used to ensure that the acquired business is as expected and valued according to returns generated.
Operational gearing risk The business is operationally geared with a significant proportion of relatively fixed salary and 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 mitigate any potential short-term adverse fluctuations. It is noted that the majority of the workforce are qualified professionals, however, several costs are performance based. 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).
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 relating to whether and to what extent auditors are able to offer non-audit services to their audit clients 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 clients or colleague, 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 the staff ensures that the Group is aware of pending legal or regulatory changes. The Group has many of its employees as members of technical or expert panels within the various regulatory bodies that the Group's activities fall within. The Group has dedicated resource to monitor legal and regulatory changes affecting its business. The Group routinely monitors the changing industry landscape and reacts accordingly.

Risk	Mitigation and Control
Competition risk In the current macroeconomic environment, the Company considers that there is a risk that new entrants will seek to join the insolvency advisory market and existing participants will increase their investment and staffing levels in the space. This could lead to the Group facing increasing competition for engagements, downward pressure on its fee levels and difficulties in attracting and retaining talent.	The Group maintains strict internal risk management procedures, particularly high standards of Information Security which have assisted in appointment to all major bank panels. These standards may act as a barrier of entry to new entrants. In comparison to larger competitor firms, the group does not offer audit or tax services and therefore does not have conflicts of interest. In comparison to larger competitor firms, the group is not full service and as such is less exposed to potential conflicts of interest.
Potential claims against the Group The Group typically receives claims each year in relation to its engagements, with the majority of these relating to the Group's insolvency practice. These claims 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 claims and they are generally defended. There is a risk that a claim could be successful (and an award made against the Group) or settled by the professional indemnity insurer as a result of a mistake or the negligence of one or more of the Group's partners or employees.	The Group has in place suitable professional indemnity insurance. Whilst it is likely that the majority of the cost of any successful claim will 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 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 internal procedures and external advisors in place to effectively manage incidents like these.

Brexit

The Board does not currently consider Brexit of itself to be a material risk to the business given that it is entirely focussed on the domestic market and does not have any material exposure to EU supply chains or staffing issues. The Board does however recognise the possibility that Brexit may give rise to material and fast moving changes in the regulatory and legal environment which may impact the business and its client base, leading to operational challenges which may require significant time and resources to address. The Board also recognises that the full effects of the UK's potential departure from the EU are unknown and unquantifiable (including whether it may have significant upside, significant downside or be less material in its impact on the UK economy).

Risk management

The Board has established an Audit and Risk Committee (ARC), the remit of which includes overseeing the risk management processes of the Group and responses to key risk items at Board level.

The Group's operational risk management governance is currently in transition to a formally recognised risk management framework, to provide principles and guidelines for the design, implementation and maintenance of risk management.

Historically, the Operational Risk Committee (ORC) comprising senior members of the Group's Central Services Group has convened twice a year to provide operational risk oversight across the business disciplines and reporting to the Management Board of the Partnership pre-IPO and the Board post-IPO. Inputs into the ORC are reporting of top-level operational risks via managed Risk Registers for the Front Office, Corporate Finance and Back-Office areas. The risk registers are reviewed and updated throughout the course of the year by the relevant register owners. Other risk disciplines are embedded into operational processes across Front Office and Back Office (Vendor Management, Information/ Cyber Security Management, Privacy Management etc.).

Under the new Risk Framework, the ARC will assist the Board in its oversight of FRP's risk management framework, by monitoring its effectiveness through oversight of the ORC which will continue to oversee the implementation and day to day management of the Risk Framework at an operational level and report into the ARC. The ARC will also provide input to the Board in its assessment of enterprise risks and determination of risk appetite & tolerance levels, as part of the overall setting of strategy for FRP. The ORC will manage the risk framework within the boundaries set by the ARC reporting on top level risks. Risk ownership will be integrated into all business activities and form the input/ feedback channel into the managed risk registers, reviewed within the ORC.

Section 172 statement

This section serves as our Section 172 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 now ensures that the requirements of s172 are front of mind by including them on all Board meeting agendas and requiring s172 impact assessments for key Board decisions.

The Board recognises that the business is reliant on maintaining its reputation for high standards of conduct, professionalism and integrity and this is always given high priority. As a business with substantial numbers of regulated individuals in an industry where reputation is of paramount importance, the Board will not countenance any course of action that it considers may threaten its regulatory compliance or bring the business into disrepute.

Key decisions will be assessed by the Board for alignment to and furthering of the Company's long-term strategy and purpose.

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 (including prior to the restructuring and IPO). However, given the importance of our team, our clients and our referral network, these themes are also discussed throughout this Annual Report.

While the COVID-19 crisis has interrupted our regular physical face to face interactions with various stakeholders internally and externally, we do consider them to be important in maintaining open communications and team cohesion and will be reintroducing these gradually provided it is safe to do so in line with Government guidelines and the needs of individual attendees. In the meantime, we have taken advantage of various video conferencing platforms where appropriate.

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 › More than 50% of Shares are owned by Partners actively involved in the business and nearly 8% are owned by the Employee Benefit Trust › AGM (2020 onwards)

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	› Internal FRP Leadership Programme (FILM) › Internal coaching programmes › Internal training courses › Colleague portal › Colleague newsletter › Colleague conferences (pre-COVID-19) › Board visits to regional offices › Pre-IPO consultation and communications exercises for partners and non-partner team members › Annual performance reviews › Options granted to almost all non-Partner team members at IPO › Partners own more than 50% of the Company's shares › Whistleblowing policy in place to report wrongdoing
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 › Company website
Panel Partners and Referrers	› Responsiveness › Competitive fees › High quality advice › Maximising returns for all › Reputation protection › Compliance with practice standards	› Panel audit processes › Periodic compliance certifications › Regular relationship meetings › Regular project updates › Dedicated panel support teams › Company website

Stakeholder	Their interests	How we engage and react
Regulatory Bodies	› Regulatory compliance › Integrity of the profession	› Membership of regulatory bodies › Colleagues regularly part of and contribute to technical groups of regulatory bodies › Regulatory visits every three years as well as interim visits › Supervised by ICAEW AML legislation
Local Communities	› Community participation › Support of local businesses › Charitable initiatives › Work opportunities	› COVID-19 website resource hub › Professional comment and updating via LinkedIn, website and professional publications › Press comment › Support charities local to the offices › Apprenticeships and work experience placements
Environment	› Energy usage and efficiency › Recycling › Waste management	› Workplace recycling processes and policies › SECR energy use monitoring and reporting

On behalf of the Board

Geoff Rowley
Chief Executive Officer
26 August 2020

Board of Directors

The Board of Directors of the Company is made up of three Executive Directors, two independent Non-Executive Directors, a further Non-Executive Director and the Chairman.

Nigel Guy
Non-Executive Chairman

Nigel Guy is a Chartered Accountant and has spent the majority of his executive career in private equity where he has over 20 years' experience. 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.

Since then he has developed a portfolio career and has sat on a number of private and public company boards either as non-executive director or chairman, often representing strategic financial investors. He joined the management board of FRP Advisory LLP as chairman, shortly after the management buyout in 2010.

Geoff Rowley
Chief Executive Officer

Geoff is the Group CEO and is a Chartered Certified Accountant and Licensed Insolvency Practitioner with 30 years' experience including at firms RSM Robson Rhodes and PKF. Geoff is a partner in the London restructuring advisory team and was joint founder of the business as part of the Vantis plc management buyout in 2010.

Outside of management responsibilities, his focus is on 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, Debenhams, Carluccio's and a significant PFI project arising from the failure of Carillion.

Jeremy French
Chief Operating Officer

Jeremy is the Chief Operating Officer of the Group. Jeremy is a Chartered Accountant and Licensed Insolvency Practitioner with more than 35 years' experience.

Jeremy is a joint founder of the business as part of the 2010 Vantis plc management buyout team 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.

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

Gavin Jones

Chief Financial Officer

Gavin joined FRP as its Chief Financial Officer in June 2020. He 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 previously held executive roles within financial services, including a Divisional CFO at Marsh, Regional Financial Controller at Aon and an Executive Director at ABN AMRO's Investment Banking division.

He is a Chartered Accountant and a member of the Chartered Institute for Securities and Investment.

David Chubb

Senior Independent Non-Executive Director

David is a Chartered Certified Accountant and until recently, also held a license as an Insolvency Practitioner, with experience across a range of sectors. David joined the Group as a non-executive director in 2019 following a career in banking at Standard Chartered and Hambros, and as a restructuring partner at PwC.

Spanning a period of over 20 years with PwC, he covered 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 both boards and shareholders of businesses in financial distress.

David Adams

Non-Executive Director

David has been a non-executive director of the Group since 2010. David spent the majority of his career as a Partner in the corporate law team at Travers Smith LLP.

Since then David has run his own corporate advisory business and held a number of non-executive directorships of private and listed companies. David helped establish the Group's corporate finance division and sits on the board of FRP Corporate Finance Limited.

Claire Balmforth

Independent Non-Executive Director

Claire joined the Board as an independent non-executive director in August 2020. Claire has significant listed company experience in both executive and non-executive roles, having previously held senior commercial and operational positions at FTSE250 companies.

Claire has significant knowledge of organisational leadership and employee engagement in founder led businesses and is currently a non-executive director and chair of the Remuneration Committee of both Safestore Holdings plc and Trifast plc

Directors' Report

For the year ended 30 April 2020

The Directors present their report with the financial statements of the Group for the year ended 30 April 2020.

Principal activities and business review

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

The requirements of the business review have been considered within the Strategic Report.

Results and Dividends

An analysis of the Group's and Company's performance is contained within the Strategic Report. The Group's income statement is set out on page 66 and shows the result for the year.

