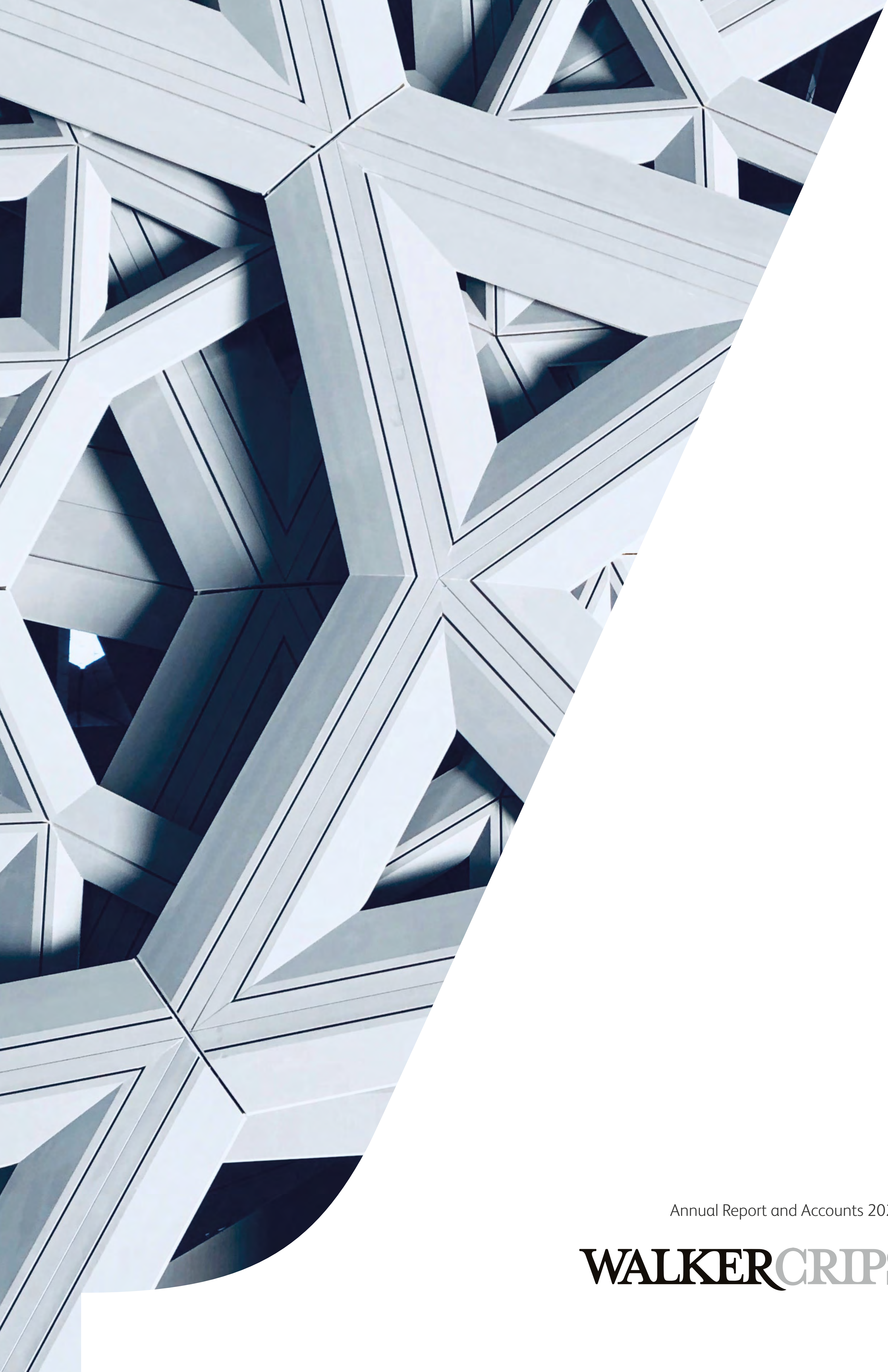


Annual Report and Accounts 2021

WALKERCRIPS

Highlights from our year ended 31 March 2021

Resilience and agility through a challenging year

Financial highlights

Resilience and agility through a challenging year where revenue and operating profits have been adversely impacted by the low Bank of England base rates, partially mitigated by higher trading commissions and business performance, including cost-cutting initiatives.

- Total revenues £30.3 million (2020: £31.4 million).
- Operating profit £22,000 (2020: £1,092,000), being £441,000 (2020: £717,000) when adjusted for exceptional items*.
- Loss before tax £114,000 (2020: profit before tax £963,000), being profit before tax £305,000 (2020: £588,000) when adjusted for exceptional items*.
- Adjusted EBITDA £2.61 million (2020: £2.78 million) **.
- Underlying cash generated from operations £1.08 million (2020: £1.85 million)***.
- Cash and cash equivalents £8.86 million (2020: £8.61 million).
- Assets Under Management ("AUM") returned to pre-pandemic levels, with an increase of 22.2% to £3.4 billion from March 2020 (2020: £2.8 billion).
- Proposed final dividend of 0.60 pence per share (2020: nil), bringing the total dividends for the year to 0.75 pence per share (2020: 0.60 pence per share).

* Exceptional items are disclosed in note 10 to the accounts and a full reconciliation to IFRS results is presented in the Finance Director's review on page 19.

** Adjusted EBITDA represents earnings before interest, taxation, depreciation and amortisation on an IFRS basis. The Directors present this result as it is a metric widely used by stakeholders when considering an entity's financial performance. A full reconciliation is provided in the Finance Director's review on page 19.

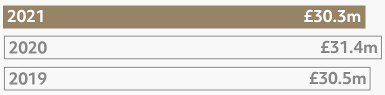
*** Underlying cash generated from operations shows the cash generated from operations adjusted for lease liability payments under IFRS 16 and non-cyclical working capital movements. The Directors consider that this metric helps readers understand the cash generating performance of the Group. A full reconciliation to IFRS results is presented in the Finance Director's review on page 19.

Key performance indicators

Performance in 2021 is set out below with data from preceding years. Year-on-year data is presented on a consistent basis providing measurable indicators. The Board monitors these KPIs regularly.

£30.3m

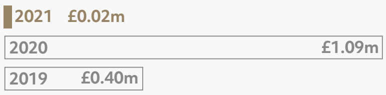
Revenue



A 3.5% decrease in revenue due to loss of interest turn on managed deposits and lower management fee income.

£0.02m

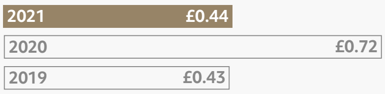
Operating profit



A decline in operating profit due to the challenging trading environment and exceptional items discussed in this report.

£0.44m

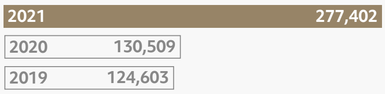
Operating profit before exceptional items



A decrease in operating profit before exceptional items in a year disrupted by the pandemic.

277,402

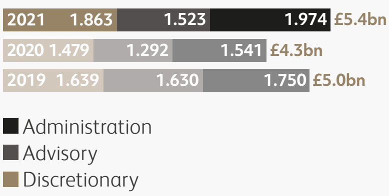
Transaction volume



Trading volumes doubled despite the COVID-19 pandemic and Brexit uncertainties.

£5.4bn

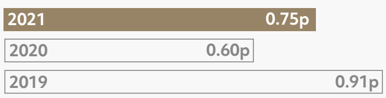
Breakdown of AUMA



The Group's Asset Under Management and Administration ("AUMA") returned to pre-pandemic levels and our shift towards managed basis continues.

0.75p

Total dividends (pence per share)



A modest increase from last year as the Directors take a cautious stance with ongoing disruptions of the pandemic.

Walker Crips Group plc

Making investment rewarding

We have over a hundred years of experience in managing investments for our clients. Walker Crips' predecessors first bought and sold shares for clients on the London Stock Exchange in 1914.

We motivate our people, employees and self-employed associates alike; encouraging their individual development and providing comprehensive professional training. We nurture their best intentions through encouraging good behaviour, ensuring their motives remain aligned with the Group's belief in treating clients fairly.

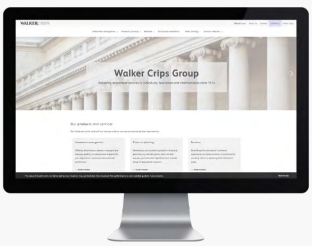
We continue to thrive as we cultivate our technology to strengthen our Group, increase efficiency and provide value for our shareholders.

What we do

Core Investment Management & Advisory Business

Software as a Service ("SaaS")

Alternative Investments



Visit our new website

For up-to-date information and the latest news from **www.wcgplc.co.uk**

Contents

At a glance

A technology-driven financial services company

The Walker Crips Group offers investment management and wealth management services, pensions administration and cloud-based regulation technology.

107

Years looking after our clients

32,904

Clients across the UK

(2020: 33,149)

£30.3m

Total revenue for 2021

(2020: £31.4m)

£5.4bn

Total Assets Under Management and Administration

(2020: £4.3bn)

Our offices

Walker Crips operates 12 offices throughout the UK, headed and staffed by dedicated individuals.

12

Offices in the UK

- London (head office)
- Birmingham
- Bristol
- Epping
- Inverness
- Newbury
- Norwich
- Romford (Finance & Operations)
- Southampton (opening Summer 2021)
- Truro
- Wymondham
- York

Our values

Founded on traditional values of integrity, courtesy, fairness and loyalty, we have maintained these ideals and remain committed to serve our clients and to deliver good customer outcomes.

1. Integrity
2. Courtesy
3. Fairness
4. Loyalty

At Walker Crips, our mission is to make investment rewarding for our clients, our shareholders and our staff, and give our customers a fair deal.

Read about our Business model and Strategy in action on pages 8 to 15

Investment management

Private Clients

Our Private Client teams and our Associate Investment Managers deliver the firm's investment management strategy, providing discretionary services, both model and bespoke, and advisory services to our clients.

Investment Management

Our eclectic collection of professional investment managers and advisers provide clients with a full range of investment management services, customised to fit the clients' experience, expertise and desire to maintain involvement in financial decisions. These services are supported by our wide-ranging investment expertise and the meaningful personal relationships built on Walker Crips' 107 years of experience. Our model portfolios provide a range of risk-managed investment strategies, designed to reflect our team's centralised views on macro-economic and market trends, and emphasis on implementation using collective investment schemes where appropriate.

Alternative Investments

Our Alternative Investment solutions provide innovative services and products for specific clientele. Our (Tier 1) Investor Visa Programme serves high net worth individuals as they invest in the UK, and our international equity arbitrage desk trades on arbitrage opportunities.

Structured Investments

Specialist products offered by Walker Crips Structured Investments ("WCSI") provide carefully considered investment opportunities to investors through professional financial intermediaries. Our structured investment plans are designed to complement traditional investment strategies, offering alternative exposure to a wide range of markets and counterparties.

Wealth management

Preserving and nurturing client wealth

Our wealth management team delivers an individualised approach to financial planning. As independent financial advisers, Walker Crips Wealth Management ("WCWM") provides guidance on an extensive range of financial concerns such as life assurance, pre-retirement planning, at-retirement advice, savings plans, tax-efficient management of investments and estate planning.

Pensions

Serving clients to better care for their futures

Through Self-Invested Personal Pensions ("SIPP") and Small Self-Administered Schemes ("SSAS"), our pensions administration team assists clients in efficiently exercising control over their SIPP pension fund investments. They also provide company directors with the infrastructure using SSAS to grow pension funds for their retirement.

EnOC Technologies

Engineering out complexities "EnOC"

Our Software as a Service division ("SaaS") provides cloud-based regulatory software to financial services firms. EnOC's aim is to close the technology gap between those who can afford large systems, and those who cannot, between those who can build their own systems, and those who do not have the resources to do so. The EnOC Pro Platform (www.enoc.pro) allows for swift scalability with no expenditure on infrastructure; and our flagship service, the SM&CR tool, is an easy-to-use solution for the Senior Managers & Certification Regime ("SM&CR"). We are using a subscription-based pricing model, without minimum amounts and long term lock-in contracts, that is accessible to the smallest of companies and scalable to the largest.

Chairman's statement

Confident in our continued success

As we publish this report and accounts, we are emerging from what we all hope will be a once in a lifetime global event. Your Group has responded strongly to the COVID-19 pandemic and has made substantial progress in the second half of the year. Whilst I am disappointed that this did not return the Group to profit for the full year, substantial progress has been made and I am able to report that the Group, led by its senior management team, has embarked on a programme of change to improve operating margins that will involve increasing revenue generators, streamlining operating entities and further developing our SaaS services.

Martin Wright
Chairman

Overview of 2020/2021

I was hardly expecting that my first year as Chairman of your Company would see the world taken into such tumultuous actual and economic turmoil. Like most businesses, we approached the pandemic with trepidation and considerable fear of the unknown. However, I am much relieved to report that we have come through the ordeal better than I and the Board had, at least at the outset, feared might be the case.

The onset of the COVID-19 pandemic in the first quarter of the year, and the subsequent renewal of rigorous lockdowns during the final quarter, took all businesses into uncharted waters. However, we reacted rapidly and decisively to the situation. With its robust IT infrastructure, the Group moved to remote working with relative ease on 12 March 2020, eleven days before the national lockdown commenced, providing continuity of service for our clients and safety and protection for our staff. An immediate review of all costs and business units was undertaken with a view to finding efficiencies and savings. Supply contracts were renegotiated and Management implemented an intensive de-papering exercise. The Directors across all entities took a voluntary temporary salary reduction of 20% in the first three months of the financial year. Employee numbers and certain expense categories were reduced in anticipation of hard times ahead, the result of which was a net reduction in operating costs of approximately £525,000 for the year. We placed various staff temporarily on furlough, at full salary, with most subsequently being restored to full employment. Once we had assessed the financial impact of the pandemic on the Group, all Government support received was repaid to HMRC.

Crucially, notwithstanding the lockdown, the Group continued to operate the business fully across its divisions, while of course following all Government advice.

In the context of the most uncertain operating conditions for more than a decade, the Group is reporting a loss before tax of £114,000 for the full year. Notwithstanding the overall loss, the full year achievement is still an improvement on the loss of £451,000 reported in the Interim Results, reflecting the turnaround in the second half of the year as markets improved and the benefits of cost initiatives came through.

The operating profit for the year of £22,000 fell well short of last year's profit of £1,092,000, but, given the substantial impact of the cut in Bank of England base rates (resulting in a year on year reduction of revenue and profits of some £1.4 million), as well as the negative impact of the pandemic on certain business units, the consolidated result masks a resilient underlying performance in the core investment management business. Nearly all business units gained momentum in the second half of the year, and this has continued beyond the year-end. Executive management is highly focused on the importance of improving the Group's operating margins in order to alleviate our sensitivity to base rates.

Although our operating divisions all responded robustly to the challenge of the pandemic, in some cases market conditions could not be overridden. This was unfortunately the case with the Walker Crips Structured Investments ("WCSI") division, where the double impact of lower interest rates and a decline in dividends paid by UK companies contributed to the unfavourable environment for pricing this sector has experienced.

We were disappointed that several advisers from the Wealth Management division decided to leave us in September 2020 to set up business independently. The executive team have responded with a drive for recruitment and rejuvenation, which continues apace with the hiring of new advisers and the acquisition of a client book with funds under management. We welcome our new arrivals and look forward to integrating them into the restrengthened team.

The Group believes that continued investment in technology is crucial to providing innovative and effective services to our clients, investment managers and staff. EnOC Technologies Limited's project to commercialise our technology remains a key limb of our growth plan.

Strategy

We remain confident in the three-pronged strategy of growing our core business, seeking opportunities in our alternative business activities and commercialising our technological capabilities.

The pandemic demonstrated the resilience of the core investment management business, though this has been significantly offset by the impact of the cut in base rates. The Wealth Management business has rebounded from adviser and client losses during the year with a new, aggressive recruitment strategy. Our alternative business activities provide diversification and growth opportunities, and the Group's seamless transition to working from home more than justified our focus on technology.

Dividend

Our aim is always to reward shareholders for their continued support, and the Board did not take the decision, in March 2020, to withdraw the final dividend lightly. Given the greater visibility on the impact of the pandemic and the improvement in operating performance as the year went on, an interim dividend of 0.15 pence per share was paid. In that light, having taken into account the Group's plans for more profitable growth and for improved operating margins, capital headroom, market outlook and short-term and long-term cash flow considerations, the Board will recommend for shareholders' approval at the forthcoming AGM for a final dividend of 0.60 pence per share (2020: zero) payable on 1 October 2021 to those shareholders on the register at the close of business on 17 September 2021, with an ex-dividend date of 16 September 2021.

Our community

We believe that in challenging times, it is important that we continue to support our chosen charities. In addition to financial support, we try to do more by using our technology for good, engaging in technology philanthropy, and using technology as a catalyst to boost the efforts of those charities, working with them to design, deploy and maintain those systems.

Our partner charity, www.twiningenterprise.org.uk, has a mission to combat mental health stigma and to assist people who are struggling with mental health issues around work. Their goal is to ensure that everyone with a mental health issue can find employment and cope with the challenges of working life, to support employers and raise awareness around mental health in general and to reduce stigma and discrimination. This is a mission whose work is crucial, as has been highlighted during this pandemic. We urge you to join us by signing on to support Twining in their mission, staying informed of their latest news and activities, and support them financially by going to www.enoc.pro/community.

Directors, Account Executives and staff

This is my first Chairman's annual statement. As I noted, I will happily admit that, whilst I take no pleasure from reporting a loss, I am relieved that the impact of the unprecedented situation has not been more severe. I and my colleagues have been impressed by and proud of the manner in which the team as a whole across the Group have responded. Specifically, I would like to thank my fellow Directors, our investment managers and advisers and all members of staff for their efforts, resilience and continued commitment to the highest levels of client service, support and diligence during this exceptional period of global turmoil. One can only hope that this is and has been a once in a lifetime experience.

