

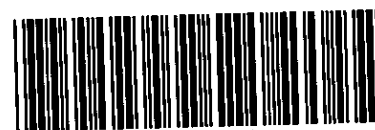
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**IWP ADVISORY GROUP LIMITED (PREVIOUSLY NAMED IWP  
INVESTMENT MANAGEMENT LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	L J Cantlay (resigned 23 September 2023) T Spain (resigned 31 January 2024) A J D Easton (appointed 28 February 2023)
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<b>REGISTERED NUMBER</b>	12491490
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<b>REGISTERED OFFICE</b>	1.03 - 1.04 7 Stratford Place London W1C 1AY
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<b>INDEPENDENT AUDITOR</b>	BDO LLP 55 Baker Street London W1U 7EU
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**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 2023**

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#### **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 2023.

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 2023, the Group continued with its acquisition strategy, by purchasing all minority shareholdings and by 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 2023 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. As a result of the purchase all subsidiary companies are now 100% owned and all remaining put option obligations were extinguished.

Other key events during 2023 included the Company changing its name to IWP Advisory Group Limited. Furthermore, on 3 January 2023 the Group acquired the entire share capital of Distinct Financial Planning Ltd for a total consideration of £2,204,000, see note 26.

The Group's revenue in the year was £25,440,000 (31 March 2022: £22,625,000). 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 £9,929,000, up from £9,642,000 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 2023**

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**BUSINESS REVIEW (CONTINUED)**

The key post EBITDA costs were amortisation of £7,238,000 (2022: £5,300,000), depreciation of £198,000 (2022: £156,000) and net financing costs of £6,251,000 (2022: £6,042,000). These costs chiefly relate to the Group's acquisition activities and are predominantly non-cash expenses.

Cash at 31 March 2023 amounted to £7,583,000 (2022: £8,632,000).

Since April 2023, the Group has undertaken a simplification programme, which includes entity rationalisations, to deliver future efficiencies.

There have been no material post balance sheet events since 31 March 2023.

**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 2023, the Group had £18,875,000 (2022: £27,321,000 fair value) 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 2024 and beyond.

The Group has commenced a significant simplification programme to streamline the business for efficient future growth. There are various strategic options that remain available as at the date of signing the accounts. This includes a partial restructuring, including the winddown of several holding entities.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023****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:

<b>Risk area</b>	<b>Potential impacts</b>	<b>How we monitor and manage the risk</b>
<b>Revenue risk from volatile financial asset values</b>	<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 2023 the markets have been adversely impacted by the geopolitical risks, and consequently the Group's revenues have been indirectly 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 2023****PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

<b>Risk area</b>	<b>Potential impacts</b>	<b>How we monitor and manage the risk</b>
<b>Operational risk</b>	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 its various workflows and processes more efficient. 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>
<b>IT risk</b>	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. We expect to migrate all services that are not currently cloud-based to a cloud-based environment soon.</p> <p>We continue to monitor and enhance our cyber security capability with our IT partners.</p>

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**  
**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

<b>Risk area</b>	<b>Potential impacts</b>	<b>How we monitor and manage the risk</b>
<b>Adviser recruitment and retention risk</b>	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 and 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>
<b>Regulatory, legislative and tax risk</b>	Changes in the regulatory, legislative and tax environment may lead to a requirement to change in business practices, which will create additional complexity and expense for the Group.	<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 regulations.</p>
<b>Acquisition risk</b>	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 acquisition is also mitigated by the standard Group deal structures where at least 50% of the 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 2023**

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

<b>Risk area</b>	<b>Potential impacts</b>	<b>How we monitor and manage the risk</b>
<b>Credit risk</b>	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, deposits with banks and financial institutions, and 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>
<b>Liquidity risk</b>	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 and are in line with management expectations:

<p><b>1. Revenue Growth</b>  As the prime measure of our economic output, revenue growth is key to generating shareholder returns and the success of our growth strategy.</p>	<p><b>Comment</b>  Reported revenue increased by 12% from £22,625,000 in the prior year to £25,440,000. Revenue increased through a combination of new acquisitions, the full year impact of the acquisitions last year and organic growth.</p>
<p><b>2. EBITDA Margin</b>  EBITDA margin provides an indication of the quality of revenue growth and the impact on the business of central overheads.</p>	<p><b>Comment</b>  The EBITDA margin before Put Option expenses in the year was 39.0% (2022: 42.6%). The increased EBITDA margin reflects the economies of scale achieved during the year.</p>
<p><b>3. EBITDA Growth</b>  EBITDA growth is critical for funding deferred consideration, debt service and improving shareholder returns.</p>	<p><b>Comment</b>  Reported EBITDA before Put Option expenses increased from £9,642,000 in the prior year to £9,929,000, an increase of 3.0%. EBITDA increased predominantly for the same reasons as revenue as set out above.</p>

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**  
**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**OTHER KEY PERFORMANCE INDICATORS**

<p><b>4. Quality of Advice Reviews</b>  Review of the suitability of financial planning and investment advice provided to clients.</p>	<p><b>Comment</b>  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. During the year, 82% (2022: 86%) of reviews were deemed suitable on the 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><b>5. Complaints</b>  Measuring the number of upheld regulated advice and service complaints relative to the number of advisors.</p>	<p><b>Comment</b>  For the year to March 2023, the average number of upheld complaints per advisor was 0.07% (2022: 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><b>6. People Retention</b>  Measuring the rate of staff attrition.</p>	<p><b>Comment</b>  Staff attrition in the Group averaged 8% (2022: 30%) in the year, which is lower than the UK average of 15% (2022: 17%). 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 2023**

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**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 2023 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 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.


**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**  
**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**SUPPLIERS**

The Group 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.

This report was approved by the board on 15 April 2024 and signed on its behalf.

DocuSigned by:  
  
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**A J D EASTON**  
Director

Date: 15 April 2024

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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The Directors present their report and the financial statements for the year ended 31 March 2023.

**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 loss for the year, after taxation and minority interests, amounted to £4,109,000 (2022: £1,857,000). No dividends were paid or proposed during the current 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 (resigned 23 September 2023)  
T Spain (resigned 31 January 2024)  
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 has resulted in restructuring activity commencing on 1 March 2024. 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.

**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**

On 1 March 2024, the Group has begun implementing a corporate simplification plan and is in the process of restructuring the Group. As part of this process, certain companies will be wound down and liquidated however, all trade and assets will be retained within the Group. This first phase included the transfer of the trade and assets of Bowbrook Investments Limited, Premier Wealth Management Limited and Prosper Independent Financial Advisers Limite to IWP Financial Planning Limited. As at Balance Sheet date the Group was actively pursuing the acquisitions of a number of entities. As at signing date the Group has paused acquisition activity due to the

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023****POST BALANCE SHEET EVENTS (CONTINUED)**

corporate simplification plan. Any acquisition costs capitalised as part of the acquisition process have been written off to the Profit and Loss account post balance sheet date. There have been no other material post balance sheet events since year end.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY**

In accordance with the disclosure requirements under the Companies Act 2006, the below shows the Group's relevant greenhouse gas emissions during the financial year.

	<b>Year to 31 March 2023 Tonnes CO2</b>	<b>Year to 31 March 2022 Tonnes CO2</b>
<b>UK Emissions</b>		
Scope 2 – Indirect	<b>145</b>	126
	<b>145</b>	126
	<b>KWH</b>	<b>KWH</b>
Scope 1 and 2	<b>701,732</b>	651,267
	<b>701,732</b>	651,267
Intensity: Tonnes of CO2 per £m of turnover (Scope 1 and 2)	<b>3.1</b>	2.8

In the year covered by this report, the Group acknowledges its emissions levels and intends to reduce these in future periods where there are opportunities to do so.

**GOING CONCERN**

The group has commenced a significant simplification programme to streamline the business for efficient future growth. Various strategic options remain open as at the date of signing the accounts, with a partial restructuring, including the winddown of several holding entities a likely but currently uncertain outcome. In addition, the Group has deferred consideration payable as a result of previous acquisitions, for which it is ultimately reliant on external funding facilities that will currently expire mid-way through FY 2025. The group is in live negotiations to extend the current facilities and access alternative sources of financing and anticipates a positive outcome from these discussions.

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 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. This report was approved by the Board on 15 April 2024 and signed on its behalf.

DocuSigned by:  
  
6515BCF6060F44D  
**A J D Easton**  
Director

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 2023**

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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)**

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**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 2023 and of the Group's loss 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 2023 which comprise consolidated statement of comprehensive income, 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 explain that the group has commenced a significant simplification programme to streamline the business for efficient future growth. As of the date of signing the accounts, various strategic options remain open, with a partial restructuring, including the winddown of several holding entities, being a likely but currently uncertain outcome. Additionally, the Group has deferred consideration payable as a result of previous acquisitions, for which it is ultimately reliant on external funding facilities that will expire midway through FY 2025. The group is actively engaged in negotiations to extend the current facilities and access alternative sources of financing, anticipating a positive outcome from these discussions.

As stated in Note 2, these events or conditions, along with other matters 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 to 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)**

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**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)**

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**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:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the control environment in monitoring compliance with laws and regulations;

we considered the significant laws and regulations to include (but not limited to) compliance with the Companies Act 2006, UK tax legislation and the applicable accounting framework.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosure to underlying supporting documentation;
- Review of minutes of meetings of board meetings for any instances of non-compliance with laws and regulations;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's and Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be:

- Management override of controls
- Revenue recognition

**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)**

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**Auditor's responsibilities for the audit of the financial statements (continued)**

Our procedures in respect of the above 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.

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

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.

**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:



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Eran Wieder (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
Date: 15 April 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Note</b>	<b>Year to 31 March 2023 £000</b>	<b>Year to 31 March 2022 £000</b>
Turnover	4	25,440	22,625
Administrative expenses		(22,961)	(18,970)
Other operating income		-	210
<b>Operating profit</b>	5	<b>2,479</b>	<b>3,865</b>
Interest receivable and similar income	9	5	4
Interest payable and similar expenses	10	(6,251)	(6,046)
<b>Loss before taxation</b>		<b>(3,767)</b>	<b>(2,177)</b>
Tax on loss	12	(342)	320
<b>Loss for the financial year</b>		<b>(4,109)</b>	<b>(1,857)</b>
<b>Loss for the year attributable to:</b>			
Non-controlling interests		407	872
Owners of the parent Company		(4,516)	(2,729)
		<b>(4,109)</b>	<b>(1,857)</b>

There was no other comprehensive income for 2023 £Nil (2022: £Nil).

The notes on pages 25 to 56 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 2023**

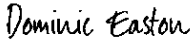
	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	13	61,420	68,256
Tangible assets	14	488	511
Investments	15	347	119
		<u>62,255</u>	<u>68,886</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	30,881	20,152
Cash at bank and in hand	17	7,583	8,632
		<u>38,464</u>	<u>28,784</u>
Creditors: amounts falling due within one year	18	(88,539)	(73,353)
<b>Net current liabilities</b>		<u>(50,075)</u>	<u>(44,569)</u>
<b>Total assets less current liabilities</b>		<u>12,180</u>	<u>24,317</u>
Creditors: amounts falling due after more than one year	19	(8,668)	(19,785)
<b>Provisions for liabilities</b>			
Other provisions	22	-	(1)
		<u>(8,668)</u>	<u>(1)</u>
<b>Net assets</b>		<u>3,512</u>	<u>4,531</u>
<b>Capital and reserves</b>			
Called up share capital	23	-	-
Share premium	23	16,762	-
Other reserves	24	-	-
Profit and loss account	24	(18,435)	(7,722)
<b>Equity attributable to owners of the parent Company</b>		<u>(1,673)</u>	<u>(7,722)</u>
Non-controlling interests	24	5,185	12,253
		<u>3,512</u>	<u>4,531</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 2023**

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

DocuSigned by:  
  
6515BCF8060F44D

**A J D Easton**  
Director

Date: 15 April 2024

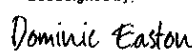
The notes on pages 25 to 56 form part of these financial statements.

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

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	<b>Note</b>	<b>2023 £000</b>	<b>2022 £000</b>
<b>Fixed assets</b>			
Investments	<b>15</b>	<b>16,762</b>	-
		<b>16,762</b>	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	<b>16</b>	-	-
		-	-
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	<b>18</b>	<b>(572)</b>	-
<b>Net current liabilities</b>		<b>(572)</b>	-
<b>Net assets</b>		<b>16,190</b>	-
<b>Capital and reserves</b>			
Called up share capital	<b>23</b>	-	-
Share premium	<b>23</b>	<b>16,762</b>	-
Profit and loss account	<b>24</b>	<b>(572)</b>	-
		<b>16,190</b>	-

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: 15 April 2024

The notes on pages 25 to 56 form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital and share premium	Profit and loss account	Equity attributable to owners of the Parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000
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 NCI	-	-	-	3,670	3,670
Non-controlling interest arising on acquisition	-	-	-	574	574
<b>At 31 March 2022</b>	<b>-</b>	<b>(7,722)</b>	<b>(7,722)</b>	<b>12,253</b>	<b>4,531</b>
(Loss)/profit for the year	-	(4,516)	(4,516)	407	(4,109)
Put option extinguished	-	3,090	3,090	-	3,090
Acquisition of non-controlling interest	-	(9,287)	(9,287)	(7,475)	(16,762)
Shares issued during the year	16,762	-	16,762	-	16,762
<b>At 31 March 2023</b>	<b>16,762</b>	<b>(18,435)</b>	<b>(1,673)</b>	<b>5,185*</b>	<b>3,512</b>

On 16 December 2022, the Company acquired the remaining non-controlling interests for a total consideration of £16,762,000, which was satisfied via the issue of 1 ordinary share to the Company's parent. Further details are provided in note 26.

\* £5,185,000 relates to deferred shares held by Independent Wealth Planners UK Limited. These deferred shares have no voting rights, no dividends rights and carry an entitlement to capital of £1 per share on the winding up or sale of the business. These shares do not accumulate any profits or losses in the IWP AG sub-group.

The notes on pages 25 to 56 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 2023**

	<b>Called up share capital and premium £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
At 1 April 2021 (unaudited)	-	-	-
Profit for the period	-	-	-
<b>At 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss for the year	-	(572)	(572)
Shares issued during the year	16,762	-	16,762
<b>At 31 March 2023</b>	<b>16,762</b>	<b>(572)</b>	<b>16,190</b>

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

On 14 December 2022 the Company acquired the remaining non-controlling interests for a total consideration of £16,762,000, which was satisfied via the issue of 1 ordinary share to the Company's parent. Further details are included within note 26.

The notes on pages 25 to 56 form part of these financial statements.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT)****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>		
Loss for the financial year	<b>(4,109)</b>	<b>(1,857)</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>7,238</b>	<b>5,300</b>
Depreciation of tangible assets	<b>198</b>	<b>156</b>
Impairments of intangible assets	<b>-</b>	<b>321</b>
Capitalised costs written off	<b>82</b>	<b>-</b>
Interest receivable	<b>(15)</b>	<b>(4)</b>
Taxation charge	<b>342</b>	<b>(320)</b>
Interest paid	<b>(3)</b>	<b>-</b>
Increase in debtors	<b>(10,766)</b>	<b>(9,415)</b>
Increase in creditors	<b>12,637</b>	<b>18,825</b>
Decrease in provisions	<b>(1)</b>	<b>(4)</b>
Corporation tax paid	<b>(724)</b>	<b>(379)</b>
Unrealised gain on put option liability	<b>-</b>	<b>(1)</b>
Interest payable (including unwinding charges)	<b>6,266</b>	<b>6,046</b>
<b>Net cash inflow generated from operating activities</b>	<b>11,145</b>	<b>18,668</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	<b>(24)</b>	<b>(12)</b>
Purchase of tangible fixed assets	<b>(174)</b>	<b>(157)</b>
Purchase of subsidiaries and trade and assets	<b>(366)</b>	<b>(10,617)</b>
Deferred consideration payments	<b>(11,298)</b>	<b>(6,893)</b>
Purchase of other investments	<b>(347)</b>	<b>(119)</b>
Interest Received	<b>15</b>	<b>-</b>
<b>Net cash outflow from investing activities</b>	<b>(12,194)</b>	<b>(17,798)</b>

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from financing activities</b>		
Issue of shares to non-controlling interests	-	2,324
<b>Net cash inflow from financing activities</b>	-	2,324
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,049)</b>	<b>3,194</b>
Cash and cash equivalents at beginning of year	<b>8,632</b>	5,438
<b>Cash and cash equivalents at the end of year</b>	<b>7,583</b>	8,632
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>7,583</b>	8,632

The notes on pages 25 to 56 form part of these financial statements.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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#### **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 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 made a loss of £572,000 (2022: £nil).

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**

On 14 December 2022, the Group purchased all minority shareholdings in the subsidiary companies through a share for share loan exchange. Following the acquisition, IWP Holdings Limited transferred the subsidiary B Ordinary shares to IWP Advisory Group Limited in exchange for the issue of 1 ordinary share at a premium of £16,762,000. Prior to the acquisition, all non-controlling interests in the results and equity of subsidiaries were 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 2023**

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**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 year ended 31 March 2022.

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

No mergers have taken place during the year ended 31 March 2023.

**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. If 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 group has commenced a significant simplification programme to streamline the business for efficient future growth. Various strategic options remain open as at the date of signing the accounts, with a partial restructuring, including the winddown of several holding entities a likely but currently uncertain outcome. In addition, the Group has deferred consideration payable as a result of previous acquisitions, for which it is ultimately reliant on external funding facilities that will currently expire mid-way through FY 2025. The group is in live negotiations to extend the current facilities and access alternative sources of financing and anticipates a positive outcome from these discussions.

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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 GOING CONCERN (CONTINUED)**

**Geopolitical Risks**

Geopolitical conflict has continued to create significant shifts in the global risk landscape, and is having a pervasive economic impact, 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 with minimal impact on revenue as the Group's revenue model is based on existing invested assets as well as sales.

Stock market volatility is always an important factor for the Group given most of our 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.

**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 2023**

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**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)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****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 2023**

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**2. ACCOUNTING POLICIES (continued)****2.13 PUT OPTION LIABILITY**

The Group had 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. One put option also included an element for EBITDA between acquisition date and exercise date.

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 planning 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.

On 14 December 2022 the Group purchased all minority shareholdings in the subsidiary companies. Following purchase of the minority shareholdings, the Group's put options were extinguished through a share for loan exchange. All put options were de-recognised on the Group's balance sheet, with the loans carried at fair value.

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.

Further details in note 11 Put option credit, note 20 Financial instruments and note 26 Business combinations.

**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
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**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)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****2. ACCOUNTING POLICIES (continued)****2.15 TANGIBLE FIXED ASSETS (CONTINUED)**

Depreciation is charged 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 2023**

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**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)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**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 Cost of Debt is used in the discounted cash flow models when assessing the value in use of goodwill and investments for indications of impairment. All Cost of Debt 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.

Cost of Debt is used in discounting the future deferred consideration payable. All Cost of Debt 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY (CONTINUED)**

**Put option liability**

The Group had put option liabilities whereby it is contractually obliged to purchase shares from hub minority shareholders at 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 multiples 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 planning businesses. The Cost of Debt is used in discounting the EBITDA element of the put option liability.

All put options were extinguished on 14 December 2022. Further details in note 11, Put option credit, note 20 Financial instruments and note 26 Business combinations.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****4. TURNOVER**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Ongoing advisor charges	<b>22,245</b>	19,757
Transactional revenue	<b>3,195</b>	2,868
	<b>25,440</b>	22,625

All turnover arose within the United Kingdom.

**5. OPERATING PROFIT**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Amortisation and impairment of intangible assets, including goodwill	<b>7,238</b>	5,300
Defined pension contributions	<b>658</b>	427
Impairment of intangible assets	-	321
Depreciation of tangible assets	<b>198</b>	156
Operating lease rentals	<b>429</b>	110
Put option credit	-	(1)

**6. AUDITOR'S REMUNERATION**

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Group's auditor and its associates in respect of:		
Audit of the Group's annual financial statements	<b>238</b>	210
Audit of the annual financial statements of subsidiaries in the group	-	-
	<b>238</b>	210
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	<b>169</b>	162
	<b>169</b>	162

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**7. EMPLOYEES**

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

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Wages and salaries	<b>7,828</b>	6,246	-	-
Social security costs	<b>811</b>	540	-	-
Cost of defined contribution scheme	<b>658</b>	427	-	-
	<b>9,297</b>	7,213	-	-

The Company has no employees other than the Directors, who are remunerated from other Group companies in the current year (2022: £ Nil). There is no charge in respect of share options in the financial statements for either 2023 or 2022.

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Year to 31 March 2023</b>	<b>Year to 31 March 2022</b>
Management	<b>25</b>	20
Operations and administration	<b>156</b>	116
	<b>181</b>	136

**8. DIRECTORS' REMUNERATION**

	<b>2023 £000</b>	<b>2022 £000</b>
Directors' emoluments	<b>328</b>	30
	<b>328</b>	30

The highest paid Director received remuneration of £168,000 (2022: £15,000).

One director received post-employment benefit contributions of £3,000 (2022: Nil). No directors received share options in the year under long-term incentive schemes (2022: 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.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****8. DIRECTORS' REMUNERATION (CONTINUED)****Key management compensation**

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

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Salaries and other short-term benefits	<b>1,043</b>	1,157
Post-employment benefits	<b>3</b>	20
	<b>1,046</b>	<b>1,177</b>

**9. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Bank interest receivable	<b>5</b>	<b>4</b>

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Interest payable on loan facilities	<b>3,479</b>	3,155
Other finance costs	<b>2,772</b>	2,891
	<b>6,251</b>	<b>6,046</b>

Other finance costs of £2,772,000 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**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Put option credit	<b>-</b>	<b>(1)</b>



**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**11. PUT OPTION CREDIT (CONTINUED)**

At 31 March 2023 the Group had no put options in place (2022: 7) 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.

On 14 December 2022 all the minority shareholdings were purchased by the Group and therefore the put option obligations have been fully extinguished. All put options were extinguished on 14 December 2022. Further details in note 20 Financial instruments and note 26 Business combinations.

**12. TAXATION**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>CORPORATION TAX</b>		
Adjustments in respect of previous years	(207)	(99)
<b>TOTAL CURRENT TAX</b>	<u>(207)</u>	<u>(99)</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	(103)	(339)
Changes to tax rates	(32)	21
Adjustments in respect of previous years	-	97
<b>TOTAL DEFERRED TAX</b>	<u>(135)</u>	<u>(221)</u>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<u><u>(342)</u></u>	<u><u>(320)</u></u>

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****12. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	<b>2023</b> <b>£000</b>	2022 £000
Loss on ordinary activities before tax	<b>(3,767)</b>	(2,177)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022:19%)	<b>(716)</b>	(414)
<b>EFFECTS OF:</b>		
Fixed asset differences	<b>353</b>	314
Expenses not deductible for tax purposes	<b>2,168</b>	1,327
Capital (losses)/gains	<b>(5)</b>	(5)
Adjustments to tax charge in respect of prior years	<b>206</b>	(99)
Other adjustments	<b>-</b>	-
Adjustments in respect of prior periods (deferred tax)	<b>32</b>	97
Group relief claimed	<b>(1,135)</b>	(1,481)
Remeasurement of deferred tax for changes in tax rates	<b>24</b>	(61)
Non-taxable income	<b>(590)</b>	-
Movement in deferred tax not recognised	<b>5</b>	2
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>(342)</b>	(320)

**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 2023****13. INTANGIBLE ASSETS****Group**

	<b>Development costs £000</b>	<b>Goodwill £000</b>	<b>Total £000</b>
<b>COST</b>			
At 1 April 2022	12	76,793	76,805
Additions and revaluations	24	378	402
At 31 March 2023	36	77,171	77,207
<b>AMORTISATION</b>			
At 1 April 2022	-	8,549	8,549
Charge for the year	-	7,238	7,238
At 31 March 2022	-	15,787	15,787
<b>NET BOOK VALUE</b>			
At 31 March 2023	36	61,384	61,420
At 31 March 2022	12	68,244	68,256

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

Goodwill additions and revaluations in the year of £378,000 (2022: £331,000) relate to one newly acquired entity and adjustments to the value of existing investments. These adjustments include revaluations of deferred consideration payable.

The Company had no intangible assets at 31 March 2023 and 31 March 2022.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****14. TANGIBLE FIXED ASSETS****Group**

	<b>Motor vehicles £000</b>	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>COST OR VALUATION</b>				
At 1 April 2022	269	263	157	689
Additions	-	91	83	174
On acquisition of subsidiaries	-	1	-	1
Disposals	(96)	-	-	(96)
Other	(8)	29	(21)	-
At 31 March 2023	165	384	219	768
<b>DEPRECIATION</b>				
At 1 April 2022	78	67	33	178
Charge for the year	54	86	58	198
Disposals	(96)	-	-	(96)
At 31 March 2023	36	153	91	280
<b>NET BOOK VALUE</b>				
At 31 March 2023	129	231	128	488
At 31 March 2022	191	196	124	511

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****15. FIXED ASSET INVESTMENTS****Group**

	<b>Capitalised costs £000</b>
<b>COST OR VALUATION</b>	
At 1 April 2022	119
Additions	423
Transferred on completion	(113)
Capitalised costs written off	(82)
At 31 March 2023	<u>347</u>

Capitalised costs of £423,000 (2022: £119,000) relate to costs incurred during the year in respect of future potential investments.

**Company**

	<b>Investments £000</b>
<b>COST OR VALUATION</b>	
At 1 April 2022	-
Additions	16,762
At 31 March 2023	<u>16,762</u>

On 31 March 2022, the Company acquired 100% of the Ordinary share capital of IWP Advisory Holdings Limited. On 14 December 2022, the Company acquired the remaining non-controlling interests for a total consideration of £16,762,000 which was fully satisfied via the issue of 1 Ordinary share at a par value of £1.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****15. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

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

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****15. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS (CONTINUED)****Notes:**

<sup>1</sup> IWP Advisory Holdings Limited is directly owned.

<sup>2</sup> Entities labelled with '\*' are indirectly owned.

<sup>3</sup> Entities labelled with '^' were acquired during the year.

<sup>4</sup> On 14 December 2022, the wider Group purchased all minority shareholdings in subsidiary companies labelled with '#' through a share-for-share exchange. All subsidiaries are now 100% owned as at 31 March 2023. On 16 December 2022, the Company acquired the remaining non-controlling interests for a total consideration of £16,762,000 which was fully satisfied via the issue of 1 Ordinary share at a par value of £1.

<sup>5</sup> Registered office addresses:

- 0. Ifc 5, St Helier, Jersey, JE1 1ST
- 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. Crafton House Rosebery Business Park, Mentmore Way, Poringland, Norwich, England, NR14 7XP
- 16. Unit 2b Poles Copse Poles Lane, Otterbourne, Winchester, England, SO21 2DZ
- 17. 40 Retreat Crescent, Dunbar, East Lothian, EH42 1GW
- 18. Office Ff10, Brooklands House 58, Marlborough Road, Lancing Business Park, Lancing, England, BN15 8AF

**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 2023 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 2023 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 GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**15. FIXED ASSET INVESTMENTS (CONTINUED)**

**SUBSIDIARY UNDERTAKINGS (CONTINUED)**

**Audit exemptions (continued)**

- IWP Advisory Services Limited
- Bowbrook Investments 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
- HFL Advisory Services Limited
- Alex M Grant & Company Limited
- Buchanan & Associates Financial Planning Limited
- Edinburgh Wealth Management Limited
- Sutherland Independent Limited
- AGL Wealth Management Limited
- Throgmorton Wealth Management Limited
- Holmes Investments Limited
- Moss and Roberts (Wealth Management) Limited
- Encompass Financial Management Limited
- Distinct Financial Planning Ltd
- AG Bidco Limited
- IWP Aberdeen Limited
- IWP AGL East Holdings Limited
- IWP AGL Holdings Limited
- IWP East Midlands Limited
- IWP Edinburgh Limited
- IWP Herts Limited
- IWP Leeds Limited
- IWP Newcastle Limited
- Prosper Bidco Limited



**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Trade debtors	121	151	-	-
Amounts owed by group undertakings	28,529	18,322	-	-
Director's loan	-	65	-	-
Other debtors	76	269	-	-
Prepayments and accrued income	2,045	1,099	-	-
Deferred taxation (note 21)	110	246	-	-
	<b>30,881</b>	<b>20,152</b>	<b>-</b>	<b>-</b>

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 2023****17. CASH AND CASH EQUIVALENTS**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Cash at bank and in hand	<b>7,583</b>	8,632	-	-

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Trade creditors	<b>290</b>	516	-	-
Amounts owed to group undertakings	<b>76,145</b>	58,088	<b>223</b>	-
Corporation tax	<b>75</b>	532	-	-
Deferred consideration	<b>10,307</b>	10,744	-	-
Other creditors	<b>403</b>	1,295	-	-
Accruals and deferred income	<b>1,319</b>	2,178	<b>349</b>	-
	<b>88,539</b>	73,353	<b>572</b>	-

Amounts owed to Group undertakings consist of contractual loans totaling £42,056,000 (2022: £32,689,000) 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**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Deferred consideration	<b>8,568</b>	16,577	-	-
Other financial liabilities	<b>100</b>	118	-	-
Put option liability	-	3,090	-	-
	<b>8,668</b>	19,785	-	-

At the year end, the Group had no put options in place (2022: 7) whereby, after future specified dates, the Group is contractually obliged to purchase shares from hub minority shareholders at their request.

The consideration payable was 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.

All put options were extinguished on 14 December 2022. Further details in note 20 Financial instruments and note 26 Business combinations.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****20. FINANCIAL INSTRUMENTS**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>
<b>FINANCIAL LIABILITIES</b>		
Put options measured at fair value through profit or loss	-	3,090

The Company had no put option liabilities at 31 March 2022 or 31 March 2023.

**Put options**

At 31 March 2023 the Group had no put options in place (2022: 7) whereby, after future specified dates, the Company is contractually obliged to purchase shares from hub minority shareholders at their request.

The consideration payable was 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 was 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 ranged from July 2024 to October 2026.

All put options were extinguished on 14 December 2022. Further details in 2.13 Put option liability accounting policy, note 11 Put option expense and note 26 Business combinations. Upon extinguishing the put option liability, an amount of £3,090,000 was de-recognised and transferred to Profit & loss reserves.

**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 IWP 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 2023****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**

	<b>2023</b>
	<b>£000</b>
Asset at beginning of year	<b>246</b>
Charged to profit or loss	<b>(136)</b>
<b>DEFERRED TAX ASSET AT END OF YEAR</b>	<b>110</b>

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tax losses carried forward	<b>227</b>	336	-	-
Short term timing differences	<b>19</b>	5	-	-
Accelerated capital allowances	<b>(97)</b>	(50)	-	-
Capital gains	<b>(39)</b>	(45)	-	-
	<b>110</b>	246	-	-

The Directors are satisfied that the £110,000 (2022: £246,000) 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 2023****22. PROVISIONS**

	Dilapidation £000	Total £000
At 1 April 2022	1	1
Utilitised during the year	(1)	(1)
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>

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 2023 and 31 March 2022.

**23. SHARE CAPITAL AND SHARE PREMIUM****ALLOTTED, CALLED UP AND FULLY PAID**

	2023 Share capital £000	2023 share premium £000	2022 Share Capital £000	2022 Share premium £000
At 31 March 2023, 3 (2022: 2) Ordinary shares of £1 each	-	-	-	-
Issued during the year (note 1)	-	16,762	-	-
	<b>-</b>	<b>16,762</b>	<b>-</b>	<b>-</b>

Note 1: On 16 December 2022 1 Ordinary £1 share was allotted at a premium of 16,762,000. 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. On 14 December 2022, the Group purchased all minority shareholdings in subsidiary companies through a share-for-share exchange. All subsidiaries are now 100% owned as at 31 March 2023. However, there remains a non-controlling interest of £5,185,000 held within the wider IWP Group. This balance relates to deferred shares held by Independent Wealth Planners UK Limited. These deferred shares have no voting rights, no dividends rights and carry an entitlement to capital of £1 per share on the winding up or sale of the business. These shares do not accumulate any profits or losses in the IWP AG sub-group.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**24. RESERVES (CONTINUED)**

**Profit and loss account**

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

**Other reserves**

The other reserves includes warrant and preference shares.

**25. SHARE-BASED PAYMENTS**

An employee share option scheme is in place for qualifying individuals. At the start of the financial year, there were 9,870 share options in issue. No additional shares were granted during the year (2022: 5,545) and there were 566 shares that were cancelled during the year due to leavers (2022: 596). The total options in issue at the end of the year were 9,304 (2022: 9,870). The value of these share options is such that no expense has been recognised in the year.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****26. BUSINESS COMBINATIONS****RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED**

	Fair value 2023 £000
<b>GROUP</b>	
<b>FIXED ASSETS</b>	
Tangible	1
Intangible	-
	<u>1</u>
<b>CURRENT ASSETS</b>	
Debtors	98
Cash at bank and in hand	639
	<u>738</u>
<b>TOTAL ASSETS</b>	<b>738</b>
<b>CREDITORS</b>	
Due within one year	(73)
Due after more than one year	(1)
	<u>664</u>
<b>TOTAL IDENTIFIABLE NET ASSETS</b>	<b>664</b>
	<u>664</u>
Non-controlling interests	-
Goodwill	1,540
	<u>1,540</u>
<b>TOTAL PURCHASE CONSIDERATION</b>	<b>2,204</b>
	<u>2,204</u>
<b>CONSIDERATION</b>	
	2023 £000
Cash	916
Issue of shares in group companies	-
Deferred consideration	1,162
Directly attributable costs transferred from investments brought forward	37
Directly attributable costs during the year	89
	<u>2,204</u>
<b>TOTAL PURCHASE CONSIDERATION</b>	<b>2,204</b>
	<u>2,204</u>

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****26. BUSINESS COMBINATIONS (CONTINUED)****CASH OUTFLOW ON ACQUISITION**

	<b>2023 £000</b>
Purchase consideration settled in cash, as above	<b>916</b>
Directly attributable costs	<b>89</b>
Less: Cash and cash equivalents acquired	<b>(639)</b>
<b>NET CASH OUTFLOW ON ACQUISITION</b>	<b>366</b>

The results of the subsidiaries since acquisition are as follows:

	<b>Current period since acquisition £000</b>
Turnover	<b>132</b>
Profit for the period since acquisition	<b>72</b>

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

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 £364,000. 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 Ltd for a total consideration of £2,204,000.

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 2023.



**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****26. BUSINESS COMBINATIONS (CONTINUED)****PRIOR YEAR AQUISITIONS (CONTINUED): RECOGNISED AMOUNTS OF IDENTIFIABLE  
ASSETS ACQUIRED AND LIABILITIES ASSUMED**

	<b>Fair value 2022 £000</b>
<b>GROUP</b>	
<b>FIXED ASSETS</b>	
Tangible	133
Intangible	1,727
	<u>1,860</u>
<b>CURRENT ASSETS</b>	
Debtors	862
Cash at bank and in hand	1,218
	<u>3,940</u>
<b>TOTAL ASSETS</b>	<u>3,940</u>
<b>CREDITORS</b>	
Due within one year	(766)
Due after more than one year	(48)
	<u>3,126</u>
<b>TOTAL IDENTIFIABLE NET ASSETS</b>	<u>3,126</u>
Non-controlling interests	(574)
Goodwill	21,062
	<u>23,614</u>
<b>TOTAL PURCHASE CONSIDERATION</b>	<u>23,614</u>
<b>CONSIDERATION</b>	
	<b>2022 £000</b>
Cash	10,468
Issue of shares in group companies	1,346
Deferred consideration	10,275
Intra-group transfer	158
Directly attributable costs	1,367
	<u>23,614</u>
<b>TOTAL PURCHASE CONSIDERATION</b>	<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 2023****26. BUSINESS COMBINATIONS (CONTINUED)****CASH OUTFLOW ON ACQUISITION**

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

There were five acquisitions in the prior 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.

The book value of assets acquired in both 2023 and 2022 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 £593,000 (2022: £427,000). Contributions totaling £67,000 (2022: £14,000) were payable to the fund at the reporting date and are included in creditors.

The Company did not have any employees in either 2023 or 2022 and so did not have any pension obligations.

**28. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>
Not later than 1 year	<b>444</b>	390
Later than 1 year and not later than 5 years	<b>447</b>	801
Later than 5 years	<b>38</b>	74
	<b>929</b>	1,265

The Company did not have any commitments under operating leases in either 2023 or 2022.

**IWP ADVISORY GROUP LIMITED (FORMERLY KNOWN AS IWP INVESTMENT MANAGEMENT LIMITED)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****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 2023 is £Nil (2022: £65,000).

**30. POST BALANCE SHEET EVENTS**

On 1 March 2024, the Group has begun implementing a corporate simplification plan and is in the process of restructuring the Group. As part of this process, certain companies will be wound down and liquidated however, all trade and assets will be retained within the Group. This first phase included the transfer of the trade and assets of Bowbrook Investments Limited, Premier Wealth Management Limited and Prosper Independent Financial Advisers Limited to IWP Financial Planning Limited. As at Balance Sheet date the Group was actively pursuing the acquisitions of a number of entities. As at signing date the Group has paused acquisition activity due to the corporate simplification plan. Any acquisition costs capitalised as part of the acquisition process have been written off to the Profit and Loss account post balance sheet date. There have been no other material post balance sheet events since year end.

**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 1fc 5, St Helier, Jersey, Channel Islands, JE1 1ST.

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.

**33. NET DEBT MOVEMENTS**

	At 1 April 2022 £000	Cash flows £000	Acquisition and disposal of subsidiaries £000	Other non- cash changes £000	At 31 March 2023 £000
Cash at bank and in hand	8,632	(683)	(366)	-	7,583
Debt due after 1 year	-	-	-	-	-
Debt due within 1 year	(3,090)	-	-	3,090	-
	<u>5,542</u>	<u>(683)</u>	<u>(366)</u>	<u>3,090</u>	<u>7,583</u>