The Directors declare a dividend of 0.66 pence per eligible Ordinary Share in respect of the financial year to 30 April 2020. This will be paid on 13 November 2020 to shareholders on the register on the record date of 23 October 2020.

Directors

The current Directors and their brief biographies are detailed on pages 42 to 43.

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

Nigel Guy
(Appointed 6 March 2020)

Geoff Rowley
(Appointed 14 November 2019)

Jeremy French
(Appointed 14 November 2019)

David Chubb
(Appointed 6 March 2020)

David Adams
(Appointed 6 March 2020)

Catherine (Kate) O'Neill
(Appointed 6 March 2020 and resigned 30 June 2020)

Gavin Jones
(Appointed 29 June 2020)

Claire Balmforth
(Appointed 3 August 2020)

Jeremy French and Geoff Rowley were appointed on incorporation of the Company. The non-executive directors joined the Board on the day the Group completed its pre-float restructuring and IPO. Kate O'Neill resigned on 30 June 2020. Gavin Jones joined the Board after the year end on 29 June 2020 as Chief Financial Officer. Claire Balmforth joined the Board after the year end on 3 August 2020 as a Non-Executive Director.

In accordance with the Articles of Association, each of the Directors will retire and being eligible 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 55 to 56.

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 2020 are set out below:

Ordinary Shares as at 30 April 2020	
Nigel Guy	25,000
Geoff Rowley	9,454,663
Jeremy French	7,563,730
David Chubb	62,500
David Adams	312,500
Kate O'Neill	12,500

There has been no change to the Directors' share interests noted above since 30 April 2020.

Gavin Jones and Claire Balmforth, both of whom joined the Board after the year end, have no ordinary shares as at the date of this Report.

Equal opportunities policy

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

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

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

Employee engagement

The Group focuses on employee engagement and maintaining the positive culture that motivates existing and attracts new colleagues.

During the year, the business 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 business was able to communicate its strategy, priorities, values and goals effectively throughout the organisation. These regular interactions included:

These regular interactions included:

- A Colleague newsletter
- Colleague Portal
- Continual Performance Reviews
- An Annual Colleague Conference
- Regional Partner meetings with, and presentations to, the Board

Particular developments during the year were also subject to specific communications programmes. These included:

- A rebranding exercise leading to an extensive internal communication programme on launch of the new brand identity and website.
- A TUPE consultation and communications exercise arising as a result of the restructuring associated with the IPO to fully inform employees of the impact of the IPO.
- Meetings and communications with the partner group in relation to the IPO and the impact thereof.
- The roll out of new policies relating to the IPO including a Share Dealing Code and updated Social Media Policy.
- The institution on IPO of an Employee Share Scheme and communications to help employees understand their participation in it.
- A COVID-19 employee communication programme to (a) ensure the health and safety of the team and appropriate and timely responses to the changing advice affecting workplaces, (b) facilitate remote working, and (c) remain connected while out of the office.

The Partners of the business hold over 50% of the issued shares in the Company and their views are routinely sought through formal and informal meetings with Board members.

The Board and the partners were delighted to have been able to grant an Employee Share Option Plan in conjunction with the IPO meaning the vast majority of employees across the entire business now have a direct interest in the performance of the Company.

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

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

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

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

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

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

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

Energy and carbon reporting

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

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

Our disclosures are set out below and include energy and emissions from the entire Group, regardless of whether individual companies would be required to report. The disclosures relate to the entire financial year including the period prior to the Company's ownership of the business.

This is the first time that the Company has been required to report and accordingly, the report does not include comparative figures for the prior financial year.

UK Energy use	Year ended 30 April 2020 Consumption	Greenhouse Gas (GHG) Emissions (tCO_2e)	Notes
Electricity	449,243 kWH	114,873	Electricity consumed relates to routine office power requirements *(Scope 2)*
Gas	40,154 kWH	7,382	Gas used to fuel heating and hot water boilers in office locations *(Scope 1)*
Vehicle Fuel	147,287 miles	41,797	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)*
Total		164,052	

Methodology

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 tCO2e figure we have taken our overall electricity spend for the year and divided it by our average price paid per kWh to derive a kWh figure to which a kgCo2e factor of 0.2556 was applied, being the UK Government's Conversion Factor 2019 for this type of electricity use.

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 tCO_2e figure we have taken our overall gas spend for the year and divided it by our average price paid per kWh to derive a kWh figure to which a kgCo2e factor of 0.18385 was applied, being the UK Government's Conversion Factor 2019 for this sort of natural gas 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 used the DVLA licensed car statistics from 2019 of that distribution to create our model (petrol – 58.5%, diesel – 39.1% and other – 2.4%). 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 2019 for an average vehicle in respect of each fuel type (and using the hybrid vehicle factor for the other fuels category) were then applied to the relevant mileage figure to obtain the tCO2e figures.

Intensity Ratio

Tonnes of CO_2e per total £m sales revenue during the year to 30 April 2020: 0.0026.

Energy Efficiency Activity

The business did not undertake any particular energy efficiency activities over the year. Given the business is office-based and primarily operates from leased premises, there are few opportunities to significantly impact energy efficiency. However, the Company is mindful of its environmental obligations and will examine opportunities to further cut its carbon emissions.

Branches

The Company has no branches outside of the UK.

Political and charitable donations

The Company made charitable donations totalling £4,842 during the year ended 30 April 2020 (2019: £6,172). The Company made no political donations during the year ended 30 April 2020 (2019: £nil).

Post-Balance Sheet Events

Following the year end, the Group acquired a restructuring advisory team in Newcastle, consisting of 15 colleagues including two partners and 10 other fee earners.

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 notes 2 and 4 to the financial statements.

Statement of disclosure to auditor

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

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

Mazars LLP has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Going Concern Basis

Having due consideration of the financial projections, the level of debt, and available facilities, it is the opinion of the Directors that the Group has adequate resources to continue in operation for the foreseeable future and, therefore, consider it appropriate to prepare the Financial Statements on the going concern basis.

The Group has been, and is currently, both profitable and cash generative. The business has consistently grown year on year for 10 years and has proved to be resilient, growing in both periods of economic growth and recession.

At year end the group had £21m of cash reserves, higher than historic positions due to funds raised during the IPO. The group also has an undrawn £5m committed revolving credit facility (RCF). Ongoing operational cash generation and this cash balance mean we have sufficient resources to both operate and move swiftly should acquisition opportunities arise.

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. Also, the business has four other pillars: Pensions, Forensics, Corporate Finance and Debt Advisory that both support the restructuring offering but also earn fees autonomously.

With specific regard to the 2020 coronavirus (COVID-19) virus pandemic, the Group immediately adapted our ways of working, clients were continually serviced without interruption. Consequently, our cash generation and profitability were not significantly impacted by COVID-19. Given our strong financial position no employees of the firm have so far been made redundant or furloughed and none of the other Government assistance schemes available (grants, emergency loans, tax settlement delays) were utilised. Throughout the 'lock-down' period we have continued to win new client appointments, retain existing employees and attract new employees.

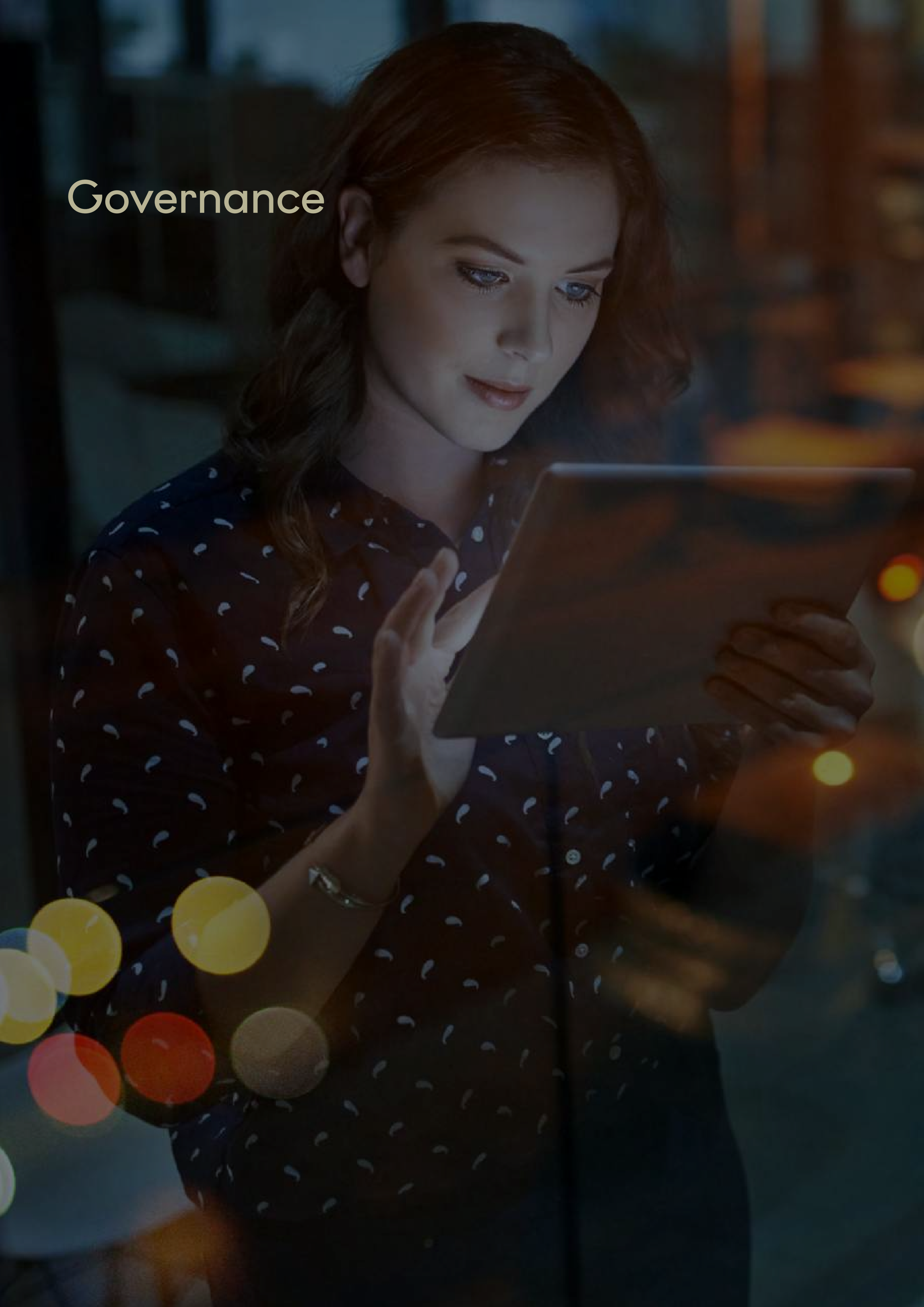
Remote working has reduced colleague interaction, limiting virus exposure to our Partners and staff. Staff that choose to come into work are temperature checked and work in a socially distanced layout.