Outlook

Overall, the story this year has been an underlying resilience shown by the Group, in its management and performance, which bodes well for the future. The headline numbers do not do justice to the positive momentum that is developing in several of the operating divisions and I congratulate our staff and our investment managers for making this possible. I and the Board remain excited about the Group's prospects.

Martin Wright
Chairman

20 August 2021

CEO's statement

Innovating and adapting during challenging times

Our three-pronged strategy continues to give direction to the Group, whilst the world and the financial markets look to recover from the pandemic.

Sean Lam
Chief Executive Officer

Reflection

Before I report on the Group's performance, I wish to highlight the continuing tragedy of the pandemic and remember our fellow citizens who lost their lives to it. Many have lost family and friends, and we send our heartfelt condolences, recognising that in all the analyses of financial impact, above all it is the human cost that is hardest to bear. I am proud of how our workforce responded to this crisis, how we kept the Group functioning normally, and how we continued to engage with our clients, ensuring that they did not suffer any interruption in quality of service during a very difficult period. Everyone played their part, demonstrated patience and tenacity, and got on with the business at hand.

Turning now to the Group's performance over the past year, considering where we stood and the uncertainty that we all faced twelve months ago, I am pleased with the outcome for the year ending 31 March 2021. More details of financial performance are provided in the Group Finance Director's review.

The Investment Management division has had a good year considering the reduction in interest income left us with a significant revenue gap of £1.4 million to recover from new initiatives and other existing areas. We have been adjusting and organising our firm, putting it on a firmer footing, reviewing all areas of our business and improving operating margins and profitability, so that the business is less sensitive in the future to the dual risk of a simultaneous fall in asset values and a decline in interest receivable. We remain focused on this effort, improving the revenue-growth capability of existing businesses, generating greater profitability from revenue-growth opportunities, while improving control, and the reduction, of our cost-base.

The Wealth Management division has been pursuing a controlled aggressive growth strategy. We are pleased to have a number of highly experienced financial planners recently join us, deepening our product knowledge and expanding our service offering, complementing our existing team so that we can better serve our clients together. We are also looking forward to the opening of our new branch in Southampton in late summer.

Our growth plans for the Structured Investments division were delayed by the extreme market conditions for product pricing referred to in the Chairman's statement. However, some normality has since returned to pricing conditions and the competitive pressures of the last year have prompted a shake-up in the industry. Having withstood the pressures of the past year, we believe that we are well placed to capitalise on increased activity and resume our growth path.

We are also developing plans to simplify the Group through the consolidation of the number of regulated entities and streamlining the management structure.

Our technology company, EnOC Technologies, was launched in December 2019 with the Senior Managers & Certification Regime ("SM&CR") system. Since then, EnOC has reached out far beyond the boundaries of the Group, collaborating with counterparties in Singapore and Malaysia on technology initiatives. The Group has also embarked on our vision to 'simplify and digitise', using the EnOC Pro Platform to create technologies that will transform processes, create greater efficiencies, reduce the use of paper, provide better services to our clients, and reduce costs.

With the commencement of the Senior Managers & Certification Regime, the responsibility for the assessment and approval of 'certificated individuals' transferred from the FCA to the senior managers of FCA regulated companies. Under this Regime, our senior managers are directly responsible for the assessment of our 'certificated individuals' as being fit and proper to carry out their roles and functions. I am pleased with how management embraced these new responsibilities and the robust and effective approach now embedded in our business. A tremendous amount of work was invested into the appraisal, review and feedback process, and an SM&CR panel was established as the review body for certificated individuals' fitness and propriety under SM&CR, reporting directly into the Board.

The SM&CR appraisal, review and feedback process has been a valuable and continuing process, informing our leadership team regarding our corporate culture, that culture is not just reliant on the 'tone from the top', but that it must also be evidenced with 'music from the sides'.

The world has irreversibly changed, over the past eighteen months, the way we work, communicate, engage, trade, teach and learn. Our ability as individuals and collectively as a people to adapt, learn and change was crucial. As a species, we probably adopted more technology in one year, than we would have done in ten regular years. Our Group must continue to adapt and innovate, and our dependence on technology will only increase. We will continue to prioritise and invest in developing our own technology, continue to create and innovate for ourselves and our clients.

As a Group, we continue to support www.twiningenterprise.org.uk, the mental health charity. In addition to financial support, we also try to use our technology for good, through technology philanthropy. If you wish to find out more, or want to support Twining financially, please visit enoc.pro/community.

I wish to add to the words of our Chairman, my personal thanks to our staff and investment managers for their unwavering commitment to our clients, and to our leadership team for their dedication, advice and candour. And I thank our shareholders for their patience and continued support.

As I conclude, I wish to reiterate our mission: to make investment rewarding for our clients, our shareholders and our staff and give our customers a fair deal. We support our investment managers and our staff by being a technology-driven financial services company.

Sean Lam
Chief Executive Officer

20 August 2021

Business model

A technology-driven financial services company

OUR STRATEGY

We are committed to our three-pronged strategy, designed to position us as a technology-driven financial services company.

Core business

Nurture and promote our core business

This is our largest revenue generator, providing clients with investment, wealth, pensions, collectives advice and the creation of structured investments and structured deposits for clients, IFAs and counterparties.

Companion services

Identify higher margin alternative investment business

This subset of our core Investment Management business is where we create innovative and higher margin new business lines.

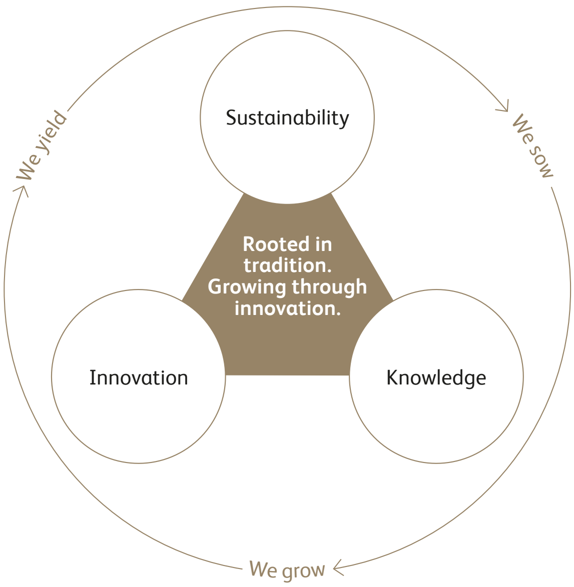
Software as a Service

Identify and close the technology gap

Systems development is our core competency and we create much of our own technology, allowing us to build and integrate many of our systems into one central platform.

OUR BUSINESS MODEL

The Walker Crips Group operates within the financial services industry and specialises in providing a range of financial services and financial products to our customers. Our core business is the provision of investment management, wealth management, pensions administration, collectives model portfolio and structured investments. Our second prong is the alternative investment offering and the third is the provision of technology services. We believe that in the three-pronged approach, the Group is developing a balanced and diversified revenue stream.



Our people

Our workforce comprises highly experienced and qualified specialists in investment management, financial advice, and pensions administration, as well as a cohort of new generation members who will provide continuity into the future, all with a clear focus on customer engagement and customer outcomes. Our cadre of dedicated, loyal and experienced people across our business is focused on serving our clients.

Management are proud and privileged to be working alongside all the members of the Walker Crips family, and are grateful for all their hard work and their dedication to our clients and to the Group.

Our culture

Walker Crips started advising clients and dealing in securities in 1914. We uphold the long-standing traditional values of honesty and integrity, and our mission is to make investment rewarding for our clients, our shareholders and our staff and give our customers a fair deal. We support our investment managers and our staff by being a technology-driven financial services company.

Through our technology core competency, we strive to innovate, and build systems that will primarily serve our investment managers, our advisers, our staff, and our clients. Latterly through our Software as a Service division, we also deploy proprietary technology to our business partners.

Walker Crips has remained independent for over 100 years.

OUR VALUES UNDERPIN EVERYTHING WE DO

HOW WE CREATE VALUE

We create value for our investors by increasing our revenues. Our core revenue is derived from fees charged for the services our people provide, while additional revenue is produced through transactional activity and custody charges.

We sow our investments

Our core offering

We continue to expand our offering of investment management and investment management-adjacent services; supporting our core business and its companion companies in serving our clients.

Our people

We provide training opportunities to our employed and self-employed staff; enabling them to operate with the expertise necessary to meet and exceed clients' needs. We aim to create a work environment in which our institution's century of culture, integrity and accountability permeates our every function, by improving procedures and modernising monitoring practices.

We grow our Group

Our divisions

Our core business, Investment Management, works alongside Wealth Management and Pensions to combine companion offerings, utilising the innovation of our software company, EnOC Technologies Limited.

Innovation

We're branching out through consistent innovation. We continue to thrive as we cultivate our technology to strengthen our Group, increase efficiency and provide value for our shareholders. We yield results for our stakeholders.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider to be in good faith and would be most likely to promote the success of the Company for the benefit of its members as a whole. Further details of stakeholder engagement can be found on pages 35 to 37.

OUR STAKEHOLDERS

Investors
Our private, professional and institutional shareholders who rely on us to protect and manage their investment in the Company and generate value for them.

Clients
Private and professional clients who have entrusted us with providing financial planning advice, managing and safeguarding their investments, and undertaking transaction execution services.

Workforce
Our directly employed staff and our network of self-employed associates.

Suppliers
The providers of goods and services on which our business relies.

Regulators
The bodies which authorise and regulate our activities.

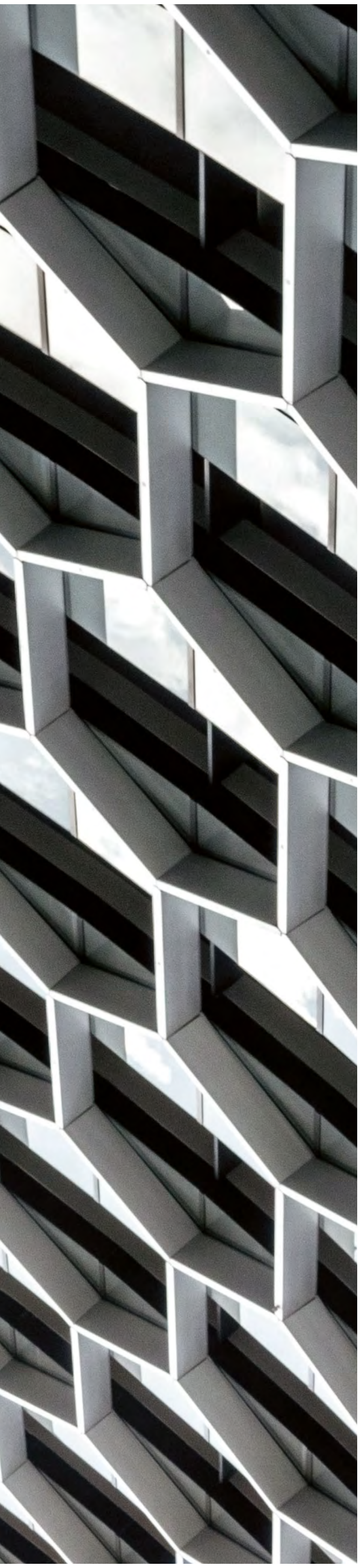
Communities and the Environment
The local communities in which we operate and the environment at large.

Strategy in action

A three-pronged strategy

Walker Crips is first and foremost a financial services company. We leverage our technological competence to drive our three-pronged strategy of core, alternative and technology services, to position the Walker Crips Group as a technology-driven financial services company.

- We aim to achieve £10 billion Assets Under Management and Administration ("AUMA") by 2026;
- We will further develop our model portfolio service offering as a complementary service to our discretionary bespoke portfolio service;
- We will maintain our flexible approach to investment management and advice, offering a broad range of services that facilitates different clients' aims and objectives; and
- We will continue to employ talented, high quality investment managers, financial planners and pension advisers with an established client base.



Investment management strategy

WALKERCRIPS
Investment Management

Reflections on last year

Despite the terrible death toll exacted by the pandemic over the last year, most asset prices emerged mercifully unscathed. This was in no small measure due to the wartime-era central bank and government stimulus programmes that erred on the side of doing too much rather than doing too little and were not accompanied by the usual wartime taxes on windfall profits. These actions steadied markets at the time of maximum stress when it appeared that no safe haven was available, and also prevented a spiral of debt-driven defaults in the real economy. Early on in the pandemic, it became clear technology would ensure most jobs were unaffected by the lockdowns, particularly in white-collar industries whose workers actually became better off through a combination of savings on transportation costs and forced savings due to a lack of outlets for expenditure. Governments may not actually have dropped money from helicopters but, unless you worked in one of the most affected industries, the effect was pretty much the same. Central banks mopped up the massive issuance of government debt with asset purchase programmes, and are still buying assets at a rate of about $300 billion a month.

Our investment managers dealt with the huge swings in asset prices and sentiment with great professionalism. Clients and portfolios seeking yield from dividends, and those exposed to the leisure industry, were the worst affected, but I'm delighted to say that those portfolios have generally been nursed through the pandemic successfully, eventually catching the upswing in prices that swept up even the most COVID-sensitive industries. Clients with mandates prioritising capital growth and those with exposure to the technology sector were well-positioned for the initial rebound in asset prices and the ensuing bull market. It's a testament to the strength of the relationships between our investment managers and their clients that very few clients opted out of capital markets entirely, despite the once-in-a-century events that were unfolding.

Outlook

The success of government and central bank stimulus programmes has come at a price. In underwriting capital market risk, and pouring hitherto unimaginable sums of money into capital markets while private individuals had nowhere to spend their income and were accumulating savings, it appears that a tsunami of expenditure on financial assets has been unleashed. A wide range of indicators suggests that asset prices (both in public and private markets) have been boosted to abnormally high valuations.

Sentiment indicators also indicate that bullishness is close to historic highs, with a large degree of speculation occurring in cryptocurrencies, in the technology sector, and in small and micro-cap companies.

Despite an expected short-term rebound in earnings and economic growth, it has become very hard to estimate the effects of stimulus being withdrawn, where the economy will settle post-pandemic, and how many pandemic-era trends will persist. At the same time, central banks have doubled down, and then tripled down, on the role of monetary policy in supporting markets and the economy. The growing dependence of markets on ultra-low interest rates, together with high current valuation levels, means that the outlook is growing more risky at a time when investors' confidence is still at a maximum. Moreover, fundamental long-term growth assumptions are being challenged by the persistence of the virus, huge government debt burdens, the geopolitical falling-out of the western world with China, the rise of protectionism and other threats to world trade, the pandemic's impact on immigration, plus the potential for inflation to gather momentum. With visibility so limited in the short term and valuation risks higher than normal, current prices probably represent a historically bad starting point for future expected returns.

Via the actions of the Investment Senate and the Patricians' forum, we are shifting our focus to less expensive valuations, while trying to identify growth opportunities with business models that can ride out any potential fallout from the "return-to-normal". The aim is for our clients' portfolios to increase exposure to solid but relatively overlooked asset classes, and to express a healthy scepticism towards the excesses that have accumulated over recent months.

Strategy

The pandemic temporarily slowed recruitment in the first half of the year, initially impaired by lockdowns, before gradually returning to normality as interviewers and candidates adjusted to video-based interviews. As one of the remaining investment management houses who still maintain, and encourage, a fully bespoke offering we remain attractive as an employer, especially to investment managers at competitors who are increasingly being forced to adopt centralised models. However, the lengthening of restrictive covenants over the past few years has made the recruitment process more difficult and less likely to result in the successful transfer of clients from competitors. Fortunately, while we are still actively seeking to recruit, there are also worthwhile opportunities within our existing business to grow revenues organically and to improve the operating margins of existing arrangements. Thus our current strategy is characterised by striving for internal improvement as well as external growth.

Chris Darbyshire
Chief Investment Officer

Strategy in action (continued)

Wealth management strategy

WALKERCRIPS
Wealth Management

Reflections on last year

In what has been a difficult year due to lockdown and the new working from home environment, it is pleasing to see that AUM has grown since March 2021 to June 2021 by 23.6% and above the March 2020 figure; new client numbers have been strong since January 2021. I can therefore confirm that the Wealth strategy of growth is taking shape with investment in the future. We have taken on two new Chartered Financial Planners and two trainee Financial Planners for the York office, and a further two Chartered Financial Planners and their team for a new office in Southampton, due to open this Summer.

A client book purchased at the end of 2020 from a Beverley based IFA has seen 92% of clients successfully onboarded, making up 97% of the expected AUM. Continual operational improvements see the launch of our new portal and greater control of business workflow to help reduce lead time.

A new graduate work placement plan has been set up with York University initially taking on a Maths / Economic graduate annually, the first to start this July.

Despite the pandemic, recurring revenue from personal clients under a signed service proposition has remained stable and where new business may have been put on hold during COVID, since the start of the calendar year we have seen a rise in new clients and business as confidence returns.

Thoughts for the year ahead

Working closely with the investment managers we see opportunities for financial planning within the Group and externally. We continue the strategy of growing the financial planners organically, across the UK, seeing the progression of the trainees with ongoing client servicing as their focus and externally with the acquisition of qualified financial planners.

Dominic Martin,
Managing Director, Walker Crips Wealth Management Limited

Pensions strategy

WALKERCRIPS
Pensions

Reflections on last year

Both SSAS and SIPP client numbers have increased over the period which reflects the change in the business model for the trading entity Walker Crips Pensions. SSAS clients have increased to 175 compared to 173 and SIPP clients have increased to 423 compared to 402, which represents a 4% increase in clients. This has been further illustrated by additional client growth after the year-end which is on a path to date which will exceed last year.

Assets under management have increased by £43 million (13%) to £376 million within the division

The EBOR SIPP fee is competitively priced, whilst offering a quality service proposition to attract both new clients to the Company and those already receiving a service elsewhere within the Group. A drop in revenue was expected due to the reduction in the SIPP fee, but this has been countered with growth in client numbers.

A similar exercise has been carried out for SSAS to bring standardisation across all client fees. This provides greater transparency in fee proposition for clients as they are fixed in the main and no longer based on moving AUM. Improved efficiencies with the invoicing process enabled us to free up client manager time.

Further use of our portal is to be introduced to Walker Crips Pensions' clients to provide interactive information.

Wendy Eastwood,
Managing Director,
Ebor Trustees Limited

Strategy in action (continued)

Barker Poland Asset Management strategy

Reflections on last year

We have had a good year in spite of the disruption to the business. Fee turnover to 31 March 2021 was £1.9 million and profit was circa £0.4 million.

We have four advisers, two of whom are chartered, and a support team of eight. The team adapted incredibly well to the working from home environment and this change will undoubtedly have a big impact on our use of centralised offices in the future. We continue to manage 550 clients with assets under management of £320 million. The vast majority of our clients are invested in one of our risk adjusted models, which is managed using a sophisticated investment dealing and client management platform, ensuring we maintain a small and efficient back office. We continue to focus on a combination of financial planning and discretionary investment management services, as these are the key services demanded by our clients.

Thoughts for the year ahead

Turning now to the year ending March 2022, we expect to see some volatility in portfolio values as the world moves out of lockdowns. We will continue to focus on financial planning and investment advice for our existing clients as this ensures that we maintain the valuable recurring revenue. The majority of our new clients come via personal recommendations and we will continue with this approach in the coming year.

Geoff Wright,
Managing Director, Barker Poland Asset Management LLP

EnOC Technologies Limited strategy

Reflections on last year

Our flagship software, the SM&CR tool, which addresses the Senior Managers & Certification Regime, has been deployed and embedded into the Walker Crips Group since December 2019. The SM&CR tool has also been adopted by a number of external companies and is being used to comply with their SM&CR obligations. EnOC has also been engaged by regulated firms in the Far East to develop regulatory solutions, and we will continue to expand the reach of www.enoc.pro.

Opportunities in the sector

Having built our solution in the cloud, we can provide clients with setup within minutes and additional functionality in moments, nullifying their need for hardware, server space, operating systems, IT support and maintenance. Moving from the Capital Expenditure ("CapEx") to the Operational Expenditure ("OpEx") 'subscription' model.

We have also been developing and integrating additional tools into the Platform, with a view to enlarge our ecosystem and expand our target customer prospects.

EnOC's mission is to bridge the technology gap, providing enterprise level systems not just to large businesses but also to the small businesses, at a low price point of entry, affordable to even the smallest of firms.

Sean Lam,
Founder & CEO,
EnOC Technologies Limited

Chief Investment Officer's analysis

Managing change at warp speed

With government and regulatory interventions worldwide, economies and, in turn, financial markets have shown resilience to recover to near-pre-pandemic levels.

Chris Darbyshire
Chief Investment Officer

Big Government is here to stay

Having extended and enlarged former President Trump's stimulus programmes, President Biden is cementing the government's position as the driving force behind the economy, something which was necessitated by the pandemic but is increasingly becoming the norm around the world. Collectively, US stimulus programmes have already exceeded $5 trillion in spending, equivalent to about 23% of GDP. These included a total of $3,200 in direct payments given to most US citizens. Further infrastructure and stimulus programmes on a similar scale are still being debated in Congress. The "NextGenerationEU" recovery fund is not quite on the same scale but, at €750 billion, it would still represent about 7% of this year's GDP. We also know, from the British government's own estimates, that government borrowing this year is likely to reach 10% of GDP, following on from last year's post-second world war record of 14.5%.

This represents a major departure in fiscal policy for much of the western world, and has been made possible by the confluence of several monetary, economic and political trends. For a start, central banks have spent the past decade proving to politicians that they can suppress government borrowing costs by purchasing mindboggling amounts of government bonds. Having been sceptical coming out of the Credit Crunch, politicians of all stripes now feel more assured that they have an open cheque book; the only question is what to use it for.

The virus won't go away

What will the "return-to-normal" look like, and will it even look normal? Not all the economic data recently has conformed to the expectation of a booming, once-in-a-century rebound unleashed by government spending, accumulated savings and the pent-up desire to consume. Instead, it's been more a case of "two steps forward, one step back".

China's economy was the first to lose some momentum, as the central bank acted early to tighten interest rates and the cost of financing. The Chinese government, meanwhile, reined in borrowing by heavily-indebted local authorities to fund infrastructure projects. The US has been a bigger surprise, with several hiccups in the recent economic data despite March's awe-inspiring stimulus programme. Most disappointing has been the slow pace at which the US economy has created jobs: expectations for 1-2 million new jobs a month were dashed early on in the year and, though recent data has improved, the US is still short of the level needed to replace the 10 million-or-so jobs displaced by the pandemic. It's a similar story in the UK, where consumer spending has underwhelmed, and business activity in both services and manufacturing has tapered off earlier than expected.

So far, then, the reopening has turned out to be a tad disappointing. What is to blame? It seems that the most likely culprit is – still – the virus. Surveys in the UK suggest that many people have yet to become comfortable visiting shops and enjoying indoor services. A hefty proportion of people are still avoiding crowded public places, and households are likely to remain cautious, given the ongoing procession of variants. Old vaccines might provide a decent level of protection against new variants, but "decent" is still not a risk that everyone wants to run.

Markets had a "good" pandemic

You can't argue with the fact that, going into the pandemic, the value of the world's stock markets was at an all-time high of $89 trillion and, at the time of writing, they are valued at $117 trillion. The market's staying power, despite all-time high valuations, is prompting some strategists to reassess their investment rationales. The new thinking goes that the pandemic has forced companies into a once-in-a-century frenzy of capital expenditure as they retool for the post-pandemic world. As a result of this, the post-pandemic world will be more productive, and productivity is the magic ingredient that boosts economic growth, allowing company profits to settle at permanently higher levels. This will break the cycle of muted economic growth caused by ageing populations, heavy debt burdens and a decade of corporate under-investment.

But you don't have to argue that "this time it's different" in order to explain asset prices – a more prosaic explanation is that bond markets have been explicitly supported by $300 billion a month globally in asset purchases by central banks, and that government stimulus money has found its way into equity markets. Data on US household net worth tells us what markets have long since figured out: the pandemic has made the average consumer wealthier. The poorest half of US households saw aggregate household net worth jump by 36% during the first year of the pandemic, equivalent to an increase of about $700 billion spread across 64 million households. That's not far off the $850 billion the US government spent sending stimulus checks to citizens over the same period. Wealthier households did even better, with gains driven by the boom in house prices and the rally in the stock market.

How did we do?

The Investment Management division adjusted rapidly to the new working environment and was able, during the course of the year, to largely overcome the negative impact of the initial decline in market prices. The managers promptly contacted their clients, despite the obstructions that the various lockdowns imposed on communications, maintaining relationships and providing important reassurance at a vital time. As a result, very few clients felt compelled to exit capital markets completely despite the extreme volatility and uncertainty.

Assisted by a regular supply of pandemic-inspired investment ideas in the weekly Patricians meetings, managers were able to reposition portfolios where necessary or hold on to existing investments where there was a sufficient prospect of recovery. It was a testament to the professionalism and competence of our managers that they were able to overcome the twin disadvantages of holding a relatively high proportion of UK-domiciled assets and a bias towards dividend income across their client mandates. As a result, I am delighted to report that our clients have generally seen a substantial recovery in portfolio values from the lows of last year and, in many cases, portfolio values are now above pre-pandemic levels.

In addition, management instigated a project to track and apportion overheads within the Investment Management division, in fine detail, to individual business units. This has revealed a number of areas for improvement in operating margins and various projects have been identified that will contribute to this goal. For example, the Investment Management division's model portfolio service, operating under the Service First brand, was centralised and upgraded, related commercial terms were improved and its investment process is now managed directly by the Investment Senate. The Service First models will also be used to spearhead the firm's ESG product strategy.

The profitability analysis also highlighted more clearly the elements of the Investment Management cost-base that will require Management action if operating margins are to improve materially. In particular, the recruitment of investment managers in the future will involve more focused due diligence and evaluation with regard to business models, associated regulatory risks, likely overhead usage and the potential for future organic revenue growth. The challenge is all the more acute because, across the industry, recruitment opportunities have grown scarcer with employers increasing the length of notice periods and using more restrictive covenants to prevent departures.

Some base level of regulatory flux is becoming the norm for the financial services industry, and attention within the industry is now firmly focused on the impact of Environmental, Social and Governance (ESG) regulations on all advisory and investment processes. Prior to the UK's departure from the EU, the EU had proposed changes to the MiFID II suitability rules to ensure that investors' ESG preferences would be taken into consideration. These rules require providers of investment management services to measure clients' ESG preferences and take them into account within the advisory and investment process. Complications and risks arise due to the low levels of ESG related data on investments presently available, and a lack of standardisation in the approaches used to rate ESG considerations.

Chris Darbyshire
Chief Investment Officer

20 August 2021

Finance Director's review

Resilience and agility through a challenging year

The strength of our underlying business model shone through amidst a challenging year for our revenues.

Sanath Dandeniya
Finance Director

Financial performance

The reduction of interest rates meant coming into the year we knew our operating revenues would be depleted significantly. In the event, the year on year interest reduction was £1.4 million (2021: £0.9 million vs 2020: £2.3 million), which had a direct £ for £ impact on our reported revenue, operating profit and cash generation. In light of this, the business and financial focus has been revenue generation, cost reduction and cash management. So how did we perform? Taking each in turn:

Total revenue

Total revenue reduced by 3.5% to £30.3 million (2020: £31.4 million), but excluding the interest impact, it rose by 1.0% or £0.3 million. The increase came from strong performances in our trading and arbitrage activities. Commission income from trading increased by 11% to £9 million and the arbitrage desk, including recovery of the mark to market losses reported last year, delivered a 250% increase in gross income to £1 million. Management fee income, being a factor of market values, was 2.2% down from last year, or £0.4 million, but it is encouraging to see levels returning to pre-pandemic heights in the last quarter and continuing in the first quarter of the new financial year. A major disappointment was our structured investments activity, which experienced a difficult year and ended 39% down (£0.7 million) from last year. Revenues from our investor immigration business also reduced by £0.1 million, reflecting the pandemic's curtailment of international travel and migration.

Overall, with increased trading commissions, reduction in interest turn and the market driven downturn in fee revenue, the mix between broking and non-broking income saw a shift towards broking income in the year. It accounted for 29.7% (2020: 25.7%) in the year.

Cost reduction

Administrative expenses, excluding exceptional items, reduced by £652,000 (as noted in the Chairman's statement, £525,000 of this was as a direct result of Management led cost reduction measures), or 3.1%, during the year, notwithstanding a significant year on year increase in regulatory costs of £233,000. The cost reductions principally reflect prompt actions taken to mitigate the impact of the pandemic. These included Directors' voluntary pay reductions, reduced salaries following redundancies, placing discretionary staff recruitment and capital expenditure on hold; an intense de-papering programme to streamline and further digitise client and staff communications; and the renegotiation of a number of supplier contracts.

Reconciliation of operating profit to operating profit before exceptional items

	2021 £'000	2020 £'000
Operating profit	22	1,092
Exceptional items (note 10)	419	(375)
Operating profit before tax and exceptional items	**441**	717

Reconciliation of (loss)/profit before tax to profit before tax and exceptional items

	2021 £'000	2020 £'000
(Loss)/profit before tax	(114)	963
Exceptional items (note 10)	419	(375)
Profit before tax and exceptional items	**305**	588

Adjusted EBITDA

	2021 £'000	2020 £'000
Operating profit	22	1,092
Exceptional items (note 10)	419	(375)
Amortisation / depreciation (note 31)	1,212	1,199
Right-of-use assets depreciation charge (note 31)	961	867
Adjusted EBITDA	**2,614**	2,783

Underlying cash generated by the Group

	2021 £'000	2020 £'000
Net cash inflow from operations	1,806	3,483
Working capital	(8)	(160)
Lease liability payments under IFRS 16	(1,133)	(1,101)
Exceptional items (note 10)	419	(375)
Underlying cash generated in the period	**1,084**	1,847

The Group also benefited from lower consumption of staff related expenses such as travel and subsistence during the lockdown with most staff working from home. Although the Group initially took advantage of government support, as performance improved during the period all amounts received were repaid in full in the year.

Cash management

The Group's treasury team maintained tight focus on and management of cash throughout the year, with cash inflow from operations being £1.8 million. Underlying cash generated from operations, principally reflecting the impact of lease liability payments, non-cyclical working capital movements and exceptional items (see adjacent reconciliation), was £1.08 million (2020: £1.85 million) demonstrating the Group remained strongly cash positive after satisfying lease liability obligations. After deducting cash deployed in investing activities and dividends paid, cash and cash equivalents increased to £8.86 million at year-end (2020: £8.61 million).

Financial result and alternative performance measures

The Group's operating profit and loss before tax for the year of £22,000 and £114,000, respectively (2020: operating profit and profit before tax of £1,092,000 and £963,000, respectively) are disappointing, but reflect a recovery in the second half of the year when compared to the operating loss before tax of £451,000 in the first half. The annual results include exceptional charges of £419,000 (2020: exceptional income of £375,000), reflecting the drivers of income and costs explained above. Adjusting for exceptional items (see adjacent reconciliation and further detail in note 10 on page 81), the Group's operating profit and profit before tax for the year are £441,000 and £305,000, respectively (2020: £717,000 and £588,000, respectively) and reflect the resilience of the Group's core business within the context of a most challenging year.

The Group's adjusted EBITDA (being EBITDA adjusted for exceptional items – see adjacent reconciliation) is £2.61 million (2020: £2.78 million), which again demonstrates a sound performance in view of the significant impact of reduced base rates on the results.

Finance Director's review (continued)

I mentioned earlier that it has been pleasing to see an improvement in management fee income as markets have recovered. Total Assets Under Management and Administration ("AUMA") averaged £4.9 billion during the year, compared with £5.0 billion in the previous year, affected by the collapse in equity markets in March 2020 due to the onset of the global pandemic. Discretionary and Advisory Assets Under Management were similarly impacted by the market decline, though recovered by end of the year to £3.4 billion (2020: £2.8 billion). Total AUMA is up 24% from March 2020 levels to £5.4 billion (2020: £4.3 billion).

Divisional performance

The Investment Management division delivered an operating profit of £1.3 million for the year, compared to £2.0 million in the previous year. As noted in the context of the Group's results, this reflects the significant reduction in interest receivable on managed deposits, lower income from the structured products business where the double impact of lower interest rates and a decline in dividends paid by UK companies contributed to the worst environment for pricing the sector has seen, and lower management fee income, mitigated by strong performances in trading commissions and the arbitrage desk activities.

Looking forward, management is not planning for any reversal in base rate reductions and therefore remains focused on initiatives to improve the division's operating margins. Also the prospects for the structured investments business have improved as competitors exit this sector together with recent improvement in pricing conditions. Moreover, the structured investments team was strengthened before the onset of the pandemic and is positioned to exploit future opportunities.

Regulatory own funds and own funds requirement

Own funds

	2021 £'000	2020 £'000
Share capital and share premium	**6,651**	6,651
Retained earnings	**11,260**	11,582
Other reserves	**4,723**	4,723
Less:		
Own shares held	**(312)**	(312)
Regulatory adjustments	**(10,584)**	(10,701)
Total own funds	**11,738**	11,943

Own funds requirement

	2021 £'000	2020 £'000
Credit risk requirement	**1,639**	1,490
Market risk requirement	**598**	387
Operational risk requirement	**3,145**	3,144
Total own funds requirement	**5,382**	5,021
Regulatory capital surplus	**6,356**	6,922
Cover on own funds as a %	**218.1%**	237.9%

The Wealth Management division's progress was hindered by market conditions and departures of underperforming teams, resulting in the division reporting an operating loss of £127,000 (2020: operating profit £42,000) on revenues of £1.6 million (2020: £1.9 million). However, its rejuvenation continues apace with the hiring of new advisers and the acquisition of a client book with funds under management and we anticipate continued growth and improved results in the coming year.

EnOC Technologies Limited ("EnOC") reported an operating loss of £127,000 (2020: £29,000) as it continues to invest in its capabilities and future prospects. Its technology underpins the Group's delivery platforms whilst it also focuses on external market opportunities.

Capital resources, liquidity and regulatory capital

The Group's capital structure, comprising solely of equity capital, provides a stable platform to support growth. At year end, net assets are £22.3 million (2020: £22.6 million), reflecting a small net reduction due to the reported loss after tax and dividends paid. Liquidity remains strong with cash and cash equivalents increasing over the year to £8.9 million and testimony to the Group's overall resilience and the early measures taken to address the pandemic. Regulatory capital at year end, including audited reserves for the year, is £11.738 million (2020: 11.943 million), comfortably in excess of the Group's capital requirements as shown in the tables above. The finance team has also planned for the introduction of the new prudential regulatory regime.

Dividends

The pandemic has not been without its challenges and the Group has made an overall loss for the year. However, in view of the second half performance, strong capital and liquidity position, balanced reward to our people and confident financial outlook, it is right to reward our shareholders for their support. I fully support the Board's recommendation to pay a final dividend of 0.60 pence per share on 1 October 2021 for those members on the shareholders' register on 17 September 2021. Including the interim dividend of 0.15 pence per share (2020: 0.60 pence per share), the total dividend for the year is 0.75 pence per share (2020: 0.60 pence per share).

Sanath Dandeniya
Finance Director

20 August 2021

Supporting our community

Acting and delivering responsibly

Positive impact

At Walker Crips, we recognise the value of partnerships as a powerful tool that can benefit our society. We endeavour to be successful for our clients, our shareholders and our staff, but we also try to do our part and give back wherever we can to our community. We believe that success should not only be defined in the commercial sense, but that it should also be measured by the positive impact that we have on those who are in need and by the difference that our work makes for future generations. To this end, we seek to develop partnerships with organisations that we can support, and when possible, to use our technology to assist them in multiplying their efforts. Many of our employees are also personally involved in charitable organisations and activities, and occasionally organise events at a local level, which we endeavour to support where we can.

Our partner charity

We are pleased to continue supporting Twining Enterprise, a charity whose mission is to help individuals with mental health challenges find and sustain mainstream employment through skills training, practical advice, coaching, community outreach, partnerships with wide-ranging community organisations, and other forms of support. Twining understands that people who struggle with mental health issues face unique work barriers, preventing them from getting into, and staying in work. They believe that with the right support, these barriers can be overcome and people can enjoy a healthy working life.

"The partnership with Walker Crips has enabled Twining to reach more of London's most disadvantaged people as well as help us develop further routes for ongoing financial sustainability and innovation to ensure we can meet the growing number of people experiencing mental health problems for years to come."

Oliver Jacobs
CEO, Twining Enterprise

TWINING'S MISSION

Twining's mission has become even more crucial during the COVID-19 pandemic, which has been a particularly challenging time for many affected individuals. As the demand for their services has increased significantly, their resources have been overstretched and it has become harder to raise the financial support that they need. Most people are familiar with bigger and more high-profile charities, but smaller organisations like Twining often find it difficult to gain exposure and visibility. Our goal is to assist them in increasing awareness of the important work that they do by providing financial support and also by sharing our technological capabilities. As a company that has been designing and building our own technology for decades, we are proud to use it in service of charities such as Twining, by creating technology solutions that can multiply their efforts, help them achieve greater efficiency in their day to day operations, and maximise their impact.

Visit their website

For more information about Twining go to www.twiningenterprise.org.uk

About Twining

Twining has provided mental health and employment support across London for over 25 years and since 2008 has delivered 65 different projects to over 10,000 individuals. These projects have spanned a range of employment support models (included Individual Placement and Support models, peer support and retention). They have in-depth experience in the London boroughs across North and West London with strong statutory, community and employer relationships built up over the years.

Twining's impact

In 2020 alone, Twining supported over 1,500 individuals, with nearly 70% of them now independently job-searching, in work, further education or training. Since the start of the pandemic, Twining have had to do a lot more given the increased demand for their services; going forward, rising unemployment and concurrent mental health challenges will mean the charity's work is going to be needed more than ever. If you are able to, please join them in their mission to end the vicious cycle of mental health and unemployment. If you wish to find out more about their work, make a donation or sign up as a supporter, please visit www.enoc.pro/community.

26yrs

Supporting the people of London

1,500

Individuals supported in 2020

Twining's services

Services for clients: supporting individuals to become self-responsible, financially independent, have a sense of purpose and engage with others and their community. We achieve this through 1-2-1 and group interventions, individually tailored support and coaching and mentoring.

Support for employers: helping business owners and managers to positively address mental health at work and recruit and retain staff with mental health problems as effectively as possible.

70%

Participants independently job searching after the programme

Principal business risks

Sound risk management

Status

Changes in risk status reflect the change in values of Pillar 2 capital requirement in the Group Risk Matrix in the financial year ended 31 March 2021 and forward-looking assessment of the risk landscape in the financial year ending 31 March 2022, by the Head of Group Risk. Changes to the Group Risk Matrix are based on assessments by the relevant risk event owner, of changes to the estimated impact or likelihood of a particular risk event as part of the Group Internal Capital Adequacy Assessment Process ("ICAAP").

Risk appetite

The Group's risk appetite is defined as both the amount and type of risk the Group is prepared to take or retain in the pursuit of its strategy, as established in the Group ICAAP. The Group's description of risk appetite against each category can be mapped to the maximum levels of Pillar 2 capital requirement as follows:

Risk appetite in each category	Maximum Pillar 2 capital requirement
Zero/Low	Less than £0.5m
Low/Medium	£0.5m – £3m
Medium	£3m – £5m
Medium/High	£5m – £7m
High	Greater than £7m

Risk	How it arises	Mitigation	Status
Client risk/Counterparty risk			
Client failure to settle transaction **Risk appetite** – Low/Medium **Status** – Unchanged	The risk that a client or market counterparty will not meet its obligations to the Group in accordance with agreed terms resulting in losses. This risk can arise when a client fails to pay for a purchase of shares or to deliver a certificate of ownership of a stock which has been sold. A similar exposure also arises if a market maker fails to complete the same trade through corresponding payment or stock delivery.	Daily monitoring of clients' positions and counterparty exposures and individual trade limits. Credit assessments of counterparties and treasury policy to avoid concentration risk. Credit risk assessments of banks and custodians, active monitoring of exposures and use of credit ratings. Using several banks to hold both clients' and the firm's money, with levels being constantly reviewed.	Increased trading activity, as markets recovered in the second half of the financial year, has been offset by a robust control framework, leaving risk unchanged.
Conduct risk			
Customer outcomes **Risk appetite** – Low/Medium **Status** – Increased	The risk that clients or the wider market suffer detriment as a result of inappropriate behaviour or actions by staff or business partners. This risk can arise when representatives of the Group are not given sufficient training or awareness of the highest standards of behaviour central to the services of the Group, those being honesty, integrity and fairness.	Clear and balanced financial promotions, suitable investment advice and complaints management. Board oversight, development of staff and training, strong corporate governance with defined roles, ensuring the tone from the top sets a fair, positive and ethical culture.	Enhancements were made during the year to the firm's Suitability framework, following focused reviews, with further work planned in the financial year ended 31 March 2022. Initiatives to further embed good conduct, culture and the objectives of the SM&CR regime are ongoing to continue to meet the evolving and increasing regulatory expectation in this area.
Regulatory risk **Risk appetite** – Zero/Low **Status** – Increased	The risk of failure to comply with new or amended regulations incurring fines and causing reputational detriment. Failure by Management to recognise the scope and impact of new or amended regulations on the business model and resources needed to implement change.	Board oversight, development of staff and training, strong corporate governance with defined roles, recovery plan, monitoring the Group's performance relative to competitors, compliance monitoring programme, regulatory development oversight, documented policy and procedures and regular contact with regulators. Peer comparison and communication, increased compliance personnel and early gap analyses conducted.	As the FCA moves forward under new leadership and its extensive Transformation Project agenda, regulatory interaction will increase across the industry. The Group will face the key challenges of the New Prudential Regime for Investment Firms and the proposed Consumer Duty measures.
Liquidity risk			
Risk appetite – Zero/Low **Status** – Reduced	The risk that the Group is unable to meet its payment obligations associated with its financial liabilities as they fall due. This risk can arise in the stockbroking business, where large amounts of trade values are being settled daily and can lead to a funding requirement due to a delay in market delivery or late settlement by clients.	Maintenance of surplus liquid resources cash flow forecasting, experienced management team monitoring settlement performance and liquid financial trading book that can be realised. Group entities settle intercompany balances regularly and are not reliant on intra-group funding.	As the negative impact of COVID-19 on trading performance reduced in the second half of the financial year, the Group's liquidity position improved, cash balances having increased year on year to 31 March 2021 and budgetary projections forecasting for this to continue in the new financial year.

Risk	How it arises	Mitigation	Status
Market risk			
Market risk **Risk appetite** – Low/Medium **Status** – Unchanged	The risk of losses arising as a result of exposure to market movements in the price of securities, foreign exchange and interest rates. This risk can arise when the Group's proprietary trading book positions incur losses on negative price movement.	Proprietary trading book positions are tightly controlled by centrally imposed trading limits and are regularly monitored.	Increased proprietary trading transactional activity in the year, particularly in the Group's arbitrage trading book, remained well managed and within risk tolerances.
Capital adequacy risk			
Capital adequacy **Risk appetite** – Low/Medium **Status** – Reduced	The risk that the Group's business strategy and plans for growth are not sustainable on the existing regulatory capital base. This risk can arise when new acquisitions, products or initiatives are embarked upon without sufficient reference to impact on regulatory capital adequacy, or market conditions lead to sustained falls in revenues that fully erode profit margins. The market expectation continues to be one of prevailing low interest rates. The March 2020 reduction in base rates had a material negative impact on profit in the year. But this has been offset by improved fees and commission, particularly in the second half of the financial year.	A significant regulatory capital surplus is maintained and regularly monitored based on actual performance and business projections. Surplus cash balances are also maintained and liquidity requirements carefully monitored. Regulatory capital requirements and adequacy are reviewed through the Individual Capital Adequacy Assessment Process and related stress testing. New initiatives are examined and stress tested prior to implementation. The Group has multiple sources of income that complement each other and a large part of the Group's Portfolio management fees are accrued on a daily basis which reduces the risk of large fee reductions in a declining\volatile market. Executive Management is focused on new business initiatives and cost management.	An improved regulatory capital surplus has resulted from cost management and revenue generation initiatives and improved market levels and activity. The firm continues to develop its three-pronged strategy and to decouple long term profitability from being reliant on interest income.
Operational risk			
Business disruption **Risk appetite** – Medium **Status** – Reduced	The risk that an internal or external event (e.g. COVID-19) causes failure of core business activities or IT systems supporting them. This risk can arise when our companies fail to effectively control or administer the operating systems at the root of operations, fail to manage their resource requirements properly or maintain inadequate security arrangements.	Business and information system recovery plans are approved, tested and maintained. Data incident log records and analyses all unforeseen events to prevent recurrence or mitigate impact by increasing operational resilience. Insurance cover in place for certain causations (e.g. financial crime and consequential loss).	COVID-19 driven disruption to business as usual has diminished as new ways of working and associated controls have become embedded as part of the Group's operations.
Cyber security **Risk appetite** – Low/Medium **Status** – Unchanged	The risk of fraudulent action by internal or external parties maliciously breaching or misusing the Group's internal systems. This risk can arise from failure to implement sufficient controls over security access to all IT systems.	Senior Management oversight, in depth cyber security training programme, policies and procedures (including working from home policies), encryption and protection software installed, prevention procedures, segregation of duties between front and back office, system authority and payment limits and system access controls and heightened employee awareness based on experience to match the greater risk presented by recent threats reported in the sector. Insurance cover in place for certain causations (e.g. cyber crime, data losses).	External threats continue to increase in volume and sophistication, but risks remain well managed and mitigated by investment in our cyber security systems and controls and an increase in cyber security insurance.
Personnel **Risk appetite** – Zero/Low **Status** – Unchanged	The risk of losing key staff and self-employed investment managers who are the drivers of significant components within the Group. This risk can arise from the failure to reward individuals with challenging performance targets, and competitive levels of financial compensation.	Succession and contingency planning and appropriate compensation levels to reward and retain staff. Investment in staff through training, key person insurance cover and contractual restrictive covenants.	Personnel risk continues to be heightened as a result of the pandemic, but has been offset by management actions e.g. increased staff engagement, focused pay reviews, town halls, enhanced appraisal processes and a more effective recruitment process.

Board of Directors

Experienced leadership and a safe pair of hands

Sean Lam FCPA (Aust.), Chartered FCSI

Group Chief Executive Officer

Sean Lam is a passionate technologist and innovator, and has made it his quest to "engineer out complexities". He was appointed Group Chief Executive Officer in September 2017.

His tenure with Walker Crips began as Development Director in 1999 with overall responsibility for systems development and technology, Chief Operating Officer and Chief Technology Officer in 2004, and Group Managing Director in 2007. He commenced his career with Phillip Securities in Singapore in 1992 and was the Head of Internal Audit, and then Head of Operations in 1995.

Sean graduated in 1991 with a Bachelor of Commerce from the University of Western Australia majoring in accounting and finance and attained his professional qualification as a CPA in 1995. Sean is a Fellow of CPA Australia, was a member of its European Council from 2010 to 2015, and President of its European Region in 2012 and again in 2013. He is a Chartered Fellow of the Chartered Institute for Securities & Investment.

Sean is also founder and Chief Executive Officer of EnOC Technologies, Walker Crips' fintech SaaS company providing regtech to the industry, with the aim of helping smaller companies close the technology gap.

Sanath Dandeniya FCCA

Group Finance Director

Sanath Dandeniya was appointed Group Finance Director in September 2019.

Sanath, an ACCA qualified accountant, has over 20 years' experience in the financial services sector. He joined the Group in 2016 as Group Financial Controller, promoted to Finance Director of Walker Crips Investment Management in November 2018, and then appointed to the Group Board in 2019 as Group Finance Director.

Sanath is also a proponent of technology and digital strategies and enjoys adopting appropriate technologies to drive efficiencies and to improve business effectiveness.

Before joining the Group, Sanath was at Brewin Dolphin for 15 years, the majority of the time as their Group Financial Controller.

Martin Wright

Chairman

Martin Wright was appointed to the Board in July 1996 as a Non-Executive Director and was appointed as Chairman in September 2020. He is a Partner of Charles Russell Speechlys LLP (Solicitors). Martin is a member of the Law Society. He is also a Non-Executive Director of a number of private companies.

Committee key

- A Audit Committee
- C Compliance Committee
- M Management Committee
- N Nomination Committee
- R Remuneration Committee
- RI Risk Management Committee

Our Board of Directors invest the expertise and experience gathered over decades, and the skills and knowledge gained from their respective institutes, into managing the Walker Crips Group.

David Gelber

Non-Executive Director

David Gelber served as Non-Executive Independent Chairman of the Board of Walker Crips Group plc from January 2007 until September 2020 when he stood down as Chairman but has remained a Non-Executive member of the Board.

He served as Group Chief Operating Officer of ICAP plc from 1994 to 2005 and previously held the position of Chief Operating Officer of HSBC Global Markets. Prior to joining HSBC he held senior trading positions at Citibank, Chemical Bank and JPMorgan.

He currently serves as a Non-Executive Director of IPGL Ltd, an investment holding company, DDCAP Ltd, an arranger of Islam-compliant financial transactions, Veridium ID Ltd, a leading cyber security company, a Frontier Market investment boutique and Amadeo Air Four PLC, a closed-end fund investing in aircraft leasing.

His previous directorships include Globeop Financial Services and eSeclending LLC in Boston.

Clive Bouch FCA

Senior Independent Director

Clive Bouch was appointed to the Board in March 2017 and chairs the Audit Committee as well as being a member of the Nomination and Remuneration Committees.

He currently serves as an independent Non-Executive Director of the Steamship Mutual Insurance London, Europe and Bermuda Protection & Indemnity Clubs where he is a member of the Claims, Finance & Nomination and Audit & Risk Committees, and The Ardonagh Group where he chairs the Group Audit Committee and is a member of the Group Risk and Remuneration Committees.

From 2011 through 2019 Clive was an independent Non-Executive Director of Invesco UK Limited where he also chaired the Audit and Risk Committees. Previously he was a partner in leading accounting firms where he provided audit and advisory services to companies in the financial services industry.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, Chartered Fellow of the Chartered Institute for Securities & Investment and a Chartered Insurance Practitioner.

Hua Min Lim

Non-Executive Director

Hua Min Lim is the Executive Chairman of the PhillipCapital Group of Companies and was also appointed Chairman of IFS Capital Limited on 20 May 2003. He began his career holding senior positions in the Stock Exchange of Singapore and the Securities Research Institute. He has served on a number of committees and sub-committees of the Stock Exchange of Singapore. In 1997, he was appointed Chairman of the Stock Exchange of Singapore ("SES") Review Committee, which is responsible for devising a conceptual framework to make Singapore's capital markets more globalised, competitive and robust. For this service, he was awarded the Public Service Medal ("PBM") in 1999 by the Singapore Government. In 2014, he was also awarded "IBF Distinguished Fellow" (Securities & Futures), the highest certification mark bestowed by The Institute of Banking and Finance on industry captains who are the epitome of professional stature, integrity and achievement. In 2018, he was named Businessman of the Year 2017 at the annual Singapore Business Awards, which is Singapore's most prestigious business accolade. He served as a board member in the Inland Revenue Authority Singapore from 2004 to 2010. Hua Min Lim holds a Bachelor of Science Degree (Honours) in Chemical Engineering from the University of Surrey and obtained a Master's Degree in Operations Research and Management Studies from Imperial College, London University. Hua Min Lim joined the Walker Crips Group Board in March 1993.

Introduction to governance

Chairman's commentary on governance

Martin Wright
Chairman

Dear Shareholder

Although I only took over the reins from David Gelber as Group Chairman halfway through the last financial year, my many years serving as a Non-Executive Director on your Board, as well as others, added to my longer experience as a corporate lawyer, have made me very aware of the importance of the quality and effectiveness of the governance of publicly listed companies such as ours. I and we are not daunted by the increasing scrutiny of governance. The fundamental tenets – acting in the best long-term interests of shareholders and other stakeholders, promoting a positive culture and high standards of conduct and behaviour throughout the workforce, and acting with integrity and transparency – have long been embedded in the Board's and senior management's collective psyche.

The introduction by the Financial Reporting Council ("FRC") of a revised UK Corporate Governance Code in July 2018 ("the Code" – available to view at www.frc.org.uk), and its application to the Company from April 2019 have not necessitated any fundamental change in our business practices or procedures. Given our size, it is helpful that the Code recognises that one size does not fit all and that factors such as the size, nature and complexity of the business may justify a tailored approach to the Code's supporting provisions which are intended to operate on a "comply or explain" basis. The following report by the Directors on the Group's governance has, therefore, been prepared on this basis, with openness in explaining any deviations from the Code's provisions and alternative arrangements in place.

The governance of our business has been thoroughly tested over the past 18 months by the Covid crisis and, I am satisfied, has not been found wanting. This has been demonstrated by our readiness for and relatively seamless transition to most of our workforce working from home since mid-March 2020. This new way of operating has obviously not been without its challenges but of paramount importance to management has been the health, safety and welfare of our employees and the preservation of our high standards of service for our clients. I have been pleased to see how well we have adapted to this new way of working and communicating. At Board level, this has involved an increased frequency of formal and informal meetings, albeit virtually, to ensure that we have remained on the front foot in dealing with both the business and human impacts of the pandemic.

Beyond adherence to the Code, my Board colleagues and I are well aware of the increased focus on wider Environmental, Social and Governance ("ESG") factors which are seen as key determinants of whether businesses are conducted in a responsible manner. Details of how we have addressed those factors are contained in the Section 172 Statement on pages 35 to 37, as well as other parts of this Annual Report. Suffice it to say here that with challenges come opportunities and amongst the ESG positives to have come from the pandemic have been significant reductions in our carbon footprint through the digitisation and automation of our processes and business practices, the elimination of waste wherever possible and a greater than ever concern for, and attention to, the wellbeing of our own workforce and the communities around us, as befits a caring employer.

The Code also provides that all of the Directors should now be subject to annual re-election. I can confirm that all current members of the Board will be putting themselves forward for re-election at the forthcoming Annual General Meeting, as set out in the Notice of that meeting on pages 104 to 110.

Martin Wright
Chairman

20 August 2021

Report by the Directors – on corporate governance matters
year ended 31 March 2021

This report, together with the Audit Committee and Remuneration reports on subsequent pages, explains how the Company has applied the principles of the 2018 UK Corporate Governance Code ("the Code") to the governance of the Group's affairs.

Compliance

In view of the size and nature of the Company's and its operating subsidiaries' businesses, the Board takes a proportionate approach in applying the Code's provisions. In accordance with the "comply or explain" guidance, this report explains where the Company complies and where alternative arrangements are adopted. The principal areas of non-compliance with the Code's provisions are:

- the composition of the Board, with regard to the independence of its Non-Executive Directors, and the formal evaluation of the Board's, its members' and its Committees' effectiveness; and
- the means by which the Board engages with the Group's workforce

all of which are addressed under the following relevant sections of this report.

Board leadership and Company purpose

Purpose, values, business model and strategy

The Group's purpose, values, business model and strategy, their alignment with our culture, and how we seek to generate and preserve value over the long term, are set out on pages 8 to 15.

Strategy execution, threats to plan, business risks, emerging opportunities and progress made are addressed by:

- evaluating strategic proposals to ensure that they are aimed at enhancing the business model and generating value for shareholders;
- considering the views and priorities of key stakeholders and the impact on strategy;
- identifying and reviewing existing and emerging threats to plan and business risks, and how these are being managed or mitigated, as described on pages 24 to 25;
- ensuring the Group's resources and competencies are aligned with achievement of its strategic ambitions;
- reinforcing the Group's values by adopting workforce policies and practices that are consistent therewith;
- promoting effective channels for the workforce to raise any concerns;
- implementing robust procedures to manage conflicts of interest;
- monitoring progress towards the delivery of the Group's strategic initiatives; and
- undertaking half-yearly assessments of the Group's prospects and viability and its ability to continue as a going concern, as detailed on pages 33 and 34.

Particular attention was given throughout the year to reassessing the Group's principal risks and the effects upon them and the business model of the pandemic.

Culture and workforce engagement

The Board recognises the importance of workforce engagement and ensuring that the culture throughout the Group is aligned with its purpose, values and strategy. This is addressed by the Executive Directors and at Board and Committee meetings through:

- Executives' regular engagement with the workforce as explained further on pages 35 and 36;
- regular discussion at Board Meetings on culture and matters of concern to the workforce;
- receiving and reviewing any whistleblowing reports and approving remedial actions;
- monitoring levels of absenteeism and workforce turnover;
- receiving reports on conduct, including compliance breaches and any instances of fraud, and considering non-financial behaviours when assessing individual and Group performance and reward; and
- periodic review and approval of all Group policies regarding conduct, health and safety, human resources and social responsibility, amongst others.

The Board has not adopted one of the three methods of workforce engagement set out in the Code as the Group has a relatively small number of employees with regular engagement through the Executive Directors, which the Board believes provides timely and relevant communication and awareness of key matters. Details of the methods used are also given in the Section 172 Statement on pages 35 to 36 as are the means by which the views and interests of the Group's other key stakeholders are considered and taken into account in the Board's decision-making.

Report by the Directors – on corporate governance matters (continued)
year ended 31 March 2021

Board leadership and Company purpose (continued)

Engagement with shareholders

The Board recognises the importance of regular, meaningful, transparent and effective communications with shareholders. This is principally achieved through:

- the Company's Interim and Annual Reports and Accounts, which include a detailed review of the business and future developments and are publicly available on the Company's website at www.wcgplc.co.uk;
- the Annual General Meeting to communicate with private and institutional investors. All Directors are available at AGMs to answer questions and the proxy votes cast on each resolution proposed are disclosed at those meetings. The Chairman actively encourages and welcomes all shareholders' participation in the AGM;
- the Chairman and Chief Executive being in regular contact with your Group's major shareholders, the Lim family, with important factors arising from these discussions promptly communicated to the Board; and
- the Board also encourages individual shareholders to raise any questions with the Chairman, Chief Executive Officer or Senior Independent Director and ensures these are addressed promptly and thoroughly. This is achieved most efficiently by contacting the Company Secretary at the following address: CoSec@wcgplc.co.uk.

More information on how the interests of shareholders have been taken into account in the year is contained in the Section 172 Statement on page 35.

Division of responsibilities

Effectiveness

The Chairman and fellow Directors are cognisant of their responsibility to direct the Group effectively, to actively participate in and contribute to Board discussions and to promote a culture of objectivity, openness and debate. The Board believes it achieves this with its current composition of two Executive Directors and four Non-Executive Directors, with separation of the Chairman and Chief Executive Officer appointments. Priority is also placed on receiving timely and relevant information, with effective support provided by an experienced Company Secretary.

Independence of Non-Executive Directors

The Board is aware that the tenure and/or interests of a majority of its Non-Executive Directors are consistent with certain of the circumstances the Code identifies as likely to impair a non-executive's independence. Specifically, Martin Wright, David Gelber and Hua Min Lim have each served on the Board for considerably more than nine years. Hua Min Lim, together with connected parties, is also a significant shareholder. Martin Wright had served for more than nine years when he was appointed Chairman of the Board and is a partner of the Group's solicitors, Charles Russell Speechlys LLP.

Although the duration of their Board appointments and the other interests are circumstances identified by the Code that could impair independence, the Board reviews the Directors' contributions every year and is satisfied that they continue to deliver both objectivity and value, providing constructive challenge and support to the Executive Directors and Management, and demonstrate an independent approach to their responsibilities. In considering effectiveness, the Non-Executive Directors' collective and individual competencies, experience and time availability to perform their roles are kept under review.

The Non-Executive Directors meet without the Executive Directors being present, further enhancing the effectiveness with which they both scrutinise the Executive Directors' performance and hold them to account. Clive Bouch, who has served on the Board since 2017, acts as Senior Independent Non-Executive Director to provide a sounding board for the Chairman and serve as an intermediary for other Directors and shareholders. He meets with other Directors without the Chairman present as required, for example when addressing the Chairman's performance and remuneration.

Division of responsibilities

There is a clear division of responsibilities between the Chairman and Chief Executive, and their responsibilities, together with those of the Senior Independent Director, the Board and its Committees, have been set out in writing, agreed by the Board and are publicly available.

Certain Executive and Non-Executive Directors of the Group are also Directors of the Boards of the main operating companies which conduct regulated investment business, thereby exerting influence and constructive challenge at an operating level.

Governance framework

The Board has three Committees: the Audit Committee, the Nomination Committee and the Remuneration Committee, the terms of reference of each of which are available on the Company's website at www.wcgplc.co.uk. The Chairman of each of these Committees is responsible for reporting to the Board on how the Committee has discharged its duties. In addition, the Chairs of the Executive Risk Management Committee and the Executive Compliance Committee provide operational input to the Audit Committee and at Board Meetings.

Matters reserved for the Board

The Board has a formal schedule of matters reserved to it for decision making, including, inter alia, developing the future direction of the Group's business, agreeing policies and procedures, approving material transactions, business plans, business risk reviews and borrowings, and monitoring the Group's progress. The full list of matters reserved for the Board is available on the Company's website at www.wcgplc.co.uk.

All operating subsidiaries' Boards and other management or operational committees include at least one main Board Executive Director who serves as the link between the Board and Management on operational decision-making.

Board attendance

The following table shows the attendance of the Directors at Board Meetings and as members or invitees at Board Committee Meetings during the year:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Total number of meetings	11	7	1	1
Martin Wright (Chairman)	10	7	1	1
Clive Bouch (Senior Independent Director)	10	7	1	1
David Gelber (Non-Executive Director)	10	7	1	1
Hua Min Lim (Non-Executive Director)[1]	0	n/a[1]	0	0
Sean Lam (Chief Executive)	11	n/a	1	n/a
Sanath Dandeniya (Group Finance Director)	11	7	1	n/a

1 Hua Min Lim, who is based in Singapore, is provided the management information packs in advance of each Board Meeting for his comments, which are then relayed to the Board.

As indicated by the attendance table above, the Board meets regularly through scheduled meetings and at other times as necessary throughout the year. The Company Secretary attends all Board Meetings and is responsible for advising the Board on corporate governance matters. Both the appointment and the removal of the Company Secretary are matters reserved for the Board.

Composition, succession and evaluation

Diversity and inclusion

The Board recognises the governance benefits that breadth of perspective and diverse traits deliver. We remain committed to promote talented individuals as executives on merit, both internally and through recruitment, with our whole-hearted encouragement supported by accessible training and regular open communication between Directors and staff.

Nomination Committee

The Committee's principal responsibilities are to ensure Board appointments are subject to a formal, rigorous and transparent procedure and that succession plans are based on merit and objective criteria. It also seeks to ensure the contribution of each Director is monitored and the effectiveness of the Board as a whole is evaluated. The Committee consists of Martin Wright, Clive Bouch, David Gelber and Hua Min Lim.

The Nomination Committee met once during the year to consider and recommend, for Board approval, the appointment of Martin Wright as Chairman in place of David Gelber upon David's retirement from the role at the conclusion of the 2020 AGM. It should be noted that David Gelber chaired this meeting, which deviated from the strict provision of the Code which requires that the Board Chair should not chair the Committee when it is dealing with the appointment of their successor. Martin Wright now chairs the Committee.

As explained elsewhere, the Group is undergoing a reorganisation. It is the Nomination Committee's and Board's considered view that the existing Board members should continue to serve until completion of this project, which should be during 2022. During this timeframe the Committee will also perform a thorough Board effectiveness assessment and conduct a search to determine a successor for David Gelber.

This will take full account of the Board's policy on diversity in considering any appointments within its remit, which encompasses gender, age, education, disability and ethnicity, and includes the appointment of female members of staff to senior management roles within the Group.

Board composition and re-election

As noted earlier in this report, the Board comprises six Directors of whom two undertake executive roles as Chief Executive and Group Finance Director respectively, and four are non-executives. In accordance with the Code, all of the Directors are now subject to annual re-election. Therefore, all of the current Directors will be put forward for re-election at the forthcoming AGM. The Directors' biographies on pages 26 and 27 describe the range, depth and complementary nature of their individual skills and experience, the combination of which provides a balanced and effective Board.

Report by the Directors – on corporate governance matters (continued)
year ended 31 March 2021

Audit, risk and internal control

Audit Committee

During the year, the Audit Committee's composition changed. While Clive Bouch acted as its Chairman throughout, Martin Wright stood down on his appointment as Board Chairman and David Gelber was appointed to the Committee in his place.

Further information about the Audit Committee, its responsibilities and activities during the year can be found in the Audit Committee report on pages 38 to 41.

Risk management

The Board is responsible for the identification and robust assessment of the Group's emerging and principal risks and this is carried out continually throughout the year. Details of the principal risks and how they are being managed or mitigated are set out on pages 24 to 25.

The Board has been assisted in discharging these responsibilities by the Audit Committee, as well as the Executive Risk Management Committee ("RMC"), the members of which have been selected based on their experience and skill sets. James Chalmers-Smith, Head of Group Risk, and a Director of Walker Crips Investment Management Limited, acts as the RMC's Chairman.

The members of the main Board and operating companies' boards are responsible for ensuring that adequate systems and controls are in place and that the businesses operate in accordance with all relevant legal and regulatory requirements. The Executive Directors of each Group company are responsible for its day-to-day management.

The objectives of the RMC are to assist the Group and operating companies' boards in fulfilling their corporate governance oversight responsibilities by evaluating, reviewing and reporting on:

- risk appetite, strategy and tolerance, including integration with the Group's culture, values and behaviour; and
- the operation of risk management frameworks in the effective mitigation of strategic, operational and external risks.

The RMC ensures that all new initiatives, projects and products are formally assessed and evaluated for the degree of risk exposure and regulatory capital impact to the Group, thus enabling strategies for the management, mitigation, transfer or avoidance of risk to be formulated.

Each year the Board conducts a robust assessment of the principal risks facing the Group, including those that threaten its business model, future performance, solvency and liquidity.

Internal control

The Board acknowledges its responsibility for the Group's system of internal control and has formalised the process for its review of internal control (including financial, operational and compliance controls as well as risk management) and defining the scope and frequency of reports to be received, both by the Board and the Audit Committee. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in operation throughout the year and up to the date of approval of this Annual Report and Accounts and is regularly reviewed by the Board which is satisfied that it accords with the relevant guidance. Due to the relatively small size of the Group there is a simple organisational and reporting structure. Financial results, forecasts and projections, and other information, are regularly reported to the Board throughout the year.

The Directors keep the Group's internal control and risk management systems under review by conducting an annual assessment, involving dialogue with relevant senior managers, of the effective design and operation of the controls to meet key control objectives and to mitigate key risks. The Directors consider that the controls and risk management procedures established are appropriate for the Group. However, any system of internal control and risk management can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Group operates under a system of internal financial controls which have been developed and refined to meet its current and future needs.

These include, but are not limited to:

- the organisational structure and the delegation of authorities to operational management;
- procedures for the review and authorisation of capital investments;
- business plans, budgets and forecasts which are reviewed by the Board;
- the reporting and review of financial results and other operating information;
- accounting and financial reporting policies to ensure the consistency, integrity and accuracy of the Group's accounting records; and
- financial and operating controls and procedures which are in place throughout the Group and monitored through various means including routine and special reviews by both the external and internal auditors.

Compliance Committee

The Executive Compliance Committee monitors the Group's compliance with all regulatory matters and considers rule updates and guidance notes from the FCA, the Financial Ombudsman Service, the Financial Services Compensation Scheme and other UK regulatory bodies.

The Committee is also responsible for interpreting new rules, guidance notes and regulations disseminated by the FCA and other regulatory bodies. In the current financial year, the Committee has been engaged with Brexit developments, implementing FCA guidance on Vulnerable Clients, improving our Financial Crime Compliance programme, developing our Product Governance and Environmental, Social and Governance (ESG) framework, and the implementation of the Investment Firms Prudential Regime, known as IFPR.

The Committee also ensures all compliance policies, procedures and guidance are adequately and properly implemented. James Hiett, Head of Group Compliance, acts as the Compliance Committee's Chairman.

Prospects

Although the Group has been profitable during a period of significant growth in Revenue and Assets under Management since 2012, the Directors consider the business is underperforming and not delivering satisfactory risk adjusted returns to shareholders.

The Group's strategy is to build on the existing core businesses of investment management and higher margin alternatives, underpinned by both improved technology and a focus on cost control, to drive improvement in margins and profitability. Drawing on the Group's technology competencies, the strategic initiatives also include the continued development of 'Software as a Service' ("SaaS") as a business serving the financial services sector.

The financial year 2020/21 was severely impacted by the cuts in the Bank of England base rate, as well as the negative impact of the pandemic on certain income streams. However, it also demonstrated a resilient underlying performance in the core investment management business. The first half of the year saw higher trading commissions help mitigate the loss on management fee and interest income. Higher trading activity continued in the second half but, more importantly, the financial markets started their recovery and helped to boost the management fee income as well. Our alternative investment business, equity arbitrage, performed well.

Nearly all business units gained momentum in the second half of the year, and this has continued beyond the year end. The Directors remain committed to the strategy and have confidence in the longer-term prospects for the Group, with increased focus on recruitment and cost control, process efficiencies and maintaining the required investment in new initiatives. These include the reorganisation to simplify the Group's structure and gain efficiencies from various operations.

The Group prepares five-year projections for business planning purposes, its ICAAP and stress testing. However, the Directors continue to consider a three-year period remains appropriate for the viability statement taking into account the unpredictability inherent in the financial sector. The Directors do not plan to revise the three-year viability statement period in future, but will keep it under review as the strategy takes effect, income sources evolve and the related risks and rewards are assessed.

Viability statement

The Directors have assessed the outlook of the Group over three years, a period longer than the 12 months underpinning the 'Going concern' statement, in accordance with the UK Corporate Governance Code. The Directors consider the three-year time frame to be appropriate in view of our scale, planning cycle and uncertainties in the financial services markets.

The Group's operational capabilities were fully tested last year, with the majority of staff switching to remote working in March 2020 in compliance with government guidelines. Throughout the pandemic, the Group demonstrated strong liquidity and capital resilience and is well placed to progress its three-pronged strategy.

In the face of a successful vaccine roll-out, whilst dissipating, the pandemic continues to be a source of uncertainty, and there is a real threat of resurgence once again. However, the Directors have made assumptions with known facts to date in preparing the three-year forecast on which the Directors place reliance in making the viability assessment.

Importantly, the Directors requested that Management prepare a prudent base case scenario that assumes Bank of England base rates remain unchanged for the foreseeable future, and market levels continue to be steady at around 7000 for the FTSE 100 index for the 12 months to 31 March 2022.

This base case, following consideration of the principal risks and uncertainties facing the Group, was then subjected to stress and reverse stress scenarios as follows: (i) a "bear stress scenario" with market falls and levels of activity resulting in a reduction in total revenue of 10%; and (ii) a "severe stress scenario" where the impact on revenues of further significant falls in global financial markets cause reductions in commission and fee incomes of 20% and 15%, respectively.

In the bear and severe stress scenarios, the Group has positive liquidity throughout the three-year period. All regulatory prudential requirements are met in the bear scenario, but the severe scenario impacts our prudential capital ratio such that, without management action, it potentially falls below the regulatory requirement in September 2022.

The Directors consider the severe stress scenario to be remote in view of the prudence built into the base case and stress scenarios, including that further mitigations available to the Directors are not reflected therein. Such mitigating actions within Management control include reduction in propriety risk positions, delayed capital expenditure, further reductions in discretionary spend and additional reduction in employee headcount. Other mitigating actions which may be possible include seeking shareholder support, potential sale of assets and stronger cost reductions.

Taking account of the current financial position, strategic plans, principal risks and the Board's assessment of the Group's prospects, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a period of at least three years.

Report by the Directors – on corporate governance matters (continued)
year ended 31 March 2021

Audit, risk and internal control (continued)

Going concern

The Directors have considered the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements and are satisfied that it will be able to operate within the level of its current financing arrangements and regulatory capital limits imposed by the regulator, the Financial Conduct Authority ("FCA"). Accordingly, the Board continues to adopt the going concern basis for the preparation of the financial statements. Further details of the Directors' going concern assessment are provided in note 2 to the financial statements on page 68.

Remuneration

The Company's remuneration policies and practices are designed to support the business strategy and promote long-term success. In particular, the remuneration policies and structures are designed to be straight-forward and ensure all individual bonus awards are subject to the Remuneration Committee's discretion, which includes consideration of both financial and non-financial performance. No Director is involved in deciding their own remuneration outcome.

The Committee and Board are aware that the current remuneration structures are reflective of legacy arrangements, particularly the formulaic profit share arrangements, and that presently there are no long-term incentive plans in place. As part of the reorganisation referred to above and elsewhere in the Annual Report and Accounts, the Remuneration Committee will undertake a full review of remuneration arrangements for Directors and senior management.

Information on the remuneration policy and the work of the Remuneration Committee can be found in the Remuneration report on pages 42 to 53.

Section 172(1) Statement
year ended 31 March 2021

Introduction

The following statement describes how the Directors have discharged their duties under Section 172(1) of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in that section (amongst others).

Our stakeholders

The Directors consider the Company's and Group's key stakeholders to be:

- **Our Investors**
  Our private, professional and institutional shareholders who rely on us to protect and manage their investment in the Company and generate value for them;
- **Our Workforce**
  Our directly employed staff and our network of self-employed associates;
- **Our Clients**
  Those private and professional clients who have entrusted us with providing financial planning advice, managing and safeguarding their investments, and undertaking transactions execution services;
- **Our Suppliers**
  The providers of goods and services on which our business relies;
- **Our Regulators**
  The bodies which authorise and regulate our activities; and
- **Our Communities and the Environment**
  The local communities in which we operate and the environment at large.

The arrangements through which the Board has regard for the likely long-term consequences of any decision taken, the interests of those stakeholder groups in its decision-making and the need to foster good relations with them are set out in the paragraphs below.

The likely consequences of any decision in the long term

Although the pandemic has given rise to short-term imperatives, the Board has always been careful to consider the long-term implications for the business and its stakeholders of any proposed course of action, whether tactical or strategic. All such proposed courses of action are assessed to ensure they are compliant with the law and regulations, Group risk appetite and the objective of delivering positive shareholder value. All strategic decision-making is supported by consideration of relevant financial and non-financial analysis and forecasting.

Our shareholders

The Directors recognise and fully accept their primary duty to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of our shareholders individually and collectively. The Company has only one class of shares which means that all shareholders have the same rights. Furthermore, to ensure that shareholders are treated in a consistent and equally fair manner, the Board does not take any decisions or actions, such as selectively disclosing confidential or inside information that would provide any shareholder or group of shareholders with an unfair advantage or position compared to the shareholders as a whole.

The means by which the Board and individual Directors engage with shareholders are set out on page 30 of the Report of the Directors on corporate governance matters.

The interests of our shareholders were considered as part of the Board's decision-making throughout the year, including its approval of a modest interim dividend whilst mindful of the need to preserve cash holdings to satisfy regulatory capital requirements and to maintain the strength of the Group's balance sheet. Such considerations have again been applied to the subsequent decision to recommend payment of a final dividend for approval at the 2021 AGM, as set out in the Chairman's statement on pages 4 to 5.

The Group's workforce

The Board recognises that, as a services business, our workforce is our greatest asset. Consequently, our recruitment, development and remuneration structures are designed to support our culture and our people and to reward good conduct and performance at individual and business levels.

Our workforce comprises both directly employed staff and self-employed associates, all of whom are engaged at operating company level. Accordingly, day-to-day engagement with the workforce is through the Executive Management and HR functions, which report to the operational boards and to the Audit Committee on a regular basis.

In response to the FCA's Senior Managers and Certification Regime ("SM&CR"), which came into force in December 2019, we have developed and implemented systems and processes to support the review and assessment of competencies of certified individuals throughout the organisation and led to our formation of an SM&CR panel of senior executives with responsibility for appraising the fitness and propriety of our certified workforce. Amongst other benefits, this has provided useful feedback on ways of improving our staff annual appraisal system, which is used for continual development of skills, measure performance, receive feedback and address two-way concerns. As a consequence, we are providing additional training to managers to ensure that appraisals are conducted in a thorough and consistent way such that they are of equal benefit to individual development and to management in providing an environment in which our workforce can thrive.

In addition to encouraging staff to raise any concerns they may have with their line managers, we seek to ensure the effectiveness of our whistleblowing arrangements and that all staff are conversant with our whistleblowing procedures, which are aimed at promoting good conduct and adherence to regulations and procedures, the fair treatment of all stakeholders and health and safety at work.

We also take a positive and pro-active approach to staff development by supporting and sponsoring staff to continue their professional studies and secure business-related qualifications to enhance their on-the-job capabilities and personal career value.

Section 172(1) Statement (continued)
year ended 31 March 2021

The pandemic has had a profound effect on most people's way of life and, as far as the Board and senior management are concerned, has placed added emphasis on ensuring effective engagement with the workforce, most of whom have worked from home throughout the year, and have continued to do so since.

The measures taken have included:

- HR personnel being in constant contact with the small number of staff who have been quarantined, have shown symptoms of or been diagnosed with the virus, who may have been self-isolating or shielding, and others who have expressed anxiety during the lockdowns;
- HR and managers keeping in contact with staff working from home to ensure they have the equipment they need to do so effectively, whilst also making time for any home-schooling commitments they may have;
- making available the Unum LifeWorks Assistance Program to all employees;
- the Group CEO issuing regular video messages and conducting virtual town hall meetings for all, providing updates, clear instructions, as well as encouragement and caring, to personnel throughout the Group;
- a wellbeing survey of all staff, aimed at helping Management to understand their needs whilst working from home over an extended period, the responses to which were anonymous and were provided by almost 90% of the workforce;
- a survey to gather views from the workforce about a phased return to office working and the extent to which working from home should be embedded in our working patterns; and
- procedures for ensuring safety at work as our people start to consider returning to work in our offices.

Although we placed a small number of staff on furlough, with full pay, under the government's Coronavirus Job Retention Scheme earlier in the year, due to the ongoing recovery of the financial markets, the Company decided to repay the furlough grant monies to HMRC in November 2020.

Clients

Our clients are the core of our business, and we continually invest in improving our communication and the customer experience. Our investment professionals continually undergo professional development in order to remain fit and proper to service and advise our clients. We have deployed our new website, and Investment Managers' microsites to ease navigation and search for information on services. We are also investing in revamping our Client Portal, and further digitising our onboarding process to enhance the customer experience, especially when the majority of our clients have opted for electronic communications for efficiency, and to help reduce our carbon footprint by using less paper. We have set up a team to focus on the client's journey, looking at all the touch points between the business and the clients, to optimise the customer experience.

The Board aims to maintain effective oversight of the Group's client relationships and the interests of clients are a key factor in our decision-making.

We have been acutely aware of increased level of activity and sophistication of those engaged in financial crime during the pandemic, and have taken steps to ensure that our vigilance and the robustness of our systems to any form of malicious attack are maintained at the highest level to protect our clients and their assets in our care.

The security of our clients' money and investment assets is exceptionally important to us and we ensure that we meet the FCA's associated rules at all times. As required, we maintain client money and assets separate from the Group's own holdings. We only deposit client money with approved banks and our clients' assets, when registered in the name of one of our nominee companies, are held in trust and are not under the Group's ownership.

Our compliance function regularly monitors and reports to the Board on various areas of our conduct to ensure that we are providing the best outcomes for clients. We are always happy to receive feedback from our clients and use this to address any perceived shortcomings and to make improvements wherever possible.

Suppliers

The suppliers of support services and goods to our business operations are another key element in our ability to deliver value to our shareholders and clients. We therefore seek to balance the benefits of maintaining strong relationships with key suppliers, with the need to obtain the best value for money and the service levels we reasonably demand. Our dealings with suppliers are characterised by fairness, transparency and the desire to develop a mutually beneficial relationship and are subject to high standards of due diligence in their selection.

Despite the pressures on cash flow caused by the pandemic and its effect on the Group's income, we have not sought to extend our credit terms and as disclosed in note 26 to the accounts on page 90, the Group took an average of 14 days to settle supplier invoices in the year, up only slightly from ten days in the previous year, which demonstrates our fair payment practices.

However, as part of our cost control measures during the year, we have renegotiated a number of supplier contracts to ensure we are getting the best value for money for our investors. We also subjected the Group's annual audit to a competitive tender process as a result of which new auditors were appointed. More information on the change of auditor can be found in the Audit Committee report on page 39.

Although the healthy state of the Group's cash holdings maintained during the year has meant that we have had no need for structural debt finance, we nevertheless see the providers of our day-to-day banking arrangements as key service suppliers. Accordingly, the Group Finance Director, the Head of Group Risk and the Group's Treasury and Payments team are responsible for managing the relationships with our banks and for the Group's liquidity management activities.

HSBC is the Group's primary banker and provides a range of transactional banking, treasury and other services. In addition, HSBC provides the Group's main trading subsidiary, Walker Crips Investment Management Limited (WCIM), with an intra-day CREST capital facility, as WCIM's Crest Settlement bank, which WCIM relies on to facilitate efficient settlement of a large volume of investment transactions within the CREST securities transfer system. This intra-day line is capped at £4 million, but is raised from time to time, on agreement with HSBC, to facilitate larger transaction settlement primarily in relation to the Company's structured investments business.

Regulators
The Group, containing a number of subsidiaries authorised and regulated by the Financial Conduct Authority ("FCA"), seeks to operate and interact with the FCA in an open, positive and cooperative manner at all times.

Engagement with the FCA is primarily through the CEO, the Head of Group Compliance and the Head of Group Risk. These engagements are reported into the Board, the Audit Committee, relevant subsidiary boards, the Group Risk Management Committee, and the Group Compliance Committee, to enable the Group to ensure that at all times it is meeting FCA regulatory expectations, and to assist the regulator in meeting its own statutory regulatory objectives.

Communities and environment
As shown on page 2, the Group has offices in various locations in England, and in Scotland and Wales, and sees itself as a member of the local communities in which it operates. The conduct of the Group's people, especially in relation to local supplier and client relationships and their determination to be good, responsible and supportive neighbours, are prime ways in which local communities are impacted by our activities. Individual offices have participated in various local initiatives such as charitable events, sponsorship of local sports clubs and recycling drives.

As disclosed in the CEO's statement on page 7, we are active supporters of Twining Enterprise, a registered charity helping Londoners with mental health problems get work and stay in work, supporting employers and campaigning against mental health stigma.

We are committed to minimising the impact of our activities on the environment and have implemented a range of policies and procedures including the use of segregated waste recycling facilities, energy-saving office electricals, efficient office design employing recycled and reusable materials where possible, direct-to-paperless document generation, and electronic distribution and filing systems. In addition to those measures, and notwithstanding the phased return to office-based working referred to earlier, we are continuing to offer the option for staff to continue to work from home to an appropriate degree to reduce their travelling carbon footprint.

Reputation
The Board recognises the importance of maintaining a robust corporate governance framework and a reputation for high standards of business conduct, as is set out in the Directors' report on corporate governance matters on pages 29 to 34.

Audit Committee report
year ended 31 March 2021

Chairman's introduction

On behalf of the Board, I am pleased to present the Audit Committee's report on its responsibilities and activities during the year. These have included completing an audit tender and appointing new auditors.

Composition and constitution
The Board is responsible for establishing and maintaining an Audit Committee and for appointing its members.

Although the 2018 UK Corporate Governance Code ("the Code"), provides that the Committee should comprise of only independent Non-Executive Directors of the Company with a minimum of two members, the Board, of necessity, recognising the size of the Board and the business, has given emphasis to ensuring that those Non-Executive Directors serving on the Committee have the necessary skills, experience, objectivity and knowledge of the sector to operate effectively and to work together in challenging the Board and senior management as they consider appropriate.

Clive Bouch, who is a Chartered Accountant with recent and relevant financial experience, served as the Committee Chairman throughout the year, with Martin Wright acting as the other Committee member until his appointment as Board Chairman on 9 September 2020, whereupon he stood down and David Gelber was appointed in his place. As authorised by its Terms of Reference, the Committee invited the Group Finance Director and the Heads of Compliance and Group Risk to attend and report at each of its meetings as well as representatives of both its internal and external auditors. The Group Chairman is also invited to attend meetings.

The Committee's current Terms of Reference are available for inspection on the Company's website at www.wcgplc.co.uk.

Main responsibilities of the Committee
The Committee assists the Board in its oversight of the:

a. integrity and quality of financial reporting and disclosure;
b. selection and application of accounting policies and practices;
c. adequacy and effectiveness of the risk management systems and internal control environment;
d. Group's compliance with legal and regulatory requirements relevant to financial reporting and accounting;
e. appointment/reappointment, independence and performance of the external auditor, including the quality and effectiveness of the external audit;
f. integrity of significant financial returns to regulators;
g. effectiveness of internal audit;
h. Group's compliance with statutory tax obligations; and
i. other issues, if any, on which the Board may request the Committee's opinion.

Meetings
There were seven formal meetings of the Committee during the year. The Committee members' meeting attendances are set out in the Report by the Directors on corporate governance matters on page 31. The Company Secretary acts as Secretary to the Committee.

The Committee Chairman is responsible for developing the agendas for meetings, in consultation with the Secretary, executive management and external service providers as appropriate. The Chairman and Secretary ensure that the Committee's work addresses the areas within its remit. In addition to those invited to attend meetings on a regular basis as mentioned earlier, other senior members of the Group's Management may be called upon to report to the Committee and respond to any questions it may have.

Outside of formal meetings, the Committee Chairman maintains a dialogue with the Board Chairman, CEO, Group Finance Director, the Heads of Compliance and Group Risk, the external audit partner and the internal auditors.

Committee activities
The work of the Committee during the year ended 31 March 2021 fell into three main areas:

1. ***Accounting and financial reporting***
   The Committee reviewed the:
   a. annual and interim financial statements, reports and preliminary announcements;
   b. significant financial reporting policy disclosures, estimates and judgements;
   c. appropriateness of the preparation of the financial statements on a going concern basis;
   d. long-term viability statement prior to Board approval; and
   e. Annual Report to consider whether, taken as a whole, it is fair, balanced and understandable and provides information relevant to shareholders' assessment of the Group's position and performance, business model and strategy.

2. ***Internal controls***
   The Committee:
   a. monitored the integrity and effectiveness of the Group's internal financial controls through consideration of key risks and mitigating controls, and reports and presentations from internal audit, external audit and the Heads of Compliance and Risk;
   b. reviewed actions taken, and ensured the imposition of appropriate deadlines for implementation, in response to reports on internal controls in order to address matters identified;
   c. assessed the scope and effectiveness of the systems established to identify, manage, and monitor financial and non-financial risk; and
   d. monitored the Group's interaction with regulators.

Committee activities (continued)

3. ***External audit***

The Committee:

a. oversaw a competitive tender process (see below) and the transition from BDO LLP ("BDO") to PKF Littlejohn LLP ("PKF") as the Company's and Group's auditor;
b. reviewed PKF's audit plan, audit approach, scope of work to be carried out and audit findings;
c. reviewed the auditor's independence and objectivity, including compliance with the Group's non-audit services policy; and
d. reviewed the effectiveness of the external audit.

There have been no interactions between the Company and the FRC during the period. When reviewing the preparation, content and presentation of the Annual Report, the Committee considers, and challenges Management on actions to take account of, the matters raised in the FRC's letter to Audit Committee Chairs and Finance Directors.

External auditor

Against the backdrop of proposed reform impacting the audit sector and new auditing standards, the Committee has been aware of the upward pressures on audit fees. Accordingly, the Committee recommended to the Board that an external audit tender should be undertaken to re-confirm the value proposition.

Following a competitive tender, including receiving written proposals and on-line presentations, the Audit Committee recommended the Board appoint PKF. BDO resigned on 11 December 2020 and PKF was appointed to fill the casual vacancy as the Company's and the Group's independent auditor. A resolution to re-appoint PKF as auditor will be put to shareholders at the forthcoming AGM. The Committee extends its sincere thanks to all firms participating in the tender process and for their high quality propositions. A future audit tender process will be conducted before the tenth anniversary of PKF's appointment.

BDO was appointed at the AGM held in August 2016 following a competitive tender and the audit of the 31 March 2020 financial statements was its fourth year as the Group's auditor. The Committee records its thanks to Neil Fung-On and his team at BDO for their services to the Company and Group.

PKF has reported to the Committee on how it complies with professional and regulatory requirements to ensure its independence. The Group's non-audit services policy is published on the website at www.wcgplc.co.uk. The incumbent auditor also reviews the Group's interim report and reports to the FCA on CASS compliance for relevant Group companies. No other services have been provided by the auditors during the year. Details of external audit and non-audit fees are disclosed in note 9 to the financial statements on page 80.

The performance of the external auditor is monitored on an ongoing basis and takes account of its knowledge of our sector, the quality and experience of the individuals assigned, the level of engagement, effectiveness of communication, feedback from Management and Committee members and published findings of the FRC's audit quality inspection reviews. As part of the Committee's deliberations on audit quality and effectiveness, the Committee Chairman communicates directly with the external audit partner to discuss this important matter and share feedback. The Committee is satisfied that PKF has performed an effective audit.

The Committee reviews specific reports and good practice suggestions presented by the external auditor. The Committee discusses and acts upon the external auditor's comments relating to internal financial control and on the preparation of the financial statements. The Committee reports any issues directly to the Board after each meeting. The Committee also meets with the external auditor without management being present at least once a year. The statutory audit has not resulted in any significant control issues or matters that required material adjustment to the accounts.

Internal audit

The provision of internal audit activities continues to be outsourced to Smith & Williamson LLP ("S&W").

The internal audit function reports directly to the Committee. The internal audit plan and scope of work is reviewed and approved by the Committee each year after being appraised by Management. The budget is agreed between the Committee Chairman and Group Finance Director having regard to the planned scope of work. To support the effectiveness of assurance coverage across the second and third lines of defence, internal audit presents a three-year rolling plan.

The internal audit reports and recommendations are presented to the Committee together with Management's responses and proposed actions for discussion and challenge.

During the year, internal audit's work included reviews of client assets procedures, branch offices' governance arrangements, financial crime and fraud protections and the structured investments business operations. The focus for internal audit's work in the coming year includes reviews of the finance and internal control functions.

The Committee monitors the effectiveness of the internal audit service provided by S&W. The particular focus is on competence and capabilities, subject matter expertise, timely reporting and the quality of communication and recommendations. The Committee also monitors any other services that S&W may provide to ensure the integrity and independence of the Group's third line of defence is not compromised.

The Committee is satisfied with the service provided by S&W. It is noted, however, that S&W has provided this service for 10 years and accordingly, as a matter of good practice, an internal audit tender will be arranged during 2022.

Audit Committee report (continued)
year ended 31 March 2021

Going concern and longer-term viability statement
Disclosures regarding the adoption of the going concern basis of financial statement preparation and the Directors' viability statement are found on pages 33 and 34. In considering these disclosures, the Committee reviewed the Group's strategic priorities, projections for the forthcoming year and medium term, current business performance against those projections, the stress and reverse stress scenarios updated to reflect current market conditions and the effects of the COVID-19 pandemic, current financial resources and capital expenditure plans, together with executive management's assessment of the new prudential regime which comes into effect next year. The Committee challenged the reasons for the period adopted for the viability statement and the consideration given to key assumptions and dependencies.

The Committee noted and/or challenged in particular:

- the Group's performance during the year and post year end;
- the impact of COVID-19 on income experienced to date and key assumptions underpinning those reflected in Management's updated projections, including stress and reverse stress scenarios;
- the effects of Management's actions to protect the safety of staff and support client service in response to COVID-19 and further actions taken and proposed to mitigate the financial impact on the Group, including underlying key assumptions;
- the payment of an interim dividend and the decision to reinstate the payment of a final dividend;
- Group liquidity, noting that 75% of the Group's regulatory financial resources at 31 March 2021 are held in cash or cash equivalents and there are no material restrictions on accessing or utilising required liquidity throughout the Group;
- the Group's regulatory capital at 31 March 2021 and the date of this report comfortably exceeds its regulatory capital requirement and all regulated entities within the Group held capital in excess of their solo regulatory requirements;
- the Group's principal debt obligations are the lease liabilities arising from the adoption of IFRS 16;
- an intraday credit line is made available by our principal bankers to enable daily net settlement of market transactions in an orderly fashion; and
- the stress scenario analyses and management actions demonstrating the Group meets projected solvency and liquidity requirements to continue as a going concern.

Financial reporting and significant financial judgements
The main areas considered by the Committee are set out below and overleaf:

Matter considered	Action
Carrying value of Walker Crips Group plc's investment in subsidiaries The carrying value of the Parent Company's investment in subsidiaries, including the value attributed to client lists arising from these acquisitions, amounts to £17.775 million. This significantly exceeds the market value of the Group as determined by reference to the quoted share price. This situation has persisted for several years.	As part of this year's impairment review work the discrepancy in values was considered and the conclusion reached that the carrying value is supported based upon valuations of the principal trading subsidiaries. Reasons for the discrepancy include the overheads incurred at the Parent Company level, the small size of the Group and illiquidity in the market for the Company's shares. The Committee also considered the procedures performed by the external auditors in respect of the carrying value, which has been identified by them as a key risk but not a key audit matter.
Impairment of goodwill and intangible assets The Consolidated Statement of Financial Position includes goodwill of £4.4 million and client lists, including software licences, of £6.6 million. These principally arise on business combinations or hiring of individuals or teams of Investment Managers and purchase of software licences. The goodwill arose on, and has been allocated to, the acquisitions of London York Fund Managers Limited (£2.9 million) and Barker Poland Asset Management LLP (£1.5 million), which continue as identifiable cash-generating units ("CGUs"). The year-end amortised value of client lists attributed to these CGUs are £nil and £2.2 million, respectively, with the remaining balance being attributable to individuals or teams of Investment Managers hired separately and software licences.	Management assesses any impairment of goodwill by comparing the book value of assets attributable to the CGUs to the higher of their fair value less cost to sell or value-in-use. The Committee reviewed Management's papers supporting the conclusion there was no impairment, with particular challenge regarding the assumptions used and adequacy of the disclosures (see note 17). The Committee also considered the procedures performed by the external auditors (see the independent auditor's report on page 60). The values attributed to client lists are amortised over their estimated useful lives, being periods of between three and twenty years. Management assesses any further indicators of impairment by reference to the continuing value of Assets Under Management and Administration, peer comparisons, the loss of senior Investment Managers, the loss rate of clients, and other causes of possible outflows. The Committee reviewed management's supporting papers in respect of indicators of impairment and amortisation periods and no impairment of these intangible assets was deemed to be required. The Committee also considered the procedures performed by the external auditors (see the independent auditor's report on page 60).

Matter considered	Action
Provisions The financial statements include provisions and liabilities in respect of dilapidations (£0.68 million) and customer complaints or claims (£0.21 million). These amounts are estimated with varying degrees of certainty.	The Committee considered Management's determination of the amounts provided and concluded they were reasonable based upon the information available. The Committee also considered the procedures followed by the external auditors and their findings, including those in respect of provisions for client claims (see independent auditor's report on page 60).
Exceptional items The Group classifies certain material items as exceptional to allow a clearer understanding of the underlying trading performance of the business. In 2020/21, the Group has reported exceptional charges totalling £419,000. In 2019/20, the Group reported two exceptional items, which resulted in a net credit to profit and loss of £375,000.	The Committee requested, received and considered explanations from Management setting out the description of items that would fall to be exceptional (see note 10 on page 81), the reasons therefore and the proposed disclosures, including the reconciliations provided in the Finance Director's review on page 19, challenging these to ensure clarity.

Performance evaluation

A formal evaluation of the Committee's performance will be undertaken later this calendar year based on feedback to a questionnaire distributed to Committee members and others who regularly attend Audit Committee meetings. Two areas identified for improvement in the previous evaluation, being prioritisation of key agenda items by rotating the order in which finance and the second and third lines of defence functions present at meetings, together with more timely production of minutes, have been addressed during the year.

Committee members have maintained and developed their knowledge and awareness through a combination of self-reading, practical experience, receiving presentations and/or undertaking formal CISI modules.

Approval

This report in its entirety has been approved by the Committee and signed on its behalf by:

Clive Bouch
Audit Committee Chairman

20 August 2021

Remuneration report
year ended 31 March 2021

Introduction

This report details the Directors' remuneration for the year ended 31 March 2021 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (referred to below as Schedule 8), the 2018 UK Corporate Governance Code, the Listing Rules and the Directors' shareholder-approved Remuneration Policy applicable to that year.

The report is in three parts:

Part A – The Annual Statement from the Remuneration Committee Chairman;
Part B – The Annual Remuneration Report, which is subject to shareholders' advisory vote; and
Part C – The Proposed Remuneration Policy, which is subject to shareholders' approval.

The Remuneration Policy applicable to the year ended 31 March 2021 was approved by shareholders at the 2017 Annual General Meeting for a period of three years from 1 April 2018. It was replaced by a revised Policy put to and approved by shareholders at last year's AGM, with effect from 1 April 2021. Both the 2017 and 2020 approved Policies are available for inspection on the Group's website at www.wcgplc.co.uk where the former can be found on pages 40 to 44 of the 2017 Annual Report and the latter on pages 39 to 42 of the 2020 Annual Report. As explained below, an updated Remuneration Policy is being proposed for shareholder approval at the forthcoming AGM.

The parts of the Annual Remuneration Report that are subject to audit are identified. The Annual Statement which follows is not subject to audit.

Part A – Annual Statement from the Remuneration Committee Chairman

This is my first report since succeeding Martin Wright as Chairman of the Committee following his appointment as Group Chairman. In view of the small size of the Company and Board, Martin has continued to serve as a member of the Committee alongside his fellow Non-Executive Directors, David Gelber and Hua Min Lim.

When Martin reported last year, the impact of the pandemic remained uncertain. From operations and client service perspectives we performed well, reflecting the leadership, commitment, flexibility and skills of our workforce. That said, we are reporting a financial loss for the year, which makes deliberations regarding salary increases and bonus awards seem inapt, particularly given the challenges and suffering faced by our stakeholders and communities at large. However, such deliberations are necessary and I wanted to highlight the Committee's key decisions upfront.

First, in reviewing the approved remuneration policy, the Committee concluded that it was ambiguous in some places, particularly regarding the Committee's authority to exercise discretion when awarding bonuses. Therefore, it was decided to clarify and re-present the policy for shareholder approval. We have also taken the opportunity to introduce a requirement for Executive Directors, when in receipt of share awards, to retain such shares until they have built a shareholding equal to one year's salary and such shares also being subject to a two-year post-employment holding period. Otherwise, the policy clarifies the operation of the formulaically driven bonus pool and the Committee's authority to make discretionary awards both when allocating the pool and separately. We ask our shareholders to consider these clarifications carefully and contact us if you have any questions thereon.

Second, of primary concern have been the challenges faced by our workforce over the course of the year, the majority of whom have had to adjust to working from home, and the restrictions on close interaction with colleagues prevalent in an office environment. It is of great credit to our people that efficiency levels and standards have been maintained and, notwithstanding the continued pressure on revenues and costs, the Committee has decided to moderate the stringent pay controls that had been imposed during 2020/21. Accordingly, we have provided modest salary increases in the current year, generally for staff with salaries below £75,000 per annum, and other awards for exceptional performance, allocated at management's discretion. The Committee believes these awards to be fully deserved and supported by the improved financial outlook for the Group. There have been no material changes in the fixed and variable remuneration and revenue sharing arrangements for our investment managers, associates and sales teams. The Company has also recommenced matching of shares purchased by staff under the Share Incentive Plan in a ratio of half a matching share for every share the member of staff purchases. Amongst other factors, the Committee has instructed management to consider gender pay equality across the workforce and market rates for the sector and geographical areas in which we operate when awarding salary increases.

Third, in light of the financial results, we have not awarded pay rises to our Executive Directors, a decision they proactively support. There have been no changes in pension or bonus arrangements and the formulaically driven bonus pool does not crystallise in respect of the year. However, the Committee is cognisant that your Executive Directors have worked tirelessly throughout the period and, in the Committee's view, demonstrated outstanding leadership. We believe this should be recognised. It is therefore intended, on approval of the Remuneration Policy, and the business continuing to improve on the second half's profitable trading, that deferred share-based discretionary awards will be made to the Executive Directors during the current financial year post publication of the year end results. The aggregate value of such awards will not exceed £60,000. Such shares will be subject to retention periods as set out in the Policy and also malus and clawback provisions.

Fourth, the Committee considered the emoluments payable to Martin Wright on his appointment as Chairman. It was decided they should be consistent with those paid to his predecessor with no increase in the amount for the role. As disclosed elsewhere, Martin requests that his fees are paid directly to Charles Russell Speechlys, the law firm of which he is a partner. The remuneration of the other Non-Executive Directors is out with the Committee's remit, being one of the matters reserved for the Board.

In the discharge of its duties, the Committee is aided by advice from specialist financial services sector remuneration consultants in relation to corporate governance and regulatory matters, and industry good practice. Accordingly, with their assistance, revised terms of reference for the Committee have been approved by the Board and are available for inspection on the Group's website at www.wcgplc.co.uk.

Clive Bouch
Remuneration Committee Chairman

20 August 2021

Part B – Annual Remuneration Report

The Remuneration Committee presents its Annual Remuneration Report, which will be put to an advisory shareholder vote at the 2021 AGM. Sections which have been subject to audit are noted accordingly.

Summary of Remuneration Policy and implementation in the year ended 31 March 2021

The table below summarises the Remuneration Policy which was approved by shareholders at the 2017 AGM and applied in the year ended 31 March 2021, and how it was implemented in the year. (The revised Remuneration Policy approved at the 2020 AGM applied from 1 April 2021 but, subject to shareholders' approval at the 2021 AGM (see pages 49 to 53), will be replaced by the proposed Policy set out in Part C.)

Element	Policy	How implemented in 2020/21
Salaries/Fees	Executive Directors' salaries are to reflect the value of their roles, skills and experience, avoiding excessive risk arising from over-reliance on variable income. Non-Executive Directors' fees are to reflect their skills, experience and roles.	No changes were made in the year.
Bonus	Executive Directors are to be incentivised to deliver annual financial and operational goals through participation in a formulaically determined profit pool aimed at achieving demanding targets for Group profit before tax and increasing shareholder value. The Remuneration Committee may also award discretionary bonuses.	The 2020/21 bonus pool thresholds were 5% of Group profit before tax in excess of £503,000 and 15% of Group profit before tax in excess of £1,256,000. In view of the loss for the year the profit pool thresholds were not triggered. No discretionary bonuses were awarded in the year.
LTIP	To be aligned to main strategic objective based on measurable key statistics.	No LTIP arrangements were in place in the year.
Pension	Employer contributions of 5 – 10% of base salary paid to a pension scheme of the Executive Director's choice. Approved salary sacrifice arrangements in place.	Employer contributions were made at 10% of base salary for Sean Lam and 7% of base salary for Sanath Dandeniya. Additional salary sacrifice contributions of £nil and £5,700 were made for Sean Lam and Sanath Dandeniya respectively.
Share Incentive Plan (SIP)	Executive Directors participate in the Group's tax efficient approved SIP (available to all employees) under which the Company may match contributions made by the employee to purchase Company shares.	Matching contributions were suspended with effect from 1 April 2020 and therefore none were made in the year.
Other benefits	Additional benefits provided for Executive Directors consist of life cover of four times base salary, permanent health insurance and family medical insurance cover. Non-Executive Directors are reimbursed for expenses incurred in the performance of their duties, grossed up for income tax and national insurance where appropriate.	Benefits maintained in the year at levels in line with those of other full-time employees. There were no expense claims made in the year.

Remuneration report (continued)
year ended 31 March 2021

Part B – Annual Remuneration Report (continued)

Remuneration for the year ended 31 March 2021 (audited information)

The table below sets out the remuneration received by the Directors in the year ended 31 March 2021 together with prior year comparatives and includes a single figure for the total remuneration due, or which will become due, to each Director.

		Fixed Remuneration				Variable Remuneration			
Name of Director	Year	Basic salary /Fees (Note 1) £	Taxable benefits (Note 2) £	Pension contri-butions (Note 3) £	Total Fixed £	Bonus £	SIP matching shares £	Total Variable £	Total £
Executive									
Sean Lam	**2021**	**209,000**	**1,750**	**20,900**	**231,650**	**–**	**–**	**–**	**231,650**
	2020	220,000	1,704	22,000	243,704	–	1,800	1,800	245,504
Sanath Dandeniya*	**2021**	**142,500**	**1,615**	**9,975**	**154,090**	**–**	**–**	**–**	**154,090**
	2020	75,000	799	5,250	81,049	–	900	900	81,949
Non-Executive									
Hua Min Lim	**2021**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2020	–	–	–	–	–	–	–	–
Clive Bouch	**2021**	**36,642**	**–**	**–**	**36,642**	**–**	**–**	**–**	**36,642**
	2020	38,570	–	–	38,570	–	1,800	1,800	40,370
Martin Wright**	**2021**	**35,539**	**–**	**–**	**35,539**	**–**	**–**	**–**	**35,539**
	2020	27,258	–	–	27,258	–	–	–	27,258
David Gelber	**2021**	**40,431**	**–**	**–**	**40,431**	**–**	**–**	**–**	**40,431**
	2020	42,559	–	–	42,559	–	1,800	1,800	44,359
Total	**2021**	**464,112**	**3,365**	**30,875**	**498,352**	**–**	**–**	**–**	**498,352**
	2020	403,387	2,503	27,250	433,140	–	6,300	6,300	439,440

* Sanath Dandeniya was appointed as a Director on 30 September 2019 in place of Rodney FitzGerald who retired on the same date.

** Charles Russell Speechlys LLP received fees of £35,539 (2020: £27,258) for the services of Martin Wright who is a partner in that firm.

Note 1: Basic salary/Fees

The basic salary and fee amounts paid to the Executive and Non-Executive Directors respectively shown in the table above take account of the 20% waived by them for the three months from April to June 2020 inclusive. The amounts shown for the Executive Directors are prior to any pension contributions made by the Company in respect of any salary sacrifices made.

Note 2: Taxable benefits

The amounts shown represent the cost to the Company of providing family medical insurance cover to the relevant Executive Directors, for the year or part-year concerned.

Note 3: Pension contributions

The amounts shown are the contributions made by the Company to the approved pension scheme of the Executive Director's choice at the entitled rate and do not include any additional salary sacrifice contributions made.

Annual and deferred bonuses for the year ended 31 March 2021

Based on the Group's results and profitability and the continuing uncertainty caused by the COVID-19 pandemic, the Committee has not awarded any discretionary annual bonuses for 2020/21, whether payable in cash or equity, to the Executive Directors. As explained in Part A, following approval of the proposed Remuneration Policy at the forthcoming AGM, and the business continuing to improve on the second half's profitable trading, it is proposed that deferred share based discretionary awards will be made during the year to the Executive Directors with a total value not exceeding £60,000.

Outstanding share awards

There were no share options outstanding at 31 March 2021 or 31 March 2020. There are no share option schemes or Long-Term Incentive Plans in place for the Directors.

Directors' shareholding and share interests (audited information)
The interests of the Directors and their connected persons in the share capital of the Company are shown in the table below.

Director	Beneficially owned at 31 March 2020	**Beneficially owned at 31 March 2021**	**Beneficially owned at 30 June 2021**
Hua Min Lim	11,316,290	**12,359,803**	**12,359,803**
Sean Lam	631,090	**638,291**	**640,574**
Sanath Dandeniya	29,071	**36,096**	**38,379**
David Gelber	189,863	**197,460**	**199,744**
Clive Bouch	42,806	**49,850**	**52,133**
Martin Wright	16,129	**16,129**	**16,129**

There are no shareholding requirements in place. As explained in Part A, the proposed Remuneration Policy to be put to shareholder vote at the 2021 AGM includes a requirement for future share awards to be retained by Executive Directors until a shareholding equal to one year's salary is achieved, such shares also being subject to a two-year post-employment holding period.

Share Incentive Plan ("SIP")
Employees are eligible to participate in the SIP following three months of service. Employees may contribute a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £150) to acquire Ordinary Shares in the Parent Company (Partnership Shares). Partnership Shares are acquired monthly. For every Partnership Share purchased, the intention is that the employee receives one Matching Share (but see the restrictions imposed below).

On 1 April 2020, the Directors, as part of the COVID-19 response to preserve cash and liquidity, suspended the matching option. This continued until 1 April 2021 from when it was decided to reintroduce matching at the rate of half a Matching Share for every Partnership Share purchased.

A total of 300,597 (2020: 1,084,297) new Ordinary Shares were issued to the 102 employees who participated in the SIP during the year. At 31 March 2021, 4,090,798 shares were held in the SIP on their behalf, in the employee's name. There were no forfeited shares not allocated to any specific employee.

Matching Shares awarded to Directors and still held under the SIP are as follows (audited information):

Director	31 March 2020	**31 March 2021**
Sean Lam	24,516	**20,664**
Sanath Dandeniya	14,149	**14,149**
David Gelber	54,698	**54,698**
Clive Bouch	15,410	**15,410**

Total pension entitlements (audited information)
There are no defined-benefit Group pension schemes in operation. The Group contributes a percentage of the Executive Directors' basic salaries into personal pension arrangements of their choice. Monthly employer contributions are set in the range of 7-10% of base salary for the present Executive Directors compared with a range of 5-10% for Group employees. In addition, salary sacrifice may be exercised in favour of additional pension contributions.

Payments to past Directors (audited information)
There were no payments made to past Directors in the year.

Loss of office payments (audited information)
No payments were made to any Director for loss of office in the year.

Remuneration report (continued)
year ended 31 March 2021

Part B – Annual Remuneration Report (continued)

Chief Executive remuneration

Percentage increase in the remuneration of the Chief Executive

Chief Executive	2020 £	2021 £	Change
Salary	220,000	209,000	-5.0%
Bonus	–	–	n/a
Benefits	1,704	1,750	2.7%
Average per employee (£)			
– salary	40,769[1]	41,811	2.6%
– bonus	6,562	5,150	-21.5%

1 The average salary per employee for 2020 has been adjusted from that reported in the 2020 Annual Report (£38,506) to take account of leavers in the year consistent with the basis used for the 2021 figure.

The table above shows the movement in salary and annual bonus for the Chief Executive between the current and previous financial years compared to that of the average employee. The Committee has chosen this comparator as it provides a better reflection of the earnings of the average worker than the movement in the Group's total wage bill, since the latter is subject to distortion by movements in the number of employees.

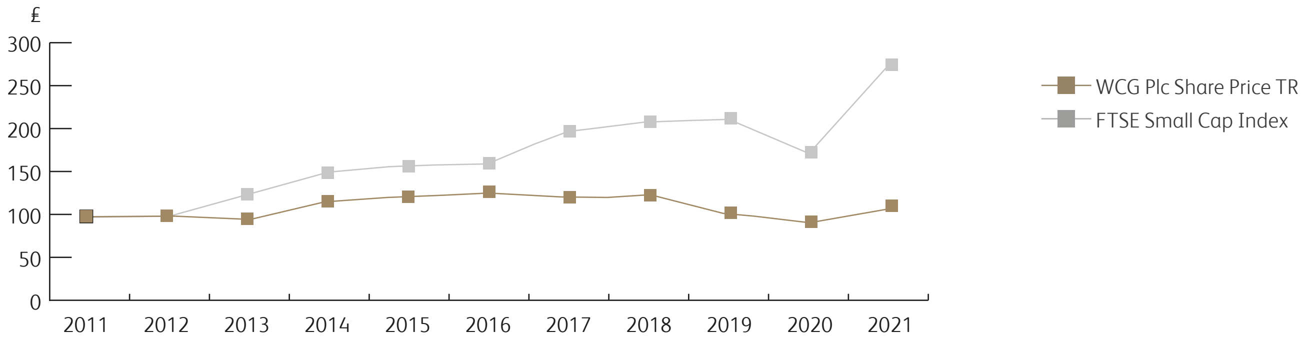
The table below shows the total remuneration for each of the individuals who has performed the role of Chief Executive during each of those financial years. The total remuneration figure includes bonuses awarded based on performance in those years. No long-term incentive awards were made to any of the Executive Directors.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Year ended 31 March 2021
Sean Lam	–	–	–	–	–	–	–	£133,610	£245,517	£245,504	£231,650
Rodney FitzGerald	£199,592	£174,512	£267,934	£186,769	£187,176	£189,264	£196,119	£69,843	–	–	–
Total remuneration	£199,592	£174,512	£267,934	£186,769	£187,176	£189,264	£196,119	£203,453	£245,517	£245,504	£231,650

Performance graph

The graph below shows a comparison between the Group's total shareholder return ("TSR") performance compared with the companies in the FTSE Small Cap Index. The graph compares the value, at 31 March 2021, of £100 invested in Walker Crips Group plc on 31 March 2011 with the value of £100 invested over the same period in the FTSE Small Cap Index. This Index has been chosen to give a comparison with the average returns that shareholders could have received by investing in a range of other small UK public companies.

Total shareholder return compared to FTSE Small Cap Index



Relative importance of the spend on pay

The table below shows the movement in spend on staff costs versus that in dividends.

	2020 £'000	2021 £'000	Change
Staff costs	13,268	12,690	-4.40%
Dividends paid	396	64	-83.84%

The total dividends paid in 2019/20 consisted of the final dividend for 2018/19 totalling £142,000 and the interim dividend for 2019/20 totalling £254,000 while those paid in 2020/21 consisted solely of an interim dividend for that year totalling £64,000 with no final dividend for 2019/20 having been declared or paid due to uncertainties over the economic consequences of the COVID-19 pandemic at that time. As explained on page 5, the Directors are recommending a final dividend in respect of 2020/21 of 0.60 pence per share, which equates to a total amount payable of £256,000.

Remuneration Committee governance
The Committee is governed by formal terms of reference agreed by the Board. The terms of reference have been reviewed and revised since the year end to ensure they reflect the remit of the Committee and accord with proportionate application of current requirements and good practice, taking into account the size and nature of the business. The Committee's updated terms of reference can be viewed on the Group's website.

The members of the Committee during the last financial year and their attendance at the meetings of the Committee are shown in the Report by the Directors on corporate governance matters. The Committee consists of four Non-Executive Directors, Clive Bouch (also Chairman of the Audit and Remuneration Committees and Senior Independent Director), David Gelber, Hua Min Lim and Martin Wright (Board Chairman).

None of the Committee's members has any personal financial interests (other than as shareholders), conflicts of interest arising from cross directorships or day-to-day involvement in running the business. The Committee determines the individual remuneration packages of each Executive Director. The Chief Executive and Group Finance Director attend meetings by invitation and assist the Committee in its deliberations, except when issues relating to their own remuneration are discussed. No Directors are involved in deciding their own remuneration. The Committee can call for external reports and assistance from third-party experts and independent legal advice may be sought as required.

The Committee reviews the remuneration policy for senior employees below Group Board level, as well as the policy on pay and conditions of employees throughout the Group. These are considered when determining Executive Directors' remuneration.

The Committee met once in the year. Matters that were considered and discussed included but were not limited to:

- The Remuneration Policy for Executive Directors, including structure and performance criteria for the annual bonus arrangements.
- Determination of the remuneration of Executive Directors.
- Determination of any annual incentive payable to Executive Directors in respect of the year to 31 March 2021.
- Oversight of remuneration arrangements for the Group's senior management and the policy on pay and conditions of employees throughout the Group.
- Review of the Group's Pillar 3 remuneration disclosures.
- Review of the Committee's terms of reference.

External directorships
None of the Executive Directors held external directorships during the current or prior year.

How the remuneration policy will be applied for the year from 1 April 2021 onwards
As reported in the Remuneration Committee Chairman's Statement on page 42, a revised remuneration policy was approved by shareholders at the 2020 AGM for a period of three years from 1 April 2021.

No increases have been made to the salaries of the Executive Directors for the year from 1 April 2021.

The formulaic bonus pool in which the Executive Directors may participate will operate as described in the proposed policy set out in Part C. For 2021/22 the pool will be based on 5% of Group profit before tax in excess of £503,000 and 15% of Group profit before tax in excess of £1,256,000. The Committee may also award in-year discretionary share-based bonuses for the Executive Directors following approval of the proposed policy, to an aggregate value of no more than £60,000.

Fees for the Chairman and Non-Executive Directors
The Group's approach to setting Non-Executive Directors' fees is summarised on page 43. These fees are reviewed periodically by the Board. A summary of current fees for Non-Executive Directors is as follows:

	Directors' fees as at 31 March 2021 £
Martin Wright (Board Chairman)	42,559
Clive Bouch (Audit Committee and Remuneration Committee Chairman and Senior Independent Director)	38,570
David Gelber	42,559

Remuneration report (continued)
year ended 31 March 2021

Part B – Annual Remuneration Report (continued)

Fees for the Chairman and Non-Executive Directors (continued)

Martin Wright, the Group Chairman, has a letter of appointment as a Non-Executive Director dated 9 July 2000 and accepted on 10 July 2000 for a term of not less than two years commencing on 9 July 2000 and terminable by either party on not less than three months' notice in writing or otherwise in accordance with the Group's Articles of Association. His fees have been increased to £42,559 per annum, plus VAT, plus expenses with effect from his appointment as Chairman on 9 September 2020. He is also reimbursed for expenses incurred on behalf of the Group. His fees are payable to Charles Russell Speechlys LLP, in which he is a partner, quarterly in arrears.

David Gelber was appointed as a Non-Executive Director and Chairman of the Group by a letter of agreement dated 11 May 2007 for a term commencing on 11 May 2007 of not less than two years and thereafter terminable by either party on at least six months' notice in writing or otherwise in accordance with the Group's Articles of Association. He stood down as Chairman at the conclusion of the AGM on 9 September 2020 but has continued to serve as a Non-Executive Director. His remuneration is now a fee of £42,559 per annum, plus reimbursement of expenses incurred on behalf of the Group, plus a contribution by the Group to the share incentive plan.

Hua Min Lim has no formal service agreement with and receives no remuneration from the Group.

Clive Bouch was appointed as a Non-Executive Director and later as Chairman of the Audit Committee by a letter of agreement dated 24 March 2017 for a term commencing on 31 March 2017 of not less than three years, save that the appointment is terminable by either party on at least three months' notice in writing or otherwise in accordance with the Group's Articles of Association. He replaced Martin Wright as Remuneration Committee Chairman and Senior Independent Director on Martin Wright's appointment as Group Chairman on 9 September 2020. His remuneration is a fee of £38,570 per annum, plus reimbursement of other specific expenses incurred on behalf of the Group and contribution by the Group to the share incentive plan.

Directors' contracts are available for inspection at the Annual General Meeting or on appointment at our London head office.

LTIP for Executive Directors

There are no LTIP arrangements in place at 31 March 2021 or proposed.

Statement of shareholder voting

At last year's AGM, the Directors' remuneration report received the following proxy votes from shareholders:

	Number	Percentage
2020 AGM		
Votes in favour	16,023,235	96.2%
Votes cast against	623,432	3.7%
Abstentions	1,077	0.1%
2019 AGM		
Votes in favour	14,562,434	99.8%
Votes cast against	28,932	0.2%
Abstentions	–	0.0%

Part C – Directors' Proposed Remuneration Policy – for approval by shareholders at the 2021 AGM

The proposed Remuneration Policy ("the Policy") set out below is intended to supersede the Remuneration Policy approved by the shareholders at the 2020 AGM ("the current Policy") and will be put to shareholders for approval at the 2021 AGM. The Policy is set to apply, subject to shareholders' approval, from the conclusion of the AGM and therefore in respect of the year ending 31 March 2022.

The Policy

The following tables summarise the Company's policy on each element of remuneration for both the Executive Directors, responsibility for which has been delegated by the Board to the Remuneration Committee (referred to in this policy as "the Committee"), and the Non-Executive Directors, whose remuneration is a matter reserved for the Board itself.

Executive Directors:

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
Base Salary	To reflect the value of the individual and their role, skills and experience over time. To provide an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income.	Reviewed annually, effective from 1 July each year or on appointment. Agreed when results for the previous year have been finalised.	Annual increases are normally in line with those provided to the wider Group employee population unless there is a change in the Director's role or responsibilities or there is a significant divergence from market comparatives of similar executive directorship roles.	n/a.
Annual Profit Share – discretionary allocation from annual bonus pool.	To incentivise annual delivery of financial and operational goals when executive management achieve targets for Group profit before tax that are based on the Board-approved strategy and business plan for increasing Group profitability and shareholder value.	Determined after results for the financial year are concluded with Group profit before tax being the primary metric. Determination of the bonus pool is formulaic and calculated by reference to the Group's profit before tax. The bonus pool may be allocated to individual members of the Group's executive management team, including Walker Crips Group plc Executive Directors, entirely at the Committee's discretion. In exercising this discretion, the Committee will consider the individual performance of each Executive Director and whether non-financial conditions and standards of conduct have been met. Currently this bonus is paid wholly in cash and not subject to clawback and deferral conditions, but this may be reviewed at a later date to introduce such conditions.	Executive Directors' total bonuses, whether allocated from the bonus pool or discretionary, are capped at 100% of base salary.	The bonus pool is calculated based on the achievement of Group profit before tax targets with performance conditions set each year by the Committee. The conditions will reflect the purpose and objectives of the Annual Profit Share. Allocation of the bonus pool to participating executives will be determined at the discretion of the Committee on an individual basis consistent with the stated purpose and operation.

Remuneration report (continued)
year ended 31 March 2021

Part C – Directors' Proposed Remuneration Policy – for approval by shareholders at the 2021 AGM (continued)

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
Discretionary Bonus	The Committee may make a discretionary award to the Executive Directors that is in addition to any allocation from the Annual Profit Share, or where no allocation is made from the Annual Profit Share, to reflect exceptional individual performance and contribution to the Group.	Determined at the discretion of the Committee. A minimum of 50% of such an award will be made in Walker Crips Group plc ordinary shares. Any such shares awarded will be subject to a minimum vesting period of three years. Upon vesting the shares must be held for a further period of two years. Such shares will also be subject to malus and clawback conditions including poor conduct behaviours, including inability to assess the fitness and propriety of the individual, risk management and compliance (both Group and individual) failures. In all circumstances the recipients of share-based awards are permitted to dispose of such number of shares as required to meet any tax and NIC obligations arising thereon.	A single award will be made to any Executive Director in respect of a financial year, the value of which will be at the Committee's discretion but, when combined with any allocation from the Annual Profit Share, will not exceed 100% of the Director's annual base salary.	Exceptional personal performance which the Committee judges has had a significant positive effect on minimising the impact of adverse external factors or enhancing the impact of positive factors on the Group's operations and financial results and preserving shareholder value. The criteria to be used by the Committee to determine whether an award should be made include exceptional personal leadership, exceptional financial performance that the Committee considers is not appropriately recognised through the Annual Profit Share allocations, implementation of key strategic initiatives deployment of capital, and compliance with high standards of conduct, risk management and regulations.
Share Incentive Plan (SIP)	A tax-efficient HMRC-approved scheme which allows the Group to make contributions up to amounts equal to those by employees, including Directors, to purchase shares in the Company.	Annual contributions are made through the payroll and tