

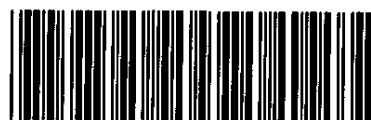
Registered number: 12491490

**IWP ADVISORY GROUP LIMITED (PREVIOUSLY NAMED IWP
INVESTMENT MANAGEMENT LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

COMPANY INFORMATION

DIRECTORS L J Cantlay (appointed 25 February 2022)
T Spain (appointed 25 February 2022)
V C A Faucon (resigned 25 February 2022)
A J D Easton (appointed 28 February 2023)

REGISTERED NUMBER 12491490

REGISTERED OFFICE 1.03 - 1.04
7 Stratford Place
London
W1C 1AY

INDEPENDENT AUDITOR BDO LLP
55 Baker Street
London
W1U 7EU

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

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IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022****INTRODUCTION**

The Directors of IWP Advisory Group Limited (the "Company" or "IWP AG") and its subsidiaries (together "the Group") present their strategic report for the Group for the year ended 31 March 2022.

The Company was dormant until 31 March 2022, when via a share-for-share exchange, it acquired IWP Advisory Holdings Limited, the parent of a group of companies as detailed in note 15. Since then, the Company has acted as a holding company.

IWP AG is one of two key subsidiaries of IWP Holdings Limited ("IWP Group"). IWP Holdings' ambition is to build the UK's best wealth planning business, providing consistently high quality service to our customers through a network of local wealth management experts, with the benefit of national scale and infrastructure support.

IWP GROUP STRATEGY

The IWP Group's strategy is to grow both organically and through acquisition. Now that it has reached an appropriate scale, a regional structure has been put in place with local management teams with in depth knowledge of their customers and markets, leading regional teams. The Group's future acquisition activity will be focused on smaller acquisitions which will be integrated into the regional hubs, thus building their scale.

The IWP Group operates a devolved business model which maintains a degree of autonomy for local management teams whilst substantially upgrading their infrastructure. This model allows rapid expansion as the management of each hub remains independent but benefits from the IWP infrastructure – technology, compliance, HR, finance and marketing support. In the year ended 31 March 2022, the Group continued with its acquisition strategy, delivering two new regions and building out scale in existing regions. The IWP Group intends to achieve substantial organic growth over the long term, building on the foundations of the excellent quality businesses it has already acquired. IWP plan to do this by investing in two key areas:

People – training and developing new professional advisers and support staff, to substantially increase our capacity to service customers; and

Technology – implementing up to date technology to support efficient operations and excellent customer service.

We believe that our strategy will enable us to achieve continued growth in the foreseeable future as we work towards achieving our ambition of becoming the UK's best wealth planning business. We have a number of acquisition opportunities, a strategy for generating organic growth and a strong team across the IWP Group working together to deliver against our objectives.

BUSINESS REVIEW

We have continued to make good progress with attracting, completing and integrating acquisitions. In the year to 31 March 2022 the Group completed five acquisitions.

Company acquired	Date acquired	% acquired
Encompass Financial Management Limited	23 June 2021	100%
Premier Wealth Management Limited	3 August 2021	80%
Throgmorton Wealth Management Limited	31 August 2021	100%
AWM-IFA Limited	8 October 2021	80%
HFL Advisory Services Limited	26 October 2021	80%

The combined consideration for these five acquisitions, including estimates of deferred consideration which are contingent on the achievement of agreed financial metrics and which are included at present value, is £23,614,000.

The Group's revenue in the year was £22,625,000 (31 March 2021: £3,010,000). This increase was driven by acquisitions, including the full year impact of businesses acquired last year, as well as organic growth. The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") in the year was £9,642,000, up from £1,359,000 loss in the prior year.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)
GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The key post EBITDA costs were amortisation of £5,300,000 (31 March 2021: £1,961,000), depreciation of £156,000 (31 March 2021: £22,000) and net financing costs of £6,042,000 (31 March 2021: £1,152,000). These costs chiefly relate to the Group's acquisition activities and are predominantly non-cash expenses. Despite increased investment in the central team and strategic projects, the EBITDA before Put Option expenses of £2,422,000 in 2021 (£1,000 credit in current year) has grown year on year from £1,063,000 for the year to March 2021, to £9,641,000.

Cash at 31 March 2022 amounted to £8,632,000 (31 March 2021: £5,438,000).

Since the year end, the Company has completed one further acquisition, purchased all minority interests in the hub companies and varied some commercial arrangements. Further details can be found in the Post-Balance Sheet Events note 30.

The 2021 comparative results are presented based on the adoption of Merger accounting principles. Further details are provided in note 2.2 Accounting policies.

INTEGRATION ACTIVITY

The Group has an established sensitive integration process which prioritises the interests of our clients and staff.

The focus of our integration activity has been on our people - ensuring that they have common resources and the support they need to provide their clients with the best advice.

CAPITAL STRUCTURE

The Company is funded by way of equity capital, intra-group loans provided by its immediate parent company IWP Investments Limited and deferred consideration. All acquisition terms include deferred consideration payable on the achievement of certain financial targets by the acquired companies generally over a four-year period following completion. At 31 March 2022, the Group had £27,321,000 (at 31 March 2021: £20,750,000) of deferred consideration outstanding.

OUTLOOK

The Directors are pleased with the progress made by the Group during the year and remain confident of its ability to continue to build a successful business by providing high quality wealth planning advice through an expert local network.

The Directors continue to focus on building a best-in-class infrastructure to support the needs of its regional businesses to enable them to continue providing excellent service for their clients and to continue to build their businesses.

The Board believes that there is still a large unmet need in respect of providing financial advice and expects the requirement for professional financial planning to accelerate in the future.

The Group will continue to prioritise the needs of its clients whilst implementing its growth strategy and the Directors are confident that the business will continue to make strong progress in 2023 and beyond.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has adopted an approach to managing risk within the business and we take the risks required to build our business, but only if these risks:

1. Fit our business strategy and can be understood and managed;
2. Do not expose the business to any single material loss event from an acquisition, business or product; and
3. Do not harm the IWP Group's advice brand.

Set out in the summary below are the principal risks and uncertainties faced by the Company and its Group based on the market sector in which the Group operates. The Board is responsible for assessing the principal risks and these are monitored on a regular basis by the Risk and Compliance Committee chaired by the Chief Risk Officer.

The key financial and non-financial risks identified by the Board and the measures taken to mitigate their impact are:-

Risk area	Potential impacts	How we monitor and manage the risk
Revenue risk from volatile financial asset values	<p>The majority of our revenues come from on-going adviser charges which are directly linked to the values of financial assets under advice (AUA). These assets are always subject to market volatility of underlying asset classes.</p> <p>Our transactional revenue is also linked to an ad valorem fee related to the value of the assets being onboarded. This fee is recovered via "adviser charging" from the client's investments. Increased volatility of certain assets and short-term losses in a market downturn may lead to reduced investor appetite for subscribing to new investment products.</p> <p>Poor investment performance by our recommended portfolios may also lead to lower revenue.</p> <p>During 2022 the markets have been adversely impacted by the Russia-Ukraine situation, and consequently the Group's revenues have been affected.</p>	<p>We closely monitor the markets and our revenue streams. Our clients generally enjoy risk targeted diversified portfolios therefore mitigating the risk to their investment values and the risk to our revenues.</p> <p>As part of our business assurance monitoring we expect our firms' underlying portfolios to perform within a range close to their comparable benchmarks.</p>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

Risk area	Potential impacts	How we monitor and manage the risk
Operational risk	Unsuitable advice being given to clients or the risk of financial loss and/or reputational damage resulting from inadequate or failed internal processes, people and systems or from external events including financial crime.	<p>The Group has established processes to ensure that all regulated advisors receive regular training and support. The Group also ensures that compliant systems and controls are in place to mitigate the risk of inappropriate advice being given to clients.</p> <p>The centralised compliance team runs a business assurance and monitoring programme to sample advisers' key performance indicators and also ensures that high risk product lines are pre-checked by the compliance unit.</p> <p>Furthermore, the Group is investing in its technology capabilities to harmonise and make more efficient its various workflows and processes. In respect of conduct risk that can be insured, the Group aims to maintain adequate levels of capital and professional indemnity insurance.</p> <p>The risk of the Group being used to facilitate financial crime is mitigated by secure IT systems, compliant policies and guidance, as well as annual training for advisers, support and central staff.</p>
IT risk	The interruption or failure of IT services and systems, whether managed internally or outsourced, could compromise data security and client service levels and could result in a financial and reputational loss to the Group.	<p>The Group works closely with its IT service and system providers to minimise this risk. Service Level Agreements and performance levels of external providers are reviewed regularly to ensure compliance with agreed service levels. Business continuity arrangements have been established for all our operating companies and we expect to migrate all services that are not currently cloud-based to a cloud-based environment in the near future.</p> <p>Together with our IT partners, we continue to monitor and enhance our cyber security capability.</p>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

Risk area	Potential impacts	How we monitor and manage the risk
Adviser recruitment and retention risk	Advisers play an important role in retaining clients through providing high quality advice and in winning new clients through, for example, referrals.	<p>We aim to make IWP the employer of choice for advisers and attracting and retaining good advisers is a priority across the Group.</p> <p>We employ a team of specialist Training & Competence managers who together with a specialist outsourced provider are responsible for ensuring that advisers are provided with the training and support they need to fulfil their roles.</p> <p>Objectives for advisers are also clearly communicated to them and our reward structure is designed to align the performance of advisers with the Group's business objectives.</p>
Regulatory, legislative and tax risk	Changes in the regulatory, legislative and tax environment may lead to a requirement to change business practices, to additional complexity for the Group and to additional expense.	<p>The risk of regulatory, legislative or tax changes cannot be easily mitigated. The Group employs appropriate expertise within our risk and compliance function to monitor and evaluate impending changes and where appropriate engages with independent experts to advise on necessary risk mitigation.</p> <p>We also actively engage with our regulators in an open and constructive manner to ensure that we remain compliant with evolving regulation.</p>
Acquisition risk	There is a risk when acquiring companies or trade and assets that the acquired business does not perform in line with expectations or that IWP has not fully appreciated the potential risks and liabilities associated with an acquired company.	<p>The Group engages external experts to conduct due diligence on each target prior to acquisition. The due diligence reports are designed to identify risks associated with the acquisition and where necessary we will seek to manage risks through legal agreements. As far as possible the group uses its own standard contracts for acquisitions and seeks to obtain full warranties and indemnities from each of the vendors in respect of actions and advice relating to the period prior to acquisition. Risk of underperformance by an acquisition is also mitigated by the standard Group deal structures where at least 50% of consideration payable is subject to post-acquisition performance conditions.</p>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

Risk area	Potential impacts	How we monitor and manage the risk
Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and receivables balances.	<p>Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as commercial transactions.</p> <p>Our Group companies currently receive the majority of their income from clients through regulated financial intermediaries which pay across the adviser fees due to us on behalf of the client. These payments are contractual obligations with clients but recovered from investment holdings on platforms or directly with other providers, which helps to minimise the risk of incurring bad debts.</p>
Liquidity risk	Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations when they fall due.	<p>The Group aims to maintain sufficient headroom in its cash position to ensure that it can meet its obligations and manage unexpected events.</p> <p>Management produces forecasts of the Group's liquidity on the basis of expected cash flows and monitors actual performance against expectations.</p> <p>The Board reviews the Group's liquidity at its monthly meetings.</p>

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the key financial performance indicators ("KPIs") for the Group are as follows:

1. Revenue Growth As the prime measure of our economic output, revenue growth is key to generating shareholder returns and the success of our growth strategy.	Comment Reported revenue increased from £3,010,000 in the prior year to £22,625,000. Revenue increased through a combination of new acquisitions, the full year impact of the acquisitions last year and organic growth.
2. EBITDA Margin EBITDA margin provides an indication of the quality of revenue growth and the impact on the business of central overheads.	Comment The EBITDA margin before Put Option expenses in the year was 42.6% (year to 31 March 2021: 35.3%). The increased EBITDA margin reflects the economies of scale achieved during the year.
3. EBITDA Growth EBITDA growth is critical for funding deferred consideration, debt service and improving shareholder returns.	Comment Reported EBITDA before Put Option expenses increased from £1,063,000 in the prior year to £9,641,000, an increase of 807%. EBITDA increased predominantly for the same reasons as revenue as set out above.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

OTHER KEY PERFORMANCE INDICATORS

<p>4. Quality of Advice Reviews Review of the suitability of financial planning and investment advice provided to clients.</p>	<p>Comment All cases meeting specified higher risk parameters are reviewed by an external consultancy firm prior to advice being released to the customer. For other cases, reviews are performed on a sample basis. 86% of reviews were deemed suitable on first review, with no queries or further information required. Where suitability is not immediately clear, swift remediation takes place, which often entails increasing the corroborative evidence. Current performance is in line with expectations and, where a trend is identified, processes are in place to enable the Board of Directors of the relevant company to address the issue.</p>
<p>5. Complaints Measuring the number of upheld regulated advice and service complaints relative to the number of advisors.</p>	<p>Comment For the year to March 2022, the average number of upheld complaints per advisor was 0.09. Whilst this is a low complaint rate, we strive to offer the very best service and therefore where an issue is identified, processes are in place to enable the Board of Directors of the relevant subsidiary to address it.</p>
<p>6. People Retention Measuring the rate of staff attrition.</p>	<p>Comment Staff attrition in the Group averaged 30% in the year, which is higher than the UK average of 16.8%. People exits can be a planned part of acquisitions, and in addition change can be destabilising for individuals. Therefore we expect a higher rate of attrition in newly acquired companies. Nonetheless, as a people business, we recognise the importance of attracting and retaining talented individuals, and therefore identify reasons for attrition so that we can take proactive steps to address the contributing factors.</p>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)
GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to:

- The likely consequences of any decisions 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 and conduct; and
- The need to act fairly between shareholders of the company.

During the year ended 31 March 2022 the Directors consider they have, individually and collectively, acted in a way that is most likely to promote the success of the Company for the benefit of its shareholders as a whole and have given due consideration to each of the above matters in discharging their duties under section 172. The stakeholders we consider in this regard are our employees, our clients, our shareholder, our regulators and our suppliers.

The Board recognises the importance of the relationships with our stakeholders in supporting the delivery of our strategy and operating the business in a sustainable manner. Directors are briefed on their duties and they can access professional advice on these from an independent advisor throughout the period a director holds office.

The Board recognises the importance of building and maintaining relationships with all of its key stakeholders in order to achieve long term success. Further details of our stakeholder engagement are set out below:

EMPLOYEES

Our employees are integral to the successful delivery of the Group's strategy. Employees' knowledge, skills and experience are key to maintaining our strong client relationships. As such, the Group is focused on the recruitment, development, retention and reward of its employees. Employees are encouraged to attend training courses and there is regular communication with employees to ensure that employees are informed of all matters affecting them. Within the bounds of law, regulation and commercial confidentiality, information is shared with all levels of staff about matters that affect the progress of the Group and are of interest and concern to them as employees.

CLIENTS

Our clients are of paramount importance and the Group seeks to retain clients and establish long and lasting relationships with them, built on respect and trust. The Group is focused on providing truly independent financial advice to all our clients and when we speak with our clients we review their affairs to ensure we are offering advice that meets their individual needs.

SHAREHOLDERS

The Company communicates regularly with its immediate parent company as well as its hub minority shareholders in order to maintain strong relationships and to keep them informed of progress and strategies.

REGULATORS

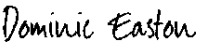
We engage regularly with our regulators and have open and candid discussions with them in connection with regulatory and industry matters. We recognise the importance of meeting our regulatory obligations and prioritise them.

SUPPLIERS

The Group endeavours to build strong relationships with suppliers built on honesty, fairness, and mutual respect. We speak with key suppliers on a regular basis and take reasonable steps to ensure our suppliers comply with our standards, such as those relating to environmental responsibility, modern slavery, data protection, human rights and ethics.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)
GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

This report was approved by the board on 12 May 2023 and signed on its behalf.

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A J D EASTON
Director

Date: 12 May 2023

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The Company was dormant until 31 March 2022 when via a share-for-share exchange, it acquired IWP Advisory Holdings Limited, the parent of a group of companies. Since then, the principal activity of the Company is to act as a holding company for a number of subsidiaries providing wealth management planning services.

RESULTS AND DIVIDENDS

The 2021 comparative results are presented based on the adoption of Merger accounting principles. Further details are provided in note 2.2 Accounting policies.

Given the Company acquired a group which was actively trading, the consolidated results of that group have been included in the prior period results as if they were owned by the Company throughout.

The loss for the year, after taxation and before minority interests, amounted to £1,857,000 (2021: loss £4,218,000).

There were no dividends paid or proposed during the current year or preceding year.

DIRECTORS

The Directors who held office during the year and at the date of signature of the financial statements were as follows:

L J Cantlay (appointed 25 February 2022)
T Spain (appointed 25 February 2022)
V C A Faucon (resigned 25 February 2022)
A J D Easton (appointed 28 February 2023)

FUTURE DEVELOPMENTS

The Group, along with the wider IWP Group, is reviewing its target operating model in order to maximise efficiency, reduce administration and ensure that it is best placed to continue its strategy of acquiring and consolidating excellent local wealth management planning businesses. This will result in some restructuring, however, operationally and strategically the Company and wider IWP Group's focus remains unchanged.

DIRECTORS' INDEMNITY INSURANCE

Directors' and Officers' liability insurance is held by IWP Holdings Limited in respect of the Directors.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and Group's auditor is aware of that information.

EMPLOYEE WELFARE, POLITICAL DONATIONS

The Group provide a wide range of training, career development and support for all its people, including disabilities. This includes employee assistance to support colleagues with personal and professional matters. Furthermore, the Group has a strong track record of developing and promoting its people. It is not the Group's policy to provide political donations.

POST BALANCE SHEET EVENTS

Since the period end, the Company has completed one further acquisition, purchased all minority interests in the hub companies and varied some commercial arrangements. Further details can be found in the Post-Balance Sheet Events note 30.

GOING CONCERN

The Group has deferred consideration payable as a result of previous acquisitions, for which it is reliant on the wider IWP Group for funding. Cashflow projections for the next 12 months show that, using the funding facilities available, the wider IWP Group has headroom against these liabilities in its base case forecast. However, should trading performance deteriorate and further equity or debt funding not be obtained, the wider IWP Group's remaining facility would not be sufficient to cover all funding needs of this Group for a period of at least 12 months from the date of approval of the financial statements. As a result a material uncertainty exists which may cast significant doubt on the Company's and Group's ability to continue as a going concern, meaning it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

The Company's going concern assessment is dependent on that of the wider IWP Group therefore its assessment was performed as part of the group's assessment.

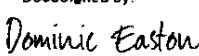
AUDITOR

The auditor, BDO LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

This report was approved by the Board and signed on its behalf.

DocuSigned by:

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A J D Easton
Director

Date: 12 May 2023

1.03 - 1.04
7 Stratford Place
London
W1C 1AY

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and the Group and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWP ADVISORY GROUP LIMITED
(FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**

Opinion on the financial statements

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 31 March 2022 and of the Group's loss and the Parent Company's result for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of IWP Advisory Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise consolidated statement of comprehensive loss, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial statements, which indicates that the Group has deferred consideration payable as a result of previous acquisitions for which it is dependent on the funding of the wider IWP Group which may not be forthcoming should further debt or equity financing not be obtained or the trading performance of the wider Group deteriorates.

As stated in Note 2, these events or conditions, along with other matters as set out in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWP ADVISORY GROUP LIMITED
(FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED) (CONTINUED)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.*

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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.

In the 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, 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.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED) (CONTINUED)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and to the Company which were contrary to applicable laws and regulations, including fraud.

We reviewed compliance with laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and Those Charged With Governance relating to the existence of any fraud, contingent liabilities and non-compliance with laws and regulations;
- Analytical review procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Review of minutes of board meetings and other committee meetings throughout the period until the date of our audit report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We considered which areas of the financial statements might be most susceptible to fraud and irregularities and identified the following areas:

- Management override of controls
- Revenue recognition

Our procedures included:

- Testing the appropriateness of journal entries based on key risk characteristics identified and evaluating whether there was evidence of bias by agreeing to supporting documentation and understanding the business rationale behind the journals selected for testing; and
- Understanding the revenue process and performing detailed testing by agreeing revenue calculation inputs to supporting documentation and in relation to the risk of fraud, we performed a reconciliation of all revenue journals to either cash or debtors.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

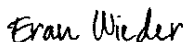
IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IWP ADVISORY GROUP LIMITED
(FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED) (CONTINUED)**

Use of our 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.

DocuSigned by:



BD33F3EF4925439

Eran Wieder (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 12 May 2023

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	(Pro-forma) Year to 31 March 2022 £000	Unaudited (Pro-forma) Year to 31 March 2021 £000
Turnover	4	22,625	3,010
Administrative expenses		(18,970)	(6,352)
Other operating income		210	-
Operating profit/(loss)	5	3,865	(3,342)
Interest receivable and similar income	9	4	-
Interest payable and similar expenses	10	(6,046)	(1,152)
Loss before taxation		(2,177)	(4,494)
Tax on loss	12	320	276
Loss for the financial year		(1,857)	(4,218)
Loss for the year attributable to:			
Non-controlling interests		872	107
Owners of the parent Company		(2,729)	(4,325)
		(1,857)	(4,218)

There was no other comprehensive income for 2022 (2021: £ Nil).

The notes on pages 26 to 55 form part of these financial statements.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)
REGISTERED NUMBER:12491490

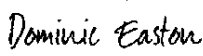
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

			2022	Unaudited (Pro-forma) 2021
	Note		£000	£000
Fixed assets				
Intangible assets	13	68,256		50,745
Tangible assets	14	511		377
Investments	15	119		158
			<u>68,886</u>	<u>51,280</u>
Current assets				
Debtors: amounts falling due within one year	16	20,152		9,654
Cash at bank and in hand	17	8,632		5,438
			<u>28,784</u>	<u>15,092</u>
Creditors: amounts falling due within one year	18	(73,353)		(44,187)
Net current liabilities			<u>(44,569)</u>	<u>(29,095)</u>
Total assets less current liabilities			<u>24,317</u>	<u>22,185</u>
Creditors: amounts falling due after more than one year	19	(19,785)		(19,784)
Provisions for liabilities				
Other provisions	22	(1)		(5)
			<u>(1)</u>	<u>(5)</u>
Net assets			<u>4,531</u>	<u>2,396</u>
Capital and reserves				
Called up share capital	23	-		-
Profit and loss account	24	(7,722)		(4,741)
Equity attributable to owners of the parent Company			<u>(7,722)</u>	<u>(4,741)</u>
Non-controlling interests		12,253		7,137
			<u>4,531</u>	<u>2,396</u>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)
REGISTERED NUMBER:12491490

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:

65158CF6060F44D

A J D Easton
Director

Date: 12 May 2023

The notes on pages 26 to 55 form part of these financial statements.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)
REGISTERED NUMBER:12491490

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		2022	Unaudited
	Note	£000	2021
			£000
Fixed assets			
<i>Investments</i>	15	-	-
		<hr/>	<hr/>
		-	-
Current assets			
Debtors: amounts falling due within one year	16	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Net current assets		-	-
		<hr/>	<hr/>
Total assets less current liabilities		-	-
		<hr/>	<hr/>
Net assets		-	-
		<hr/>	<hr/>
Capital and reserves		-	-
Called up share capital	23	-	-
Profit for the year	24	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:

 6515BCF6060F44D...
A J D Easton
 Director

Date: 12 May 2023

The notes on pages 26 to 55 form part of these financial statements.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £000	Profit and loss account £000	Equity attributable to the owners of the parent Company £000	Non- controlling interests £000	Total equity £000
At 1 April 2020 (unaudited)	-	-	-	-	-
(Loss)/profit for the year	-	(4,325)	(4,325)	107	(4,218)
Put option expense	-	(416)	(416)	-	(416)
Issue of shares in subsidiaries to non-controlling interests	-	-	-	4,799	4,799
Non-controlling interest arising on acquisition	-	-	-	2,231	2,231
At 1 April 2021 (unaudited)	-	(4,741)	(4,741)	7,137	2,396
(Loss)/profit for the year	-	(2,729)	(2,729)	872	(1,857)
Put option expense	-	(252)	(252)	-	(252)
Issue of shares in subsidiaries to non-controlling interests	-	-	-	3,670	3,670
Non-controlling interest arising on acquisition	-	-	-	574	574
At 31 March 2022	-	(7,722)	(7,722)	12,253	4,531

The notes on pages 26 to 55 form part of these financial statements.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £000	Total equity £000
At 2 March 2020 (unaudited)	-	-
Result for the period	-	-
At 1 April 2021 (unaudited)	-	-
Result for the year	-	-
Shares issued during the year	-	-
At 31 March 2022	-	-

The notes on pages 26 to 55 form part of these financial statements.

On 31 March 2022 1 ordinary share was allotted at a nominal value of £1. Please view note 23 for further details.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	(Pro-forma) 2022 £000	Unaudited (Pro-forma) 2021 £000
Cash flows from operating activities		
Loss for the financial year	(1,857)	(4,218)
Adjustments for:		
Amortisation of intangible assets	5,300	1,961
Depreciation of tangible assets	156	22
Impairments of intangible assets	321	-
Interest receivable	(4)	-
Taxation charge	(320)	(276)
Increase in debtors	(9,415)	(5,802)
Increase in creditors	18,825	24,836
(Decrease)/increase in provisions	(4)	5
Corporation tax paid	(379)	(515)
Unrealised (gain)/loss on put option liability	(1)	2,422
Finance costs (including unwinding charges)	6,046	1,152
Net cash inflow generated from operating activities	18,668	19,587
Cash flows from investing activities		
Purchase of intangible fixed assets	(12)	-
Purchase of tangible fixed assets	(157)	-
Purchase of subsidiaries and trade and assets	(10,617)	(16,690)
Deferred consideration payments	(6,893)	(162)
Purchase of other investments	(119)	(158)
Net cash outflow from investing activities	(17,798)	(17,010)

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £000	2021 £000
Cash flows from financing activities		
Issue of shares to non-controlling interests	2,324	2,861
Net cash inflow from financing activities	2,324	2,861
Net increase in cash and cash equivalents	3,194	5,438
Cash and cash equivalents at beginning of year	5,438	-
Cash and cash equivalents at the end of year	8,632	5,438
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,632	5,438

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021 £000	Cash flows £000	Acquisition and disposal of subsidiaries £000	Other non- cash changes £000	At 31 March 2022 £000
Cash at bank and in hand	5,438	14,332	(11,138)	-	8,632
Debt due after 1 year	-	-	-	-	-
Debt due within 1 year	(2,838)	-	-	(252)	(3,090)
	2,600	14,332	(11,138)	(252)	5,542

The notes on pages 26 to 55 form part of these financial statements.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

IWP Advisory Group Limited (Company registration number 12491490) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 1.03-1.04, 7 Stratford Place, London England, W1C 1AY.

The principal activity of the Company is to act as a holding Company for a number of subsidiaries providing financial advice services.

The Company's name changed post year end from IWP Investment Management Limited to IWP Advisory Group Limited effective 18 October 2022.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The Company had no trading activity in the year and therefore made no profit or loss.

The comparative figures for the year ended 31 March 2021 for the Company and Group were unaudited.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Non-controlling interests

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of financial position respectively.

The Group initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has elected to take the fair value option in acquisitions completed to date.

The Consolidated statement of comprehensive income is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Merger accounting

On 31 March 2022, the Company acquired the entire share capital of IWP Advisory Holdings Limited from IWP Investments Limited. The consideration was fully satisfied by the issue of 1 Ordinary share of £1 at par to IWP Investments Limited. The ultimate shareholders of IWP Advisory Holdings Limited, and the rights of each shareholder relative to the others following this restructure remained unchanged.

The Directors have adopted the merger method of accounting in respect of this acquisition in these consolidated financial statements and present the results of the group as if the entities had always been combined in this way by including pro-forma results in the Consolidated statement of comprehensive income for the years ended 31 March 2021 and 31 March 2022, and a pro-forma consolidated statement of financial position as at 31 March 2021.

The carrying values of the acquired business' assets and liabilities, in respect of this transaction, are not adjusted to fair value.

Acquisition accounting

All other acquisitions are accounted for using the acquisition method of accounting. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Acquisition-related transaction costs are treated as part of the consideration for an acquisition where the acquisition completes. Where an acquisition aborts part way through a process and does not complete, the costs are expensed to the statement of comprehensive income. In the event that at the year end date transaction costs have been incurred but the acquisition has not completed, an estimate is made as to the percentage of the work that led to the transaction costs being incurred which has been completed as at the year end date and an equivalent percentage of costs is recognised accordingly.

2.3 GOING CONCERN

The Company's going concern assessment is dependent on that of the wider IWP Group therefore its *assessment was performed as part of the group's assessment.*

The Group has deferred consideration payable as a result of previous acquisitions, for which it is reliant on the wider IWP Group for funding. Cashflow projections for the next 12 months show that, using the funding facilities available, the wider IWP Group has headroom against these liabilities in its base case forecast. However, should trading performance deteriorate and further equity or debt funding not be obtained, the wider IWP Group's remaining facility would not be sufficient to cover all funding needs of this Group for a period of at least 12 months from the date of approval of the financial statements. As a result a material uncertainty exists which may cast significant doubt on the Company's and Group's ability to continue as a going concern, meaning it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN (CONTINUED)

Russia-Ukraine conflict

The Group does not operate in the Ukraine-Russian region, but the conflict is causing macro-economic impacts leading to inflation, stock market uncertainty and higher interest rates. Inflation may result in clients having less available resources to invest, which could impact the Group's organic growth and therefore revenues.

The Group monitors sales on an ongoing basis to ensure early identification of any trends and net organic sales have been reduced since the first quarter of 2022 with a minimal impact on revenue as the group's revenue model is based on existing invested assets as well as sales. Whilst sales are seasonal, some of the reduction may have been due to customer concerns regarding the conflict.

Stock market volatility is always an important factor for the Group given the majority of its revenue is linked to invested assets. However, the nature of our clients' investments in balanced portfolios is such that a contraction in the stock market leads to a much lower contraction in the value of our clients' investments, and therefore in the Group's ongoing revenue. Around the time the conflict started, assets under advisement fell by 3% with values remaining reduced throughout 2022. The inflation experienced in recent months has led to an increase in interest rates. Whilst the Group itself does not have external borrowings, the wider IWP Group with which the Group is inextricably linked, has borrowings for which the interest is linked to the SONIA rate. A change in borrowing costs will not therefore directly impact the Group's ability to continue as a going concern but remains an important factor.

As a matter of course the wider IWP Group stress tests its business plan, assessing the impact on revenues of sustained market contractions and reduced organic sales, as well as the impact of changes to interest rates.

2.4 TURNOVER

Turnover arises from fees received or receivable in respect of the provision of advisory services. It is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of value added taxes. Turnover is recognised when the service is deemed to be rendered.

Turnover classified as 'Ongoing adviser charges' relates to income received on an ongoing basis at the end of each month or quarter and is based on the value of client investments.

Turnover classified as 'Transactional revenue' relates to intermittent advisory, investment services and other income.

2.5 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.8 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.9 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 SHARE-BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with the fair value of goods and services received.

2.12 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.13 PUT OPTION LIABILITY

The Group has put option liabilities, whereby minority shareholders have the option to sell their shares to the Group after a defined period on terms specified in the shareholders' agreements.

On initial recognition a provision is recognised for the difference between the future cost of the option to sell the shares and an open market price for acquiring minority shareholdings in financial advice businesses. This original provision is offset against retained earnings, with any subsequent changes to the provision being charged to the income statement through profit or loss.

The accounting policies for put options are detailed in the Put options expense and Financial instruments notes 11 and 20 respectively.

2.14 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development costs - 5 years

2.15 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.15 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- Term of the lease
Fixtures and fittings	- 3 to 5 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 IMPAIRMENT OF FIXED ASSETS AND GOODWILL

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit 'CGU' to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment and are assessed at each reporting date to determine whether there is any indication that the investments are impaired. Where there is any indication that an investment may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.18 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.19 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

2.20 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.22 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are debited to the provision carried in the Statement of financial position.

2.23 FINANCIAL INSTRUMENTS

Other than put options the Group only enters into basic financial instrument transactions, that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other amounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments *that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.*

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

The accounting policies for put options are detailed in the Financial instruments and Put options expense notes 11 and 20.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.24 DEFERRED CONSIDERATION

Deferred consideration payable to sellers in relation to the Group's acquisitions is recognised in full on the acquisition date being the date on which the Group has a legal obligation and can make a reliable estimate of that obligation. The liability is based on management's best estimate of the total future cash outflow, discounted to present value using the Group's Weighted Average Cost of Capital. The unwinding of the discount is expensed to profit and loss as a finance cost for each future individual cashflow, on a straight-line basis between initial recognition and the expected payment date. Management review and update their estimate of the deferred consideration liabilities annually as at the reporting end date, with any changes in value recognised as a movement in the carrying value of the acquisitions.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Investments and goodwill

Investments in subsidiaries are measured at cost less accumulated impairment. Goodwill represents the difference between the fair value of consideration paid in acquiring a subsidiary and the fair value of the assets and liabilities acquired. It is amortised and reviewed for impairment on an annual basis. Where there is any indication that investments or goodwill may be impaired, the carrying value is tested for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount of investments and goodwill is calculated using discounted future cash flow forecasts.

The Group's weighted average cost of capital (WACC) is used in the discounted cash flow models when assessing the value in use of goodwill and investments for indications of impairment. All WACC inputs have been corroborated to appropriate internal and external sources.

Deferred consideration

Deferred consideration is payable on the achievement of certain financial targets by the acquired companies, generally over a three to four-year period following completion of the acquisition. Assessment of whether these targets will be met is based on management's forecasted expectation of revenue and earnings growth over the future period. The amount payable is held at present value.

WACC of 12.76% (2021: 11.36%) is used in discounting the future deferred consideration payable. All WACC inputs have been corroborated to appropriate internal and external sources.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition 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 reporting end 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 in the profit and loss account. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Put option liability

The Group has put option liabilities in place whereby it is contractually obliged to purchase shares from hub minority shareholders at their request on or after specified future dates as per the shareholders' agreements. The consideration methodology is specified in the shareholders' agreements and is chiefly based on the expected future trading of the hubs as well as the expected future valuation multiple for the IWP Group.

Estimates of the future consideration have been carried out, based on management's forecasted expectations of future revenue and earnings, and based on assumptions consistent with those used for deferred consideration forecasts. Management have also forecast the future valuation multiple that would apply to the IWP Group, and to individual hub financial advice businesses.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****4. TURNOVER**

An analysis of turnover by class of business is as follows:

	2022	2021
	£000	£000
Ongoing advisor charges	19,757	2,776
Transactional revenue	2,868	234
	22,625	3,010

All turnover arose within the United Kingdom.

5. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting):

	2022	2021
	£000	£000
Amortisation of intangible assets, including goodwill	5,300	1,961
Defined pension contributions	427	93
Impairment of intangible assets	321	-
Depreciation of tangible assets	156	22
Operating lease rentals	110	3
Put option (credit)/expense	(1)	2,422

6. AUDITOR'S REMUNERATION

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2022	2021
	£000	£000
Fees payable to the Group's auditor and its associates in respect of:		
Audit of the Group's annual financial statements	210	-
Audit of the annual financial statements of subsidiaries in the group	-	-
	210	-
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	162	-
	162	-

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****7. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	6,246	2,319	-	-
Social security costs	540	234	-	-
Cost of defined contribution scheme	427	93	-	-
	7,213	2,646	-	-

The Company has no employees other than the Directors, who are remunerated from other Group companies in the current year (2021: £ Nil).

8. DIRECTORS' REMUNERATION

	2022 £000	2021 £000
Directors' emoluments	30	-
	30	-

The highest paid Director received remuneration of £15,000 (2021: £Nil).

No directors received post-employment benefit contributions (2021: Nil). No directors received share options in the year under a long-term incentive scheme (2021: Nil).

The highest paid director did not exercise any share options and is not accruing benefits under a long-term incentive scheme.

Directors are remunerated by IWP Holdings Limited.

Key management compensation

Key management includes directors and members of senior management. The compensation paid or payable to key management is shown below:

	2022 £000	2021 £000
Salaries and other short-term benefits	1,157	661
Post-employment benefits	20	-
	1,177	661

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****9. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£000	£000
Bank interest receivable	<u>4</u>	<u>-</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£000	£000
Interest payable on loan facilities	3,155	458
Other finance costs	2,891	694
	<u>6,046</u>	<u>1,152</u>

Other finance costs of £2,891,000 relates to the unwinding of the present value discount on deferred consideration liabilities as disclosed in notes 18 and 19, being unwound on an even basis between initial recognition and the future payment dates.

The terms associated with the interest payable on loan facilities are detailed in note 18 and the interest applied to those loans is between 8.75% and 16.75% per annum.

11. PUT OPTION (CREDIT)/EXPENSE

	2022	2021
	£000	£000
Put option (credit)/expense	<u>(1)</u>	<u>2,422</u>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****11. PUT OPTION (CREDIT)/EXPENSE (CONTINUED)**

At 31 March 2022 the Group had 7 put options in place (2021: 5) whereby, after future specified dates, the Group is contractually obliged to purchase shares at the request of hub minority shareholders.

Shareholder agreements are in place which set out the methodology for calculating the amount payable for the shares, with the amount linked to the future revenue and profitability of each hub as well as market valuation multiples for both the individual hub and the IWP Group as a whole. The liability recognised is the difference between the amount payable and the amount which would be payable if minority shareholdings were purchased on the open market.

A number of key assumptions are inherent in the forecasts of the liability: the organic growth rate for hub revenue will remain at recent historic levels averaging 5% (2021: 5%) annually; the underlying assets under advisement will grow in line with the average growth rate of the MSCI PIMFA Balanced Index across the last 16 years (6%) (2021: 7%); hub costs will remain a consistent percentage of revenue (2021: consistent percentage of revenue); the discounted future market valuation multiple for the IWP Group increased compared to its estimated March 2021 level of 8 times EBITDA to 9 times EBITDA; the future discounted market multiples for the hubs range between 5 and 8 times EBITDA (2021: 7 times); the shareholders will exercise the put options on the earliest possible date (2021: same assumptions); and an appropriate discount to reflect the lower value of a minority shareholding versus a majority shareholding has been assessed as 20% (2021: 20%).

The assumptions for valuing the put option liability are inherently subjective and the final amounts payable are therefore not expected to be those reflected in the accounts.

Post 1 April 2022, all of the minority shareholdings have been purchased by the IWP Group and the put option obligations have therefore fully lapsed.

12. TAXATION

	2022	2021
	£000	£000
CORPORATION TAX		
Adjustments in respect of previous years	(99)	(174)
TOTAL CURRENT TAX	(99)	(174)
DEFERRED TAX		
Origination and reversal of timing differences	(339)	(178)
Changes to tax rates	21	-
Adjustments in respect of previous years	97	76
TOTAL DEFERRED TAX	(221)	(102)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	(320)	(276)

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****12. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£000	£000
Loss on ordinary activities before tax	(2,177)	(4,494)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021:19%)	(414)	(863)
EFFECTS OF:		
Fixed asset differences	314	18
Expenses not deductible for tax purposes	1,327	530
Capital (losses)/gains	(5)	1
Adjustments to tax charge in respect of prior years	(99)	(174)
Other adjustments	-	(47)
Adjustments in respect of prior periods (deferred tax)	97	76
Group relief claimed	(1,481)	(899)
Remeasurement of deferred tax for changes in tax rates	(61)	-
Movement in deferred tax not recognised	2	1,082
TOTAL TAX CHARGE FOR THE YEAR	(320)	(276)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate will rise from 19% to 25% in 2023 and this was substantively enacted on 24 May 2021. Accordingly, this rate will be used to measure any deferred tax assets and liabilities in future reporting.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****13. INTANGIBLE ASSETS****Group**

	Development costs £000	Goodwill £000	Total £000
COST			
At 1 April 2021	-	53,673	53,673
Additions and revaluations	12	331	343
On acquisition of subsidiaries	-	22,789	22,789
At 31 March 2022	12	76,793	76,805
AMORTISATION			
At 1 April 2021	-	2,928	2,928
Charge for the year	-	5,300	5,300
Impairment charge	-	321	321
At 31 March 2022	-	8,549	8,549
NET BOOK VALUE			
At 31 March 2022	12	68,244	68,256
At 31 March 2021	-	50,745	50,745

The additions relate to five acquisitions in the year, which are detailed in the business combination note 26.

Additions and revaluations of £331,000 to goodwill in the year relate to adjustments to the value of existing investments. These adjustments include revaluations of the deferred consideration payable.

The Company had no intangible assets at 31 March 2022 and 31 March 2021.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****14. TANGIBLE FIXED ASSETS****Group**

	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION				
At 1 April 2021	81	261	57	399
Additions	66	-	91	157
On acquisition of subsidiaries	122	2	9	133
At 31 March 2022	<u>269</u>	<u>263</u>	<u>157</u>	<u>689</u>
DEPRECIATION				
At 1 April 2021	13	9	-	22
Charge for the year	65	58	33	156
At 31 March 2022	<u>78</u>	<u>67</u>	<u>33</u>	<u>178</u>
NET BOOK VALUE				
At 31 March 2022	<u>191</u>	<u>196</u>	<u>124</u>	<u>511</u>
At 31 March 2021	<u>68</u>	<u>252</u>	<u>57</u>	<u>377</u>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****15. FIXED ASSET INVESTMENTS****Group**

	Capitalised costs £000
COST OR VALUATION	
At 1 April 2021	158
Additions	119
Transferred on completion	(158)
At 31 March 2022	<u>119</u>

Capitalised costs of £119,000 (2021: £158,000) relate to costs incurred during the year in respect of investments that were completed after the year end.

Company

On 31 March 2022, the Company acquired 100% of the Ordinary share capital of IWP Advisory Holdings Limited. The consideration was fully satisfied by the issue of 1 Ordinary share of £1 at par.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****15. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
IWP Advisory Holdings Limited	'0'	Ordinary	100%
*IWP Advisory Services Limited	'1'	Ordinary	100%
*IWP Leeds Limited	'2'	Ordinary	80%
*IWP Newcastle Limited	'2'	Ordinary	80%
*Prosper Bidco Limited	'2'	Ordinary	80%
*AG Bidco Limited	'2'	Ordinary	75%
*Donald Asset Management Limited	'2'	Ordinary	75%
*Bowbrook Investments Limited	'2'	Ordinary	75%
*IWP Herts Limited	'2'	Ordinary	80%
*IWP Aberdeen Limited	'2'	Ordinary	100%
*IWP AGL Holdings Limited	'2'	Ordinary	80%
*IWP AGL East Holdings Limited	'2'	Ordinary	80%
*IWP East Midlands Limited	'2'	Ordinary	100%
*IWP Norfolk Limited	'2'	Ordinary	100%
*IWP Edinburgh Limited	'2'	Ordinary	80%
*Professional Wealth Management Limited	'3'	Ordinary	80%
*Professional Wealth Management Investment Services Limited	'3'	Ordinary	80%
*Professional Wealth Management (Yorkshire) Limited	'3'	Ordinary	80%
*^AWM-IFA Limited	'4'	Ordinary	80%
*Prosper Independent Financial Advisers Limited	'5'	Ordinary	80%
*^Premier Wealth Management Limited	'6'	Ordinary	80%
*Alexander Grace Limited	'7'	Ordinary	75%
*Bishop Armstrong Financial Planning Limited	'7'	Ordinary	75%
*Donald Assets UK Limited	'8'	Ordinary	75%
*Optimum Planning Limited	'8'	Ordinary	75%
*^HFL Advisory Services Limited	'9'	Ordinary	80%
*Alex M Grant & Company Limited	'10'	Ordinary	100%
*Buchanan & Associates Financial Planning Limited	'11'	Ordinary	100%
*Edinburgh Wealth Management Limited	'12'	Ordinary	80%
*AGL Wealth Management Limited	'13'	Ordinary	80%
*^Throgmorton Wealth Management Limited	'14'	Ordinary	100%
*^Holmes Investments Limited	'14'	Ordinary	100%
*Moss and Roberts (Wealth Management) Limited	'15'	Ordinary	100%
*^Encompass Financial Management Limited	'16'	Ordinary	100%
*Sutherland Independent Limited	'12'	Ordinary	80%
*MNSRP Limited	'17'	Ordinary	80%
*Brian Kennedy Limited	'18'	Ordinary	80%
*Sinergie Financial Solutions Limited	'12'	Ordinary	80%
*Green Hat Financial Planning Limited	'19'	Ordinary	80%

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

IWP Advisory Holdings Limited is directly owned by the Company. Entities labelled with '*' are indirectly owned. Entities labelled with '^' were acquired during the year.

Registered offices:

0. 3rd Floor, Forum 4, Grenville Street, St Helier, Jersey, J4 8TQ
1. Office 1.03 - 1.04 Floor One, 7 Stratford Place, London, England, W1C 1AY
2. One Eleven, Edmund Street, Birmingham, United Kingdom, B3 2HJ
3. 1 Lambton Road, Jesmond, Newcastle Upon Tyne, Tyne & Wear, NE2 4RX
4. 19 Trinity Lane, York, England, YO1 6EL
5. Prosper House, 99a High St, Standish, Wigan, Lancs, WN6 0HD
6. Premier House, Wight Moss Way, Southport, PR8 4HQ
7. Blythe Lea Barn Mill Farm, Packington Park, Meriden, Coventry, CV7 7HE
8. Stable End, 12 Heather Court Gardens, Four Oaks, Sutton Coldfield, West Midlands, B74 2ST
9. HFL House 1 Saxon Way, Melbourn, Royston, Hertfordshire, SG8 6DN
10. 180 Mid Street, Keith, Scotland, AB55 5BL
11. Skybrae House, 28 David Street, Stonehaven, Kincardineshire, Scotland, AB39 2AL
12. 36 North Castle Street, Edinburgh, Scotland, EH2 3BN
13. Office 9, Dalton House, 60 Windsor Avenue, London, United Kingdom, SW19 2RR
14. The Lodge North Drive, Wartnaby, Melton Mowbray, England, LE14 3HQ
15. Office Suite 3 Victory House, Chequers Road, Tharston, NR15 2YA
16. Unit 2b Poles Copse Poles Lane, Otterbourne, Winchester, England, SO21 2DZ
17. 17-21 East Mayfield, Edinburgh, EH9 1SE
18. 40 Retreat Crescent, Dunbar, East Lothian, EH42 1GW
19. 19 Rutland Square, Edinburgh, EH1 2BB

On 16 December 2022 the Group purchased all minority shareholdings in the subsidiary companies through a share-for-share exchange. Subsequently all subsidiaries are 100% owned.

Audit exemptions

Advantage is being taken by the following companies of the audit exemption for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds that for the period ended 31 March 2022 the Companies were entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies and that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial period.

The directors of the companies receiving the guarantees acknowledge their responsibilities for ensuring that they keep adequate accounting records which comply with section 386 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the companies at 31 March 2022 and of its profit or loss for the period ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements as applicable to the companies.

- IWP Advisory Services Limited
- IWP Leeds Limited
- IWP Newcastle Limited
- Prosper Bidco Limited
- AG Bidco Limited
- Donald Asset Management Limited
- Bowbrook Investments Limited
- IWP Herts Limited
- IWP Aberdeen Limited
- IWP AGL Holdings Limited
- IWP AGL East Holdings Limited
- IWP East Midlands Limited
- IWP Norfolk Limited

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****15. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS (CONTINUED)****Audit exemptions (continued)**

- IWP Edinburgh Limited
- Professional Wealth Management Limited
- Professional Wealth Management Investment Services Limited
- Professional Wealth Management (Yorkshire) Limited
- AWM-IFA Limited
- Prosper Independent Financial Advisers Limited
- Premier Wealth Management Limited
- Alexander Grace Limited
- Bishop Armstrong Financial Planning Limited
- Donald Assets UK Limited
- Optimum Planning Limited
- HFL Advisory Services Limited
- Alex M Grant & Company Limited
- Buchanan & Associates Financial Planning Limited
- Edinburgh Wealth Management Limited
- AGL Wealth Management Limited
- Throgmorton Wealth Management Limited
- Holmes Investments Limited
- Moss and Roberts (Wealth Management) Limited
- Encompass Financial Management Limited
- Sutherland Independent Limited
- MNSRP Limited
- Brian Kennedy Limited
- Sinergie Financial Solutions Limited
- Green Hat Financial Planning Limited

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Company	Company
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	151	88	-	-
Amounts owed by group undertakings	18,322	8,289	-	-
Director's loan	65	8	-	-
Other debtors	269	503	-	-
Prepayments and accrued income	1,099	749	-	-
Deferred taxation	246	17	-	-
	20,152	9,654	-	-

Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

Management have assessed that all deferred tax assets are recoverable against future profits.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****17. CASH AND CASH EQUIVALENTS**

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	8,632	5,438	-	-

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade creditors	516	652	-	-
Amounts owed to group undertakings	58,088	37,661	-	-
Corporation tax	532	822	-	-
Deferred consideration	10,744	3,880	-	-
Other creditors	1,295	193	-	-
Accruals and deferred income	2,178	979	-	-
	73,353	44,187	-	-

Amounts owed to Group undertakings consist of contractual loans totaling £38,588,000 (2021: £22,468,000) to sister companies within the wider IWP Group. The loans have a term of 6 years and attract interest up to 16.75% per annum. The remainder of the group undertakings are unsecured, interest free and repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Deferred consideration	16,577	16,870	-	-
Other financial liabilities	118	76	-	-
Put option liability	3,090	2,838	-	-
	19,785	19,784	-	-

At the year end, the Group had 7 put options in place (2021: 5) whereby, after future specified dates, the Group is contractually obliged to purchase shares from hub minority shareholders at their request.

The consideration payable is based on the trading performance of the specific hub as well as market valuation multiples at or around the time the put is exercised. A provision is recognised for the difference between the forecast future cost of the options and an open market cost for acquiring the minority shareholdings. The earliest possible exercise dates range from July 2024 to October 2026.

The assumptions for valuing the put option liability are inherently subjective and the final amounts payable are therefore not expected to be those reflected in the accounts.

Post 1 April 2022, all of the minority shareholdings have been purchased by the IWP Group and the put option obligations have therefore fully lapsed.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****20. FINANCIAL INSTRUMENTS**

	Group 2022 £000	Group 2021 £000
FINANCIAL LIABILITIES		
Put options measured at fair value through profit or loss	3,090	2,838

The Company had no put option liabilities at 31 March 2021 or 31 March 2022.

Put options

At 31 March 2022 the Group had 7 put options in place (2021: 5) whereby, after future specified dates, the Company is contractually obliged to purchase shares from hub minority shareholders at their request.

The consideration payable is based on the trading performance of the specific hub as well as market valuation multiples at or around the time the put is exercised. A provision is recognised for the difference between the forecast future cost of the options and an open market cost for acquiring the minority shareholdings. The earliest possible exercise dates range from July 2024 to October 2026.

Post 1 April 2022, all of the minority shareholdings have been purchased by the IWP Group and the put option obligations have therefore fully lapsed.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk may arise from the loss or delay of receipt of commission from providers, from cash and cash equivalents and deposits with banks and financial institutions, as well as commercial transactions.

The Group currently receives the majority of its income from customers through regulated financial intermediaries who pay the adviser fees due on behalf of the customers. These payments are contractual obligations on the intermediaries which helps to minimise the risk of incurring bad debts.

Liquidity risk

Liquidity risk may arise if the Group's access to borrowing facilities is restricted. The lenders require that the Group adheres to the specified liquidity and leverage ratios.

The Group aims to maintain sufficient headroom in its cash position to ensure that it can meet its obligations and manage unexpected events.

Management produces forecasts of the Group's liquidity on the basis of expected cash flow and monitors actual performance against expectations.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****20. FINANCIAL INSTRUMENTS (CONTINUED)****Market risk**

Market risk is the risk the markets perform negatively, impacting the value of assets held under management. The majority of the Group's revenues come from on-going adviser charges which are directly linked to the values of financial assets under advice (AUA). These assets are always subject to market volatility of underlying asset classes. The Group monitors closely the markets and revenue streams.

Interest rate risk

Interest rate risk is the risk of a decline in the value of interest income and adverse movements in interest expenses resulting from fluctuations in interest rates. The Group's exposure to interest rate income is primarily linked to the wider IWP Group. Interest rate income is subject to movements, based on variations in the wider IWP Group's borrowing facility terms and related to SONIA. Interest rate expense risk is limited to short term funding arrangements, where rates are generally fixed for the duration of the borrowing obligation. The Group monitors closely interest rate movements, to mitigate risks related to adverse interest rate movements.

21. DEFERRED TAXATION**Group**

	2022 £000
Asset at beginning of year	17
Charged to profit or loss	221
Arising on business combinations	8
DEFERRED TAX ASSET AT END OF YEAR	246

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Tax losses carried forward	336	-	-	-
Short term timing differences	5	17	-	-
Accelerated capital allowances	(50)	-	-	-
Capital gains	(45)	-	-	-
	246	17	-	-

The Directors are satisfied that the £246,000 (2021: £17,000) deferred tax asset is recoverable against future profits of the Group.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****22. PROVISIONS**

	Dilapidation £000	Total £000
At 1 April 2021	5	5
Utilised during the year	(4)	(4)
Charged to profit or loss	-	-
At 31 March 2022	1	1

The dilapidations provision relates to the estimated reinstatement and repair works required at the end of certain property lease agreements to return the property to the state it was at the commencement of the lease.

The Company had no provisions at 31 March 2022 and 31 March 2021.

23. SHARE CAPITAL

	2022 £000	2021 £000
ALLOTTED, CALLED UP AND FULLY PAID		
2 (2021:1) Ordinary shares of £1.00 each	-	-

On 31 March 2022 1 ordinary share was allotted at a nominal value of £1.

Ordinary shares have full voting rights and are non redeemable.

24. RESERVES**Non-controlling interests**

The reserve represents total profits and losses in the current and prior year attributable to the non-controlling interests of the Group companies.

Profit and loss account

The profit and loss account includes all current and prior year retained profits and losses.

25. SHARE-BASED PAYMENTS

An employee share option scheme is in place for qualifying individuals. At the start of the financial year, there were 4,921 share options in issue. A further 5,545 options were issued during the year. 596 options were cancelled during the year due to leavers and the total options in issue at the end of the year were 9,870. The value as at 31 March 2022 of these share options is such that no expense has been recognised in the year (2021: £Nil).

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****26. BUSINESS COMBINATIONS**

There were five acquisitions in the year. These consist of Throgmorton Wealth Management Limited and its subsidiary, Holmes Investments Limited, on 31 August 2021 for £3,776,000, Encompass Financial Management Limited on 23 June 2021 for £5,169,000, Premier Wealth Management Limited on 3 August 2021 for £7,146,000, HFL Advisory Services Limited on 26 October 2021 for £5,775,000 and AWM-IFA Limited on 8 October 2021 for £1,747,000.

RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

	Fair value 2022 £000
GROUP	
FIXED ASSETS	
Tangible	133
Intangible	1,727
	<u>1,860</u>
CURRENT ASSETS	
Debtors	862
Cash at bank and in hand	1,218
	<u>3,940</u>
TOTAL ASSETS	
CREDITORS	
Due within one year	(766)
Due after more than one year	(48)
	<u>3,126</u>
TOTAL IDENTIFIABLE NET ASSETS	<u>3,126</u>
Non-controlling interests	(574)
Goodwill	21,062
	<u>23,614</u>
TOTAL PURCHASE CONSIDERATION	<u>23,614</u>
CONSIDERATION	
	2022 £000
Cash	10,468
Issue of shares in group companies	1,346
Deferred consideration	10,275
Directly attributable costs transferred from investments brought forward	158
Directly attributable costs during the year	1,367
	<u>23,614</u>
TOTAL PURCHASE CONSIDERATION	<u>23,614</u>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****26. BUSINESS COMBINATIONS (CONTINUED)****CASH OUTFLOW ON ACQUISITION**

	2022 £000
Purchase consideration settled in cash, as above	10,468
Directly attributable costs	1,367
Less: Cash and cash equivalents acquired	(1,218)
NET CASH OUTFLOW ON ACQUISITION	10,617

The results of the subsidiaries since acquisition are as follows:

	Current period since acquisition £000
Turnover	4,123
Profit for the period since acquisition	2,018

Goodwill arising on acquisition represents future anticipated profitability and is deemed to have a useful economic life of 10 years.

There were nine external acquisitions in the prior year. These consist of Beyond Financial Limited (since renamed IWP Advisory Services Limited) on 18 May 2020 for £1,057,000, Bishop Armstrong Financial Planning Limited on 11 November 2020 for £1,381,000, the Donald Assets group of companies (Donald Assets UK Limited, Optimim Planning Limited and Donald Asset Management Limited) on 12 November 2020 for £4,664,000, Alex M Grant & Company Limited on 10 December 2020 for £6,543,000, the Sutherland Independent group of companies (Sutherland Independent Limited, MNSRP Limited, Brian Kennedy Limited, Sinergie Financial Solutions Limited and Greenhat Financial Planning Limited) on 29 January 2021 for £7,036,000, Buchanan & Associates Financial Planning Limited on 1 February 2021 for £5,677,000, Professional Wealth Management Limited, Professional Wealth Management Investment Services Limited and Professional Wealth Management (Yorkshire) Limited on 1 March 2021 for £3,552,000, Moss and Roberts Wealth Management Limited on 2 March 2021 for £1,707,000, Bowbrook Investments Limited on 24 March 2021 for £3,960,000 and the trade and assets of Principal Financial Planning on 2 March 2021 for £3,904,000. The group was also transferred Alexander Grace Limited and its subsidiaries, Prosper Independent Financial Advisers Limited and IWP AGL Holdings Limited from a fellow group company, Independent Wealth Planners UK Limited for a total of £14,837,000.

The consideration amounts mentioned above are after accounting for the effect of the re-assessment of the deferred consideration for the year ended 31 March 2021.

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****26. BUSINESS COMBINATIONS (CONTINUED)****PRIOR YEAR AQUISITIONS (CONTINUED): RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS
ACQUIRED AND LIABILITIES ASSUMED**

	Fair value 2021 £000
GROUP	
FIXED ASSETS	
Tangible	406
Intangible	5,906
	<u>6,312</u>
CURRENT ASSETS	
Debtors	5,097
Cash at bank and in hand	6,684
	<u>18,093</u>
TOTAL ASSETS	<u>18,093</u>
CREDITORS	
Due within one year	(4,483)
Due after more than one year	(4,824)
	<u>8,786</u>
TOTAL IDENTIFIABLE NET ASSETS	<u>8,786</u>
Non-controlling interests	(2,231)
Goodwill	47,764
	<u>54,319</u>
TOTAL PURCHASE CONSIDERATION	<u>54,319</u>
CONSIDERATION	
	2021 £000
Cash	20,903
Issue of shares in group companies	1,938
Deferred consideration	14,170
Intra-group transfer	14,837
Directly attributable costs	2,471
	<u>54,319</u>
TOTAL PURCHASE CONSIDERATION	<u>54,319</u>

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****26. BUSINESS COMBINATIONS (CONTINUED)****CASH OUTFLOW ON ACQUISITION**

	2021 £000
Purchase consideration settled in cash, as above	20,903
Directly attributable costs during the year	2,471
	23,374
Less: Cash and cash equivalents acquired	(6,684)
NET CASH OUTFLOW ON ACQUISITION	16,690

The book value of assets acquired in both 2022 and 2021 was equivalent to fair value.

27. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £427,000 (2021: £93,000). Contributions totaling £14,000 (2021: £Nil) were payable to the fund at the reporting date and are included in creditors.

The Company did not have any employees in either 2022 or 2021 and so did not have any pension obligations.

28. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000
Not later than 1 year	390	273
Later than 1 year and not later than 5 years	801	368
Later than 5 years	74	7
	1,265	648

The Company did not have any commitments under operating leases in either 2022 or 2021.

29. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under FRS102 Section 33 1.(A) to not disclose transactions with wholly owned group undertakings.

A loan is receivable from a director of AWM-IFA Limited, a company that was acquired by the Group in October 2021. The balance outstanding as at 31 March 2022 is £65,000 (2021: £8,000).

IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

30. POST BALANCE SHEET EVENTS

On 30 June 2022 charges were registered in line with Chapter A1 Part 25 of the Companies Act 2006 with Companies House. Pursuant to the charge, Ares Management Limited acting through its registered office at 10 New Burlington Street, 6th Floor, London W1S 3BE as agent and trustee for the Secured Parties (the "Security Agent"), placed a fixed and floating charge on all property of IWP Advisory Group Limited.

Between August and October 2022, the terms of three existing shareholder agreements were varied resulting in a change to the basis of valuation of the put option obligations. The liabilities have however subsequently been extinguished.

Following identification of drafting errors in three sale and purchase agreements relating to past acquisitions, those agreements were formally varied in September 2022. The impact of the variations has been to increase the discounted deferred consideration liabilities for those acquisitions by £250,000.

On 18 October 2022 the Company changed its name to IWP Advisory Group Limited.

On 14 December 2022, the wider IWP Group purchased all minority shareholdings in the subsidiary companies through a share for loan exchange. Subsequently on 16 December 2022 those shares were acquired by the Company for a total consideration of £16,762,000, which was satisfied via the issue of 1 ordinary share to the Company's parent. Additionally subsidiary level share options were replaced with cash bonuses totalling £300,000. As a result of the purchase all subsidiary companies are now 100% owned and all remaining put option obligations were extinguished.

On 3 January 2023 the Group acquired the entire share capital of Distinct Financial Planning Limited for a total consideration of £1,695,000.

31. CONTROLLING PARTY

The Company's immediate parent is IWP Investments Limited, a Company registered in Jersey.

The ultimate parent company of the Company is IWP Holdings Limited, a company registered in Jersey.

The smallest and largest parent in which the results of the Company are consolidated is that headed by IWP Holdings Limited. The consolidated financial statements are available from its registered office, the address of which is P.O. Box 264, Forum 4, Grenville Street, St Helier, Jersey, Channel Islands, JE4 8TQ.

There is no ultimate controlling party.

32. CHARGES AND GUARANTEES

On 30 June 2022, charges were registered in line with Chapter A1 Part 25 of the Companies Act 2006 with Companies House. Pursuant to the charge, Ares Management Limited acting through its office at 10 New Burlington Street, 6th Floor, London W1S 3BE as agent and trustee for the Secured Parties (the "Security Agent") placed a fixed and floating charge on all property of IWP Advisory Group Limited.