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.

The report of the Directors was approved by the Board on 26 August 2020 and signed on its behalf by:

Geoff Rowley
Chief Executive Officer
26 August 2020

Governance



Corporate Governance Statement

For the year ended 30 April 2020

Introduction

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

The most significant governance event in the period under review was the Company's IPO on the AIM Market of the London Stock Exchange on 6 March 2020 ("IPO") which involved the creation of a new "topco", FRP Advisory Group plc, that, immediately before the IPO, acquired the business of FRP Advisory LLP together with all of its subsidiaries through a corporate reorganisation. It was at this point that the Board was constituted in its current form, the matters reserved to the Board were set and the Committees established. The Board has also now agreed a formal split of responsibilities between the Chair and the CEO.

While Geoff Rowley, Jeremy French, David Adams and I have worked together with FRP for 10 years and had established what we considered to be a sensible governance environment as a private limited liability partnership, in the lead up to the IPO, we reviewed our board composition and arrangements and implemented the appropriate changes to enhance our governance environment to meet the expectations of our shareholders and reinforce our ability to develop our strategy and deliver long term value to our shareholders. We recognise the benefits that good corporate governance and diverse opinion brings to a business and have worked (and will continue to work) to develop and embed processes, cultures and practices that position us to reap the benefit of robust governance.

We also recognise the importance of the Board displaying and embodying the ethics and behaviours we expect from our team at large.

Prior to the IPO the Company was a shell company and the Board consisted of Geoff Rowley and Jeremy French in the period from incorporation in November 2019 until the IPO. This report does not refer to the pre-IPO period.

Compliance

We comply with the QCA Code in all material respects and have become members of the QCA.

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

Principle	Information	Page Number
1. **Establish a strategy and business model which promote long-term value for shareholders**	See the "Business model and strategy" section in the Strategic Report.	*30 and 31*
2. **Seek to understand and meet shareholder needs and expectations**	See the Section 172 Statement in the Strategic Report.	*38*
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.	*38*

Principle	Information	Page Number
4. **Embed effective risk management, considering both opportunities and threats, throughout the organisation**	See the "Principal risks and uncertainties" section in the Strategic Report. See also the Audit Committee Report.	*34* *53 and 54*
5. **Maintain the board as a well-functioning, balanced team led by the chair**	See "The Board" section below.	
6. **Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**	See "The Board" and "Nomination Committee" sections below. Also see the Director Biographies.	*42 and 43*
7. **Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**	See "The Board" section below.	
8. **Promote a corporate culture that is based on ethical values and behaviours**	See "Culture" section below.	
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" below.	
10. **Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**	See "The Board" and "Board Committee" sections below. See also the Corporate Governance Report and the Section 172 Statement in the Strategic Report.	*38*

We consider that the application of the QCA Principles will support 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, challenging and supporting the executive to set and deliver the Group's strategy within an agreed system of risk tolerance and management and in accordance with the expectations and needs of our shareholders.

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

In turn, the Board expects that in delivering its strategy in line with shareholder expectations, in an ethical way and taking into account the wider stakeholder group, this will 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 42 to 43. 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 listed status, corporate governance issues and investor relations.

During the year, Kate O'Neill and David Chubb were considered by the Board to be independent directors. David joined the board of FRP Advisory LLP in May 2019 and Kate was introduced to the Company in connection with its IPO and both formally joined the Board on the Company's admission to AIM. Neither Kate or David had any prior connection to the business or the other directors and although both were granted share options on float and participated in the associated placing, these were not at levels the Board consider material enough (in the context of their personal circumstances) to compromise their independence. Details of Kate and David's shareholdings and options are set out in the Director's Report and Remuneration Report respectively.

Following Kate's departure on 30 June 2020, the Board has welcomed Claire Balmforth as an independent Non-Executive Director. Again, Claire has no prior connection to the Company or any director, no shares or share options of the Company and was recruited through an external recruitment agent.

The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer all work in the business full time with Jeremy French and Geoff Rowley'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 1 to 2 days per month.

Between the IPO and the financial year end, there were two scheduled Board meetings at which all directors were present.

The Board obtained advice on tax, legal matters, share option schemes, accounting matters, the IPO process and related transactions and investor relations during the year connected to the IPO process and the acquisition of its business.

As the Board is newly constituted, it has not undergone an effectiveness evaluation process at this point. However, the Board anticipates conducting an annual performance review in the future. Furthermore, 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. Leadership continues to promote the 4 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 which were established on IPO as set out below.

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 will receive and review 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 will normally meet at least three times a year at appropriate times in the reporting and audit cycle.

Remuneration Committee
The Remuneration Committee is responsible for reviewing the performance of the Executive Directors and the Chair and making recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will normally meet at least twice a year.

Nomination Committee
The Nomination Committee 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 Nomination Committee meets at least twice a year at appropriate times in the reporting cycle.

Disclosure Committee
The Disclosure Committee is responsible for supporting the Board in relation to compliance with the Market Abuse Regulation, the Disclosure, Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "inside information". The Disclosure Committee comprises all of the Directors but has a quorum of any three Directors provided at least one Executive Director and at least one Non-Executive Director is present. Nigel Guy chairs the Disclosure Committee, which will meet at such times and in such manner (including by telephone) as may be necessary or appropriate.

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

Committee	Audit and Risk	Remuneration	Nomination
Chair	David Chubb	Kate O'Neill**	Nigel Guy*
Other Members	Kate O'Neill**	David Chubb	Kate O'Neill**
	Nigel Guy*		David Chubb

* Non-independent director.
** Resigned post year end on 30 June 2020.

There were no scheduled formal Committee meetings during the period under review due to the relatively short period between the IPO and the financial year end (Review Period). The first meeting of the Audit Committee was in early May 2020.

On 30 June 2020, Kate O'Neill resigned as a director and accordingly stepped down from the Committees. Claire Balmforth has since joined each of the Principal Committees and has taken over the role of Chair of the Remuneration Committee.

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

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
Chairman
26 August 2020

Report of the Chair of the Audit and Risk Committee

For the year ended 30 April 2020

Overview

The Audit and Risk Committee (ARC) was established at the time of the Company's IPO and until 30 June 2020, comprised myself, David Chubb, as Chairman, Kate O'Neill and Nigel Guy. Kate and I are both considered independent Non-Executives by the Board. Since Kate's resignation on 30 June 2020, the Committee has welcomed Claire Balmforth, an independent Non-Executive Director, as a member. Nigel has worked with the business for 10 years and brings significant institutional knowledge and memory to the Committee, as well as his professional skills.

Nigel and I are qualified accountants and Kate is a qualified lawyer with significant investor relations experience in the financial services sector. Claire is an experienced non-executive public company director and Remuneration Committee chair. As such, I consider that we possess recent and relevant financial experience in various sectors to contribute to our work on the Committee.

Duties

The ARC's Terms of Reference are available to view on the Company's website. Its primary duties as set out in the Terms of Reference include:

- monitoring the integrity of the financial statements of the Company, including its annual and interim reports, reviewing significant financial reporting issues and judgements contained in them.
- reviewing the content of the annual report and accounts and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- overseeing and advising the Board on the Company's overall risk exposures and strategy.
- monitoring the need for an internal audit function and making appropriate recommendations to the Board.
- overseeing the relationship with the external auditor.
- keeping under review the adequacy, effectiveness and independence of the Company's internal financial controls, internal risk assessment processes and internal control and risk management systems.

Activities

The Committee did not meet formally during the period between its constitution on the Company's IPO on 6 March 2020 and the financial year end but held its first meeting on 12 May 2020. The external auditor attended this meeting at the invitation of the Committee Chairman and all committee members were present.

Since the year end, the Audit Committee has met formally on a total of three occasions for the following main purposes:

- To review the audit plan and terms of engagement and areas of key risk for the auditor.
- To review the Group's response to the COVID-19 crisis.
- To review the financial statements. In particular the Committee focussed on the following matters:
  - Review of significant reporting issues and judgements identified by the auditor during their audit.
  - Considering whether the Annual Report was fair, balanced and understandable with all necessary information included for shareholders to reasonably assess business.
  - Risk related disclosures in the Annual Report.
- To review the Management Representation letter and Audit Completion Report.
- To review the effectiveness of the audit.
- To separately obtain feedback from both Mazars and the Company on the conduct of the audit and also commence a review on lessons to be learnt from the process.

Auditor Independence

It is the Company's policy that the auditor shall not undertake any non-audit services for the Group without the approval of the ARC. Potential conflicts of interest with the external auditor are a standing agenda item for all ARC meetings to ensure regular review.

Mazars were appointed as the Company's auditor post IPO. Mazars was not an auditor of the pre-IPO business of FRP. The Committee is satisfied with the independence of the auditor at the current time.

Audit Effectiveness

The Committee met with the auditor who presented their Audit Strategy Document which included their plan for the audit. Key areas were discussed including materiality levels and the Committee satisfied itself as to the effectiveness of the planned audit approach.

The Committee also met to review a draft of the annual report and accounts. The meeting also included discussions with the auditor regarding the audit process and to receive a presentation on the Audit Completion Report.

Given the significant amount of change involving transitions from LLP to PLC, from private to public company and adopting IFRS (previously FRP Advisory LLP reported under UK GAAP), a huge amount of work has needed to be undertaken to produce our first Annual Report. The Committee was pleased to learn that the audit process had been completed with the business and audit teams working well together.

Dividend process

The Committee has also considered the mechanism and reporting requirements in relation to dividend payments and in particular the process being implemented for the first dividend payment.

Risk Management and Internal Controls

The Committee has responsibility for reviewing the risk registers and for satisfying itself that risk identification and management processes, including the Company's financial and other controls, are robust and sufficient to keep the risks faced by the business within the level which can be tolerated by the business and which fit with the Board's appetite for risk.

I chaired the audit committee of the business pre-listing and we continue to evolve the Group's approach towards risk management as the business grows. The recent transition to a public company, has led to further assessment and the planned implementation of a formally recognised Risk Management Framework in order to ensure that we continue to achieve our objectives.

Prior to the IPO, the Group's internal audit function reported to the then Audit Committee. Since the IPO, whist the internal audit function's work is integral to monitoring key areas of risk across the Group, it is not a formal process on which the auditor will place reliance. As a consequence and in order to enable the Committee to better focus on strategic risk issues, the internal audit function will report to the operational risk committee which will report to the Committee on specific issues including matters arising from the internal audit programme.

David Chubb
Chairperson,
Audit Committee
26 August 2020

Report of the Chair of the Remuneration Committee

For the year ended 30 April 2020

Chairperson's Introduction

The Committee was formed on the Company's IPO on 6 March 2020 and was made up of Kate O'Neill (as Chair) and David Chubb, both independent Non-Executive Directors. I took over the Chair and the Committee now comprises myself and David Chubb. We are both independent Non-Executive Directors.

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

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

No formal meetings of the Committee were held between the IPO and the financial year end.

Since the financial year end, the Committee's work has focussed on and will be focussed on:

- developing an appropriate remuneration package for the new Chief Financial Officer, Gavin Jones, who was appointed on 29 June 2020.
- developing the Remuneration Policy for the executive directors.

To this end the Committee has had regular remote dialogues on the above, but as yet no formal meetings at which all committee members were present.

While we seek to comply with the QCA disclosure requirements, we do not consider it appropriate to include market performance metrics this year due to the short trading history of the Company at this time. This will be revisited in future reporting cycles.

Single Total Figure of Remuneration

The following tables detail the total remuneration earned by each Director from the Group in respect of the financial year ended 30 April 2020 (which is effectively March and April, approximately the period since the IPO as they received no remuneration from the Company prior to that date). Due to the new structure of the business, comparative figures for 2019 and figures relating to the pre-IPO period have not been given. Information on their remuneration structure is set out in more detail overleaf.

	Salary & fees £	Bonus £	Partner Profit Allocation £	Taxable Benefits £	Share Options £***	Post-IPO 2020 Total £
Executive directors						
Geoff Rowley	2,000	Nil	276,179	**	Nil	278,179
Jeremy French	2,000	Nil	107,151	**	Nil	109,151
Gavin Jones*	Nil	Nil	N/A	Nil	Nil	Nil
Non-Executive Directors						
Nigel Guy	12,500	Nil	N/A	65	55,000	67,565
David Chubb	9,167	Nil	N/A	412	5,000	14,579
David Adams	9,167	Nil	N/A	48	50,000	59,214
Kate O'Neill	9,167	Nil	N/A	47	5,000	14,214
Total remuneration	**44,000**	**Nil**	**383,330**	**572**	**115,000**	**542,902**

*Gavin Jones was appointed after the year end on 29 June 2020.

**See "Partner Director Pay Structure" below.

***The share options are the market value at IPO, further details below.

Non-Executive Director Annual Fees

The Annual Fees currently payable to the Non-Executive Directors are set out below. They were originally determined on completion of the IPO in March 2020. The fees include any role on a Board Committee.

	Fees £
Nigel Guy	75,000
David Chubb	55,000
David Adams	55,000
Claire Balmforth	55,000
Total remuneration	**240,000**

Director Share Options

Details of the Directors' share options at the year end and currently are set out below.

	At 30 April 2020	At the date hereof
Executive directors		
Geoff Rowley	Nil	Nil
Jeremy French	Nil	Nil
Gavin Jones (appointed 29 June 2020)	n/a	146,044
Non-Executive Directors		
Nigel Guy	68,750	68,750
David Chubb	6,250	6,250
David Adams	62,500	62,500
Kate O'Neill (resigned 30 June 2020)	6,250	Nil
Claire Balmforth	Nil	Nil
Total number of Share Options	**143,750**	**283,544**

The Chief Executive Officer and Chief Operating Officer 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 also hold significant equity stakes in the Company and will receive dividends paid in respect of those shareholdings.

The 146,044 Share Options granted to Gavin Jones on his appointment are nil cost options which vest on 29 June 2023. There are no performance conditions attached to these options in line with the other options granted at the time of the IPO.

The Share Options granted to the Non-Executive Directors at IPO have an exercise price of 0.1p per Share (nominal value), vest on 6 March 2023 and carry no performance conditions.

Remuneration Policy

Following the IPO, a review will be conducted in this financial year using an external Consultant to develop the longer term remuneration strategy linked to the overall company strategy and also succession and retention plans. This is to be included in next year's Annual Report.

Partner Director Pay Structure

Geoff Rowley and Jeremy French are remunerated in the following ways:

- *Base Salary:* £12,000 per year. This derives from their employment by FRP Advisory Trading Limited.
- *Partner Base Profit Share:* Jeremy and Geoff will each receive basic drawings in their capacity as partners of FRP Advisory Services LLP of £315,000 per year.
- *Discretionary Profit Share:* There is an annual variable profit-sharing pool available for partners in respect of each financial year equivalent to 25 per cent. of the Group's consolidated earnings before interest, tax, the value of the profit-sharing pool and (in 2020 only) any exceptional costs related to Admission and the Reorganisation. Payments from the annual profit-sharing pool will generally be paid in four quarterly tranches following the publication of the Company's audited accounts in respect of the relevant year in four equal tranches of 25 per cent. Distribution of the annual profit-sharing pool is determined by the Remuneration Committee of FRP Advisory Services LLP and, in relation to Jeremy and Geoff, reviewed and approved by the Remuneration Committee of the Board.
- *Share Options:* To reward and incentivise exceptional performance, Partners may also be made awards of 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 Partners at this point.

Geoff and Jeremy 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. In addition, Jeremy and Geoff will be entitled to receive dividends arising from their shareholdings in the Company.

Chief Financial Officer Pay Structure

Gavin Jones's current annual remuneration package is as follows:

- *Base Salary:* £180,000
- *Bonus:* up to 100% of salary, based on FRPs financial performance and specific objectives set and measured by the Remuneration Committee
- *Pension contribution:* £18,000
- *Share Options:* 146,044 share options awarded on appointment (see "Director Share Options" above for terms). Gavin is eligible for further option awards under the terms of the Share Option Scheme as determined by the Remuneration Committee.
- *Other benefits:* Life Assurance Cover, Critical Illness Cover, Private Medical Insurance and Permanent Health Insurance.

Report Status

The Company is not required by law or the AIM rules to produce a Remuneration Report. It is provided in compliance with the requirements of the QCA Corporate Governance Code and in the interests of transparent and open reporting to shareholders.

This report has not been audited.

Claire Balmforth
Chairperson,
Remuneration Committee
26 August 2020

Report of the Chair of the Nomination Committee

For the year ended 30 April 2020

The Committee

The Committee was formed on the Company's IPO on 6 March 2020 and was made up of myself (as Chair) and the two independent Non-Executive Directors, Kate O'Neill and David Chubb. Following Kate's departure in June, Claire Balmforth, an independent Non-Executive Director, joined the Committee.

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

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future.
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 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

No formal meetings of the Committee were held between the IPO and the financial year end.

The Committee's work since the IPO has focussed on:

- Recruiting a new Chief Financial Officer, Gavin Jones; and
- Recruiting a new independent Non-Executive Director, Claire Balmforth.

In recruiting Gavin Jones and Claire Balmforth, the Committee retained independent search firms. In the case of the Chief Financial Officer, the search firm was Definitive Consulting and in the case of the Non-Executive search, the Committee used Ridgeway Partners. Neither firm has a connection to the Group or any member of the Board or, so far as the Committee is aware, any employee of the Group.

In the case of the Chief Financial Officer, following a review of potential candidates' CVs with the search firm, a shortlist was drawn up and invited for interview with the two members of the Nominations Committee including the ARC Chair and also the Executive Directors. The preferred candidate was invited to a further interview with the remaining member of the Nominations Committee, the remaining Non-Executive Director and for a further time, the Chairman following which the Nominations Committee formally recommended Gavin Jones to the Board and an offer was made subject to independent third party due diligence, Nomad approval and references. We were delighted that Gavin joined us on 29 June 2020 following completion of this process.

In the case of the Non-Executive Director, while we needed to find the best person for the role, we expressed a preference for female representation on the Board.

Ridgeway Partners produced a shortlist and the Committee reviewed the submitted CVs before inviting four candidates for initial interview.

We were very pleased with the calibre of candidates who expressed an interest in joining us in both roles and are delighted that Gavin and Claire have joined the Board.

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
26 August 2020

Statement of Directors' responsibilities

For the year ended 30 April 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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. 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 IFRSs as adopted by the European Union, 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's and company's transactions and disclose, with reasonable accuracy, at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report

to the Members of FRP Advisory Group plc

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 2020 which comprise the:

- 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and FRS101 "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 financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Key audit matter	How the matter was addressed in the audit
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 2.10 'Revenue recognition' on page 72 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 90% of the Group's revenues, the Group's engagement teams consider the nature of the fee arrangements for each engagement. These arrangements may include the requirement for credit committee approval, and the assessment may require an estimate of both the proportion of each engagement that is complete at the period-end, and the total consideration expected to be received under the engagement. The directors' commentary on the related judgements and estimates is set out in note 3 page 77. 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 judgmental nature of the assessments required by the Group's engagement teams, we have identified revenue recognition and the associated value of unbilled revenue as a key audit matter.	Our audit procedures over revenue recognition and contract assets included general procedures on the methodology adopted and related control environment and control procedures, and substantive testing on a sample of engagements. General procedures included, but were not limited to: › assessing the related internal control environment, including testing certain controls that we considered to be key in the determination of revenue to be recognised. › considering the appropriateness of the methodology adopted, with reference to IFRS15; › considering the adequacy of the disclosures related to revenue recognition; 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; and › robustly challenging 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. **Key observations** Our testing did not identify any significant deficiencies in either the internal control environment or in the operation of related controls. As a result, no revision to the nature and/or scope of our planned audit procedures was required. Overall, our assessment is that the methodology and models used in estimating the level of revenue and the valuation of unbilled revenue are appropriate and in accordance with IFRS 15, and that the level of revenue and value of unbilled revenue in the financial statements are appropriate. Our sample-based audit work indicated that revenue has been recognised when a right to consideration had been obtained through performance of the agreed services. We consider the related disclosure in note 3 to the financial statements appropriately describes and explains the significant judgement used in determining the stage of completion of revenue contracts

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These thresholds, 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:
£1.2m
Parent Company materiality:
£0.9m

How we determined it

Group materiality:
1.9% of revenue
Parent Company materiality:
5% of net assets.

Rationale for benchmark applied

In light of the group reorganisation in the year in which the previous parent partnership, which distributed profits in full, was replaced by a company, we consider revenue to be the most appropriate basis for determining materiality.

As the Parent Company operates solely as a holding company, we consider net assets to be an appropriate basis for determining materiality.

We consider the Group to be a single significant component.

Performance materiality

Group performance materiality:
£0.78m
Parent Company performance materiality: £0.59m

We performed our audit procedures using a lower level of materiality – termed 'performance materiality' – which is set to reduce to an appropriate 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 and Company's control environment and the fact that this is our first year as the group's auditor, we have set our performance materiality at 65% of materiality.

Reporting threshold

We agreed with the Audit Committee that we would report to that committee all identified corrected and uncorrected audit differences in excess of £36,000 (representing 3% of Group financial statement materiality) together with differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, such as determining appropriate accounting treatments where alternatives exist, and making assumptions on significant accounting estimates.

Although comprising a number of legal entities, we consider the Group to be a single significant component which was subject to a full scope audit performed by the group audit team, which also tested the consolidation process.

We gained an understanding of the legal and regulatory framework applicable to the Group, the structure of the Group and the industry in which it operates. We considered the risk of acts by the Group which were contrary to the applicable laws and regulations, including the risk of fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. We tailored the scope of our Group 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 a risk assessment, our understanding of the Group's accounting processes and controls and its environment, and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our tests included, but were not limited to, obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error; review of minutes of directors' meetings in the year; and enquiries of management.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of resources and effort, are discussed under 'Key audit matters' within this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 its 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 59, 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.

A further description of our responsibilities for the audit of the financial statements is located 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.

William Neale Bussey
Senior Statutory Auditor

for and on behalf of
Mazars LLP
Chartered Accountants
and Statutory Auditor

Tower Bridge House
St Katherine's Way
London
E1W 1DD
26 August 2020

Financial Statements

Consolidated statement of comprehensive income

For the year ended 30 April 2020

	Notes	**Year Ended 30 April 2020 £'000**	Year Ended 30 April 2019 £'000
Revenue		**63,187**	54,312
Personnel costs		**(42,692)**	(40,082)
Depreciation and amortisation		**(1,359)**	(1,325)
Other operating expenses		**(14,086)**	(12,651)
Exceptional costs	7	**(1,974)**	–
Operating profit	6	**3,076**	254
Finance income		**7**	7
Finance costs		**(177)**	(257)
Net finance costs	10	**(170)**	(250)
Profit before tax		**2,906**	4
Taxation	11	**(829)**	(4)
Profit for the year		**2,077**	–
Other comprehensive income		**–**	–
Total comprehensive income for the year		**2,077**	–
Earnings per share (in pence)			
Basic and diluted	12	**0.87p**	n/a

All results derive from continuing operations.

Prior to the group reorganisation on 6 March 2020, the Group was headed by a partnership. Under the terms of the partnership agreement, all profits for the c.10 month period to IPO and prior year were automatically allocated to the partners, with the allocation being presented within staff costs.

The notes on pages 70 to 92 form part of these financial statements.

Consolidated statement of financial position

As at30 April 2020

	Notes	Year Ended 30 April 2020 £'000	Year Ended 30 April 2019 £'000
Non-current assets			
Goodwill	13	**750**	750
Other intangible assets	13	**–**	2
Property, plant and equipment	14	**1,994**	1,853
Right of use asset	14	**3,995**	4,786
Total non-current assets		**6,739**	7,391
Current assets			
Trade and other receivables	15	**33,576**	31,069
Cash and cash equivalents	16	**21,311**	4,946
Total current assets		**54,887**	36,015
Total assets		**61,626**	43,406
Current liabilities			
Trade and other payables	17	**27,276**	30,947
Loans and borrowings	18	**–**	358
Lease liability	18	**925**	850
Total current liabilities		**28,201**	32,155
Non-current liabilities			
Other creditors	17	**9,528**	4,625
Loans and borrowings	18	**–**	3,284
Lease liability	18	**3,271**	4,197
Deferred tax liabilities	19	**124**	–
Total non-current liabilities		**12,923**	12,106
Total liabilities		**41,124**	44,261
Net assets/(liabilities)		**20,502**	(855)
Equity			
Share capital	21	**238**	–
Share premium	24	**18,975**	–
Treasury shares reserve		**(19)**	–
Share based payment reserve	22	**361**	–
Merger reserve		**(90)**	–
Retained earnings		**1,037**	(855)
Shareholders equity		**20,502**	(855)

Approved by the Board and authorised for issue on 26 August 2020.

Jeremy French
Director

Gavin Jones
Director

Company Registration No. 12315862

Consolidated statement of changes in equity

For the year ended 30 April 2020

	Called up share capital £'000	Share premium account £'000	Treasury share reserve £'000	Share based payment reserve £'000	Merger reserve £'000	Retained earnings £'000	Total Total equity £'000
Balance at 30 April 2018 and 2019	–	–	–	–	–	(855)	**(855)**
Year ended 30 April 2019							
Profit for the year	–	–	–	–	–	2,077	**2,077**
Other movements	–	–	–	–	–	(185)	**(185)**
Group restructuring	–	–	–	–	(90)	–	**(90)**
Issue of share capital	238	19,975	–	–	–	–	**20,213**
Issue costs	–	(1,000)	–	–	–	–	**(1,000)**
Acquisition of treasury shares	–	–	(19)	–	–	–	**(19)**
Share based payment expense	–	–	–	361	–	–	**361**
Balance at 30 April 2020	**238**	**18,975**	**(19)**	**361**	**(90)**	**1,037**	**20,502**

Prior to the group reorganisation on 6 March 2020, the Group was headed by a partnership. Under the terms of the partnership agreement, all members' interests, including partner capital, was considered to be a liability of the partnership. As such, the group has recorded no net assets or equity, other than amounts relating to the adoption of IFRS, prior to 6 March 2020.

Consolidated statement of cash flows

For the year ended 30 April 2020

	Year Ended 30 April 2020 £'000	Year Ended 30 April 2019 £'000
Cash flows from operating activities		
Profit/(loss) before taxation	**2,906**	4
Depreciation, amortisation and impairment	**1,359**	1,325
Share based payments	**361**	–
Net finance expense	**170**	250
Increase in trade and other receivables	**(2,510)**	(5,786)
Increase/(decrease) in trade and other payables	**360**	(2,308)
Tax paid	**(18)**	4
Net cash from operating activities	**2,628**	(6,511)
Cash flows from investing activities		
Purchase of tangible assets	**(707)**	(937)
Interest received	**7**	7
Net cash used in investing activities	**(700)**	(930)
Cash flows from financing activities		
Proceeds from share sales	**20,106**	–
Less issue costs	**(1,000)**	–
Principal elements of lease payments	**(850)**	(767)
Drawdown of new loans	**–**	3,000
Repayment of loans and borrowings	**(3,642)**	(345)
Interest paid	**(177)**	(257)
Net cash used in financing activities	**14,437**	1,631
Net increase/(decrease) in cash and cash equivalents	**16,365**	(5,810)
Cash and cash equivalents at the beginning of the year	**4,946**	10,756
Cash and cash equivalents at the end of the year	**21,311**	4,946

Notes to the Financial Statements

For the year ended 30 April 2020

1. General information

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

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

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, in accordance with the IFRS Interpretations Committee ("IFRIC") interpretations, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared in sterling, which is the presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

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 2020.

FRP Advisory Group plc was incorporated on 14 November 2019 and on 6 March 2020 it acquired the entire issued share capital of FRP Advisory Trading Limited from FRP Advisory LLP by way of a share-for-share exchange. The shareholding of FRP Advisory Group plc owned by FRP Advisory LLP as a result of the exchange was subsequently distributed to its members in the same proportion to their equity holdings. FRP Advisory Trading Limited has three wholly owned subsidiaries, FRP Debt Advisory Limited, FRP Corporate Finance Limited and Litmus Advisory Limited, as well as being a member of FRP Advisory Services LLP and Apex Debt Solutions LLP.

The accounting treatment in relation to the addition of FRP Advisory Group plc as a new UK holding company of the Group falls outside the scope of IFRS 3 'Business Combinations'. The re-organisation constituted a common control combination of the entities. This was a result of the shareholders of FRP Advisory Group plc being issued shares in the same proportion to their equity holdings in FRP Advisory LLP and the continuity of ultimate controlling parties.

The reconstructed group was consolidated using merger accounting principles, as outlined in Financial Reporting Standard FRS 102 ("FRS"), and the reconstructed Group treated as if it had always been in existence. The Directors believe that this approach presents fairly the financial performance, financial position and cash flows of the Group.

2.4 New and amended standards adopted by the group

The Group has applied the following standards and amendments for the first time for their annual reporting period ending 30 April 2020:

IFRS 16 'Leases'
IFRS 16 specifies how the Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The full retrospective application of IFRS16 has been applied. For each lease the Group has recognised an asset for the remaining lease term and lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet where previously they were off balance sheet. There has been no impact on cash flow but there has been an impact on the Income Statement as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

The Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less. The recognition of these exempted leases will therefore continue unchanged – a charge will be recognised in the income statement based on straight-line recognition of the lease payments payable on each lease, after adjustment for lease incentives received. These are also recognised in the operating profit note.

A number of other new standards are also effective from 1 May 2019 but they do not have a material effect on the Group's financial statements.

2. Significant accounting policies continued

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. In some cases, these standards and guidance have not been endorsed for use in the European Union.

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

Standard	Effective date, annual period beginning on or after
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 *Business Combinations*	1 January 2020
Amendments to IAS 1 and IAS 8: *Definition of Material*	1 January 2020
Amendments to IFRS9, IAS39 and IFRS 7: *Interest Rate Benchmark Reform*	1 January 2020
Amendment to IFRS16: *Covid-19 Related Rent Concessions*	1 June 2020
IFRS 17 – *Insurance Contracts*	1 January 2021

2.6 Going concern

The Group has been, and is currently, both profitable and cash generative. The business has consistently grown year on year for 10 years and has proved to be resilient, growing in both periods of economic growth and recession.

At year end the group had £21m of cash reserves, higher than historic positions due to funds raised during the IPO. The group also has an undrawn £5m committed revolving credit facility (RCF). Ongoing operational cash generation and this cash balance mean we have sufficient resources to both operate and move swiftly should acquisition opportunities arise.

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. Also, the business has 4 other pillars: Pensions, Forensics, Corporate Finance and Debt Advisory that both support the restructuring offering but also earn fees autonomously.

With specific regard to the 2020 coronavirus (COVID-19) virus pandemic, the Group immediately adapted our ways of working, clients were continually serviced without interruption. Consequently, our cash generation and profitability were not significantly impacted by COVID-19. Given our strong financial position no employees of the firm have so far been made redundant or furloughed and none of the other Government assistance schemes available (grants, emergency loans, tax settlement delays) were utilised. Throughout the 'lock-down' period we have continued to win new client appointments, retain existing employees and attract new employees.

Remote working has reduced colleague interaction, limiting virus exposure to our Partners and colleagues. Colleagues that choose to come into work are temperature checked and work in a socially distanced layout.

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.

Having due consideration of the financial projections, the level of debt and the available facilities, it is the opinion of the directors that the group has adequate resources to continue in operation for the foreseeable future and therefore consider it appropriate to prepare the Financial Statements on the going concern basis.

2. Significant accounting policies continued

2.7 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 until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

2.8 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.

The Group has been consolidated under merger accounting principles set out in Section 19 of FRS 102 as described in 'basis of consolidation' above.

2.9 Foreign currencies

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

2.10 Revenue recognition

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

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

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

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

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

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

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

The Group recognises revenue from the following activities:

- insolvency and advisory services;
- debt advisory services; and
- corporate finance services.

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

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

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

2. Significant accounting policies continued

2.10 Revenue recognition continued

Insolvency and advisory services continued

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

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

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

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

Revenue is recognised at a point in time on the date of completion of the transaction or when unconditional contracts have been exchanged. For non-refundable retainer fees, these are recognised upon signing of the contract. Fees typically comprise a non-refundable retainer and a success fee based on a fixed percentage of the transaction value. 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.

2.11 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.

2.12 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 if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, being 10% on a straight line basis.

2.13 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 software	25%
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. Significant accounting policies continued

2.14 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 instruments are derecognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

2.15 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 financial assets or liabilities held 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 receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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

Insolvency and advisory services
Unbilled revenue is recognised at the fair value of services provided at the balance sheet date reflecting the stage of completion (determined by costs incurred to date as a percentage of the total anticipated costs) of each assignment. This is included in trade and other receivables.

Debt advisory services and corporate finance services
Revenue is recognised upon the completion of each performance obligation (i.e. “stages”) at a point in time. There is therefore no unbilled revenue at each year end as revenue is only recognised once these performance obligations have been fulfilled and invoicing has taken place.

Interest bearing borrowings
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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.

2.16 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. 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 profit or loss.

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.

2. Significant accounting policies continued

2.17 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. The tax payable prior to the group reorganisation was the personal liability of the individual members; consequently, neither tax on partnership profits nor related deferred taxation have been accounted for in the financial statements.

Deferred tax

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period 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.

2.18 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.

2.19 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 cash flows 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.

2.20 Leases

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

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

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

IFRS16 full retrospective method has been applied. 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.

2. Significant accounting policies continued

2.20 Leases continued

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 reasonable 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 amortised 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 amortised over the remaining (revised) lease term.

2.21 Financing income and expenses

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

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

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

2.22 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.

2.23 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.

The Employee Benefit Trust has been consolidated.

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.

Critical judgements

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

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 make subjective judgements concerning the value in use of cash-generating units.

Investments in subsidiaries

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

Merger accounting

IFRS Standards do not specify how to account for Business Combinations Under Common Control. Management has used its judgement to determine that the substance of this transaction is solely a reorganisation of the group not affecting the nature or conduct of the underlying trading operation. As such, in accordance with IAS 8, management has considered other standard setting bodies when using judgement to determine an accounting policy and has adopted the principles of merger accounting under FRS 102.

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.

Unbilled revenue

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

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

Significant judgement is involved in estimating the amount of revenue, where variable consideration is involved and which results in the recognition of unbilled revenue.

Management base their assessments for judgements and estimates on historic experience, market insights and rational estimates of future events. Judgements and 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.

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. 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.

4. Financial risk management continued

Credit risk

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.

	As at 30 April 2020 £'000	As at 30 April 2019 £'000
Trade receivables	**3,391**	3,229
Unbilled revenue	**28,285**	26,313
Cash and cash equivalents	**21,311**	4,946
	52,987	34,488

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 and unbilled revenue 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.

Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with the Group's accounting policy. Changes in contract asset balances this year primarily relate to increases in revenue and the Group undertaking more complex cases.

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 maturities of borrowings and other financial liabilities are disclosed below.

	As at 30 April 2020 £'000	As at 30 April 2019 £'000
Within 1 year	**925**	1,208
Within 2-5 years	**2,552**	6,442
Beyond 5 years	**719**	1,039
	4,196	8,689

4. Financial risk management continued

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.

Foreign currency risk

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

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

All revenue is recognised in relation to contracts held with customers.

6. Operating profit

Operating profit has been arrived at after charging:

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Depreciation of owned assets	**542**	462
Depreciation of right-of-use-assets	**815**	860
Fees payable to the Group's auditor for the audit of the group accounts	**80**	27
Fees payable to the auditor for other services:		
the auditing of Subsidiary accounts	**40**	11
taxation compliance and other services	**–**	3
all other services	**–**	85
Expenses relating to short term leases	**35**	35

7. Exceptional costs

Items that are material, either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate.

An analysis of the amount presented as exceptional items in these financial statements is given below.

Operating items	**Year ended 30 April 2020 £'000**	Year ended 30 April 2019 £'000
Costs in relation to the IPO	**1,974**	–
Total exceptional costs	**1,974**	–

Attributable costs relating to the group restructuring and IPO performed during the year have been recognised within the consolidated income statement as an exceptional cost.

8. Director and employee information

The average number of employees during the year was:

	Year ended 30 April 2020 Number	Year ended 30 April 2019 Number
Directors	**5**	–
Fee earning employees	**279**	259
Non fee earning employees	**67**	61

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages, salaries and partner compensation charged as an expense	**40,735**	38,413
Social security costs	**1,202**	1,257
Pension costs – defined contribution scheme	**394**	412
Share-based payment expense	**361**	–
	42,692	40,082

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

Details of emoluments paid to the key management personnel from the date of incorporation to the year-end (including partner profit allocations in respect of Messrs Rowley and French) are as follows:

	14 November 2019 to 30 April 2020 £'000	Year ended 30 April 2019 £'000
Directors' emoluments	**427**	–
Benefits in kind (inc. pension contributions)	**1**	–
Share based payment expense	**115**	–
	543	–

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

	£'000	£'000
Remuneration for qualifying services	**278**	–

Key management personnel including directors:

	£'000	£'000
Salaries and fees	**1,238**	1,071
Contributions to pension plans	**33**	–
Benefits in kind	**29**	–
Share based payment expense	**39**	–
	1,339	1,071

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2019: n/a).

10. Finance income and expense

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
On short term deposits and investments	**7**	7
Total finance income	**7**	7

On bank loans and overdrafts measured at amortised cost	**148**	72
On lease liability	**29**	185
Total finance expense	**177**	257

11. Taxation

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Current tax		
UK corporation tax	**705**	4
	705	4
Deferred tax		
Origination of temporary differences	**124**	–
	124	–
Total tax expense	**829**	4

Reconciliation of tax charge:

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Profit before tax	**2,906**	4
Corporation tax in the UK at 19%	**552**	1
Effects of:		
Non-deductible expenses	**132**	5
Other permanent temporary differences	**145**	(2)
Total tax charge	**829**	4

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%.

12. Earnings per share

The earnings per share has been calculated using the profit for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
Profit for the period attributable to equity holders of the company	**2,077**	n/a
Weighted average number of ordinary shares	**237,500,560**	n/a
Earnings per share (in pence)	**0.87**	n/a

Earning per share has not been reported for the comparative period as the group was headed by an LLP and there was no share capital in issue. The potential ordinary shares which arise as a result of the options in issue are not dilutive under the terms of IAS 33 because the share options are backed by shares already in issue. Accordingly, there is no difference between the basic and dilutive loss per share.

The Employee Benefit Trust does not have an entitlement to dividends, holding 18,750,000 shares of the above 237,500,560 shares.

13. Intangible assets

	Computer software £'000	Goodwill £'000	Total £'000
Cost			
At 1 May 2018	46	750	796
Additions	–	–	–
Disposals	(36)	–	(36)
At 30 April 2019	10	750	760
At 1 May 2019	10	750	760
Additions	–	–	–
At 30 April 2020	**10**	**750**	**760**
Amortisation			
At 1 May 2018	(41)	–	(41)
Charge for the period	(3)	–	(3)
Disposals	36	–	36
At 30 April 2019	(8)	–	(8)
At 1 May 2019	(8)	–	(8)
Charge for the period	(2)	–	(2)
At 30 April 2020	**(10)**	**–**	**(10)**
Net book value			
At 30 April 2019	2	750	752
At 30 April 2020	**–**	**750**	**750**

Analysis of Goodwill by entity as at 30 April 2020:

	Date of acquisition	£'000
FRP Debt Advisory Limited	29 January 2016	750
		750

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.

13. Intangible assets continued

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).

In practice CGU's could represent:

- An entire entity (parent or subsidiary entities within a group)
- Departments or business units within an entity
- Production lines within a department, or within an entity
- Groups of items of property, plant and equipment within a production line, department and 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.

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 cash flow projections for the 5-year period assume a conservative growth rate of 7.5%.

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 10.45%, 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 growth rate of 1.0% is used. This is derived from members' expectations based on market knowledge, numbers of new engagements, and the pipeline of opportunities.

Sensitivity to changes in assumptions

With regard to the assessment of value in use for debt advisory 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

	Right of use asset £'000	Computer equipment £'000	Fixtures and fittings £'000	Leasehold improvements £'000	Motor vehicles £'000	Group Total £'000
Cost						
At 1 May 2018	6,329	1,041	511	956	7	8,844
Additions	869	364	133	442	–	1,808
Disposals	–	–	(112)	–	–	(112)
Other	11	–	–	–	–	11
At 30 April 2019	7,209	1,405	532	1,398	7	10,551
At 1 May 2019	7,209	1,405	532	1,398	7	10,551
Additions	24	310	90	283	–	707
Disposals	–	–	–	–	–	–
At 30 April 2020	**7,233**	**1,715**	**622**	**1,681**	**7**	**11,258**
Depreciation						
At 1 May 2018	(1,563)	(522)	(232)	(385)	(0)	(2,702)
Depreciation charge for the period	(860)	(228)	(78)	(154)	(2)	(1,322)
Disposals	–	–	112	–	–	(112)
At 30 April 2019	(2,423)	(750)	(198)	(539)	(2)	(3,912)
At 1 May 2019	(2,423)	(750)	(198)	(539)	(2)	(3,912)
Depreciation charge for the period	(815)	(292)	(83)	(166)	(1)	(1,357)
Disposals	–	–	(0)	–	–	(0)
At 30 April 2020	**(3,238)**	**(1,042)**	**(281)**	**(705)**	**(3)**	**(5,269)**
Net book value						
At 30 April 2019	4,786	655	334	859	5	6,639
At 30 April 2020	**3,995**	**673**	**341**	**976**	**4**	**5,989**

15. Trade and other receivables

Trade and other receivables	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Trade receivables	**3,391**	3,229
Other receivables	**1,900**	1,527
Unbilled revenue	**28,285**	26,313
	33,576	31,069

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

Due in:	As at 30 April 2020 £'000	As at 30 April 2019 £'000
<30 days	**1,305**	1,159
30-60 days	**434**	962
60-90 days	**485**	307
>90 days	**1,167**	801
Total	**3,391**	3,229

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.

All trade receivables and unbilled revenue are derived from contracts with customers. Unbilled revenue constitutes the costs incurred to fulfil contracts with customers.

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

As at 30 April 2019	<30 days £'000	<60 days £'000	<90 days £'000	<180 days £'000	>180 days £'000	Total £'000
Expected loss rate	0%	0%	0%	0%	33%	5%
Gross carrying amount	1,668	401	278	550	498	3,395
Expected credit loss provision	–	–	–	–	(166)	(166)

As at 30 April 2020	<30 days £'000	<60 days £'000	<90 days £'000	<180 days £'000	>180 days £'000	Total £'000
Expected loss rate	**0%**	**0%**	**0%**	**4%**	**49%**	**11%**
Gross carrying amount	**1,305**	**434**	**485**	**785**	**822**	**3,831**
Expected credit loss provision	**–**	**–**	**–**	**(34)**	**(406)**	**(440)**

16. Cash and cash equivalents

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Cash at bank and in hand	**21,311**	4,946

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

17. Trade and other payables

Current liabilities	**Group As at 30 April 2020 £'000**	Group As at 30 April 2019 £'000
Trade payables	**1,064**	662
Other taxes and social security costs	**3,416**	1,683
Other payables and accruals	**22,796**	28,602
	27,276	30,947

Non-current liabilities	**Group As at 30 April 2020 £'000**	Group As at 30 April 2019 £'000
Other payables and accruals	**9,528**	4,625
	9,528	4,625

The fair value of trade and other payables approximates to book value at each year end. Trade payables are non-interest bearing. Accruals are normally settled monthly throughout the financial year.

The increase in other payables and accruals primarily relates to amounts owed to partners following the corporate restructuring prior to the IPO.

18. Loans and borrowings

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Current borrowings		
Bank loan	**–**	358
Lease liability	**925**	850
	925	1,208

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Non-current interest-bearing loans and borrowings		
Bank loan	**–**	3,284
Lease liability	**3,271**	4,197
	3,271	7,481

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Bank loan is repayable:		
Within one year	**–**	358
Within two to five years	**–**	3,284
	–	3,642

Interest on the bank loan was charged at 2.5% over LIBOR per annum.

The bank loan was secured by fixed and floating charges over the assets of FRP Advisory LLP. Cross guarantees and debentures existed between FRP Advisory LLP, Apex Debt Solutions LLP and FRP Debt Advisory Limited.

Also included within bank loans was a quarterly Revolving Capital Facility on which interest was charged at 1.5% over LIBOR.

19. Provisions for liabilities

The deferred tax provision of the group is as follows:

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Deferred tax liability brought forward	**–**	–
Recognised in profit and loss for the period	**124**	–
	124	–

The deferred tax provision is analysed as follows:

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Accelerated capital allowances	**138**	–
Other temporary differences	**(14)**	–
	124	–

20. Financial instruments

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Financial assets held at amortised cost	**33,576**	31,069
Financial liabilities held at amortised cost	**41,000**	44,261

21. Share capital

Allotted, called up and fully paid	**Group and company as at 30 April 2020 £**	Group and company as at 30 April 2019 £
237,500,560 Ordinary shares of £0.001 each	237,501	n/a

The shares have attached to them full voting, dividend and capital distributions (including on winding up) rights; they do not confer any rights of redemption. The employee benefit trust, holding 18,750,000 shares does not have an entitlement to dividends, when these options convert to shares held by staff, there will be a dividend entitlement.

	Group and company	
Reconciliation of movements in shares during the year	Ordinary number £1 shares	Ordinary number £0.001 shares
At 1 May 2018	–	–
Issued on incorporation	2	–
Issued on 21 February 2020	51,808	–
Subdivision	(51,810)	51,810,000
Share for share exchange	–	141,940,560
Issued on 6 March 2020	**–**	**18,750,000**
Issued on 6 March 2020	**–**	**25,000,000**
	–	**237,500,560**

The Company was incorporated on 14 November 2019, issuing 2 Ordinary shares of £1 each.

On 21 February 2020, the Company issued 51,808 Ordinary shares of £1 each at par.

On 25 February 2020, the Company subdivided the Ordinary shares of £1 each into Ordinary shares of £0.001 each.

On 6 March 2020, the Company issued 141,940,560 Ordinary shares of £0.001 at a value of £0.80 each in exchange for the entire issued share capital of FRP Advisory Trading Limited.

On 6 March 2020, the Company issued 18,750,000 Ordinary shares of £0.001 each at par.

On 6 March 2020, the Company issued 25,000,000 Ordinary shares of £0.001 for cash consideration of £0.80 each and incurred issue costs of £1,000,000.

22. Share based payments

FRP Advisory Group plc has granted share options at its discretion to directors and employees. These are accounted for as equity settled options. Details for the share options granted and outstanding at the year-end are as follows:

	Number of share options 2020	**Weighted average exercise price £ 2020**
Outstanding at the beginning of the year	**–**	**–**
Granted during the year	**11,463,008**	**–**
Forfeited during the year	**(64,539)**	**–**
Outstanding at the end of the year	**11,398,469**	**–**
Exercisable at the end of the year	**–**	**–**

The weighted average life of outstanding options was three years (2019: n/a).

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	–	–	–
Granted during the year	11,319,258	143,750	11,463,008
Forfeited during the year	(64,539)	–	(64,539)
Outstanding at the end of the year	11,254,719	143,750	11,398,469
Exercisable at the end of the year	–	–	–

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

Date of grant	**2020**	Exercise price (£)	Vesting
6 March 2020	**11,254,719**	–	06/03/2023
6 March 2020	**143,750**	0.001	06/03/2023

22. Share based payments continued

The Group uses a Black Scholes model to estimate the fair value of share options. The options were issued over shares held by the FRP Advisory Group Employee Benefit Trust, an entity that is not controlled by the Group. 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 option life is the estimated period over which the options will be exercised. The options have no expiry date to discount, so 3 years has been considered a reasonable expected life as those awarded are required to remain in employment for 3 years;
- No variables change during the life of the option (such as the dividend yield remaining zero);
- As the Group has limited trading history, the volatility rate has been based on other AIM support services entities. The volatility rate used was 21%;
- A risk-free interest rate of 0.7% has been used; and
- 80% of the options issued under the employee scheme are expected to vest. 90% of the options issued to the non-executive directors are expected to vest.

The total recognised share-based payment expense during the year by the Group was £361,000 (2019: n/a).

23. Leases

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Expenses relating to short term leases	**35**	35
Cash outflow for leases	**1,020**	952

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

Lease liabilities in relation to right-of-use assets fall due as follows:

	Group As at 30 April 2020 £'000	Group As at 30 April 2019 £'000
Due within one year	**925**	850
Due within two to five years	**2,552**	3,158
Due after more than five years	**719**	1,039
	4,196	5,047

24. Reserves

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

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

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

Share based payment reserve
The share based payment reserve represents the cumulative expense of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Merger reserve
The merger reserve represents the difference between the nominal value of shares issued and the fair value of the assets received during the reorganisation. 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 and IPO during the year.

Retained earnings
The retained earnings reserve represents the Group's cumulative net gains and losses less contributions/distributions.

25. Related party transactions

During the year the Group recharged costs of £19K (2019: £23K) to Apex Debt Solutions LLP, an LLP in which the Group has a controlling interest.

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

During the period FRP Advisory Trading Ltd paid £2,261k to FRP Advisory Services LLP. Geoff Rowley and Jeremy French are directors of FRP Advisory Group PLC and designated members of FRP Advisory Services LLP.

26. Control

There is no one ultimate controlling party of FRP Advisory Group plc.

27. Events after the reporting period

The following director has resigned their position on the Board:

- Kate O'Neill – 30 June 2020.

The following directors were appointed to the Board:

- Gavin Jones – 29 June 2020.
- Claire Balmforth – 3 August 2020.

Acquisition in June 2020 of a Newcastle based Restructuring Advisory team of 15, including 2 partners and 10 fee earners.

28. Capital commitments

At the balance sheet date, the Group had no material capital commitments in respect of property, plant and equipment (2019: £nil).

29. 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 2020

	Notes	Company 30 April 2020 £'000
Non-current assets		
Investment in subsidiary	6	503
Total non-current assets		**503**
Current assets		
Trade and other receivables	7	8,499
Cash and cash equivalents	8	10,157
Total current assets		**18,656**
Total assets		**19,159**
Total liabilities		**–**
Net assets		**19,159**
Equity		
Share capital	10	238
Share premium	10	18,975
Treasury shares reserve		(19)
Share based payment reserve	11	361
Retained earnings		(396)
Total Equity		**19,159**

Parent Company statement of changes in equity

For the year ended 30 April 2020

	Called up share capital £'000	Share premium account £'000	Treasury shares reserve £'000	Share based payment reserve £'000	Profit & loss account £'000	Total equity £'000
Incorporated on 14 November 2019						
Loss for the year	–	–		–	(396)	(396)
Issue of share capital	238	19,975		–	–	20,213
Issue costs	–	(1,000)		–	–	(1,000)
Acquisition of treasury shares	–	–	(19)	–	–	(19)
Share based payments	–	–		361	–	361
Balance at 30 April 2020	**238**	**18,975**	**(19)**	**361**	**(396)**	**19,159**

Notes to the Parent Company financial statements

For the year ended 30 April 2020

1. General information

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

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

2. Significant accounting policies

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

2.1 Accounting convention

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

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

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

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

The company meets the definition of a qualifying entity under FRS 101, The Financial Reporting Standard applicable in the UK and Republic of Ireland. These financial statements for the period ended 30 April 2020 are the first financial statements of FRP Advisory Group plc prepared in accordance with FRS 101.

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

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

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, however none of these are expected to have a significant effect of the annual financial statements of the company, and have thus not been disclosed.

2.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to note 2.6 to the Group financial statements.

2.3 Investment in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The Company tests the investment balances for impairment annually or when there are indicators of impairment.

2.4 Foreign currencies

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

2.5 Financial instruments

The Company 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 Company 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 instruments are derecognised on the trade date when the Company is no longer a party to the contractual provisions of the instrument.

2. Significant accounting policies continued

2.6 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 financial assets or liabilities held 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 receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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.

2.7 Taxation

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period 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.

2.8 Employee benefits

The Company operates defined contribution plans for its employees. A defined contribution plan is a post-employment benefit plan under which the Company 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 Company is demonstrable committed to terminate the employment of an employee or to provide termination benefits.

2. Significant accounting policies continued

2.9 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 cash flows at a pre-tax rate that reflects risks specific to the liability.

2.10 Financing income and expenses

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

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

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

2.11 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.

2.12 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.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Investments in subsidiaries

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

Key source of estimation uncertainty

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

Share based payments

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

4. Auditors remuneration

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

5. Director and employee information

The average number of employees during the year was:

	Period ended 30 April 2020 Number
Directors	**5**

No amounts were paid to Directors through this Company.

6. Non-current asset investments

	Company £'000
Cost	
At 14 November 2019	–
Additions	503
At 30 April 2020	**503**
Net book value	
At 14 November 2019	–
At 30 April 2020	**503**

Non-current asset investments consist of investments in subsidiaries, measured at cost. On 6 March 2020, the Company acquired the entire issued share capital of FRP Advisory Trading Limited, its sole directly owned subsidiary, via a share for share exchange as part of the group re-organisation. 141,940,560 Ordinary shares of £0.001 each were issued at a value of £0.80 per share. Merger relief has been applied under s615 of the Companies Act 2006. At the balance sheet date further share based payment charge of £361,000 was capitalised into the cost of investment in the subsidiary as the employees to whom options granted are employed by FRP Advisory Trading Limited.

6. Non-current asset investments continued

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

Subsidiary undertakings	Country of Incorporation	Principal activity	Shareholding % Ordinary shares held Direct 2020	Shareholding % Ordinary shares held Indirect 2020
Held directly:				
FRP Advisory Trading Limited	England & Wales	Professional services	100%	0%
Apex Debt Solutions LLP	England & Wales	Professional services	0%	99.6%
FRP Advisory Services LLP	England & Wales	Professional services	0%	99.9%
FRP Corporate Finance Limited	England & Wales	Professional services	0%	100%
FRP Debt Advisory Limited	England & Wales	Professional services	0%	100%
Litmus Advisory Limited	England & Wales	Dormant	0%	100%

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.

7. Trade and other receivables

	As at 30 April 2020 £'000
Amounts owed by Group undertakings	**8,499**
	8,499

The Company's other receivables are due from its subsidiaries and are interest free as well as repayable on demand.

8. Cash and cash equivalents

	As at 30 April 2020 £'000
Cash at bank and in hand	**10,157**

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

9. Financial instruments

	As at 30 April 2020 £'000
Financial assets held at amortised cost	**8,499**

10. Share capital

Refer to Note 21 to the Group financial statements.

11. Share based payments

Refer to Note 22 to the Group financial statements.

12. 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.

13. Control

There is no one ultimate controlling party of FRP Advisory Group plc.

14. Events after the reporting period

The following director has resigned their position on the Board:

- Kate O'Neill – 30 June 2020.

The following directors were appointed to the Board:

- Gavin Jones – 29 June 2020.
- Claire Balmforth – 3 August 2020.

15. Capital commitments

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

Directors and advisers

Directors

Nigel Guy
Non-Executive Chairman

Geoff Rowley
Chief Executive Officer

Jeremy French
Chief Operating Officer

Gavin Jones
Chief Financial Officer

David Adams
Non-Executive Director

David Chubb
Non-Executive Director

Claire Balmforth
Non-Executive Director

Corporate Information

Company Secretary
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St Katharine's Way
London
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Notes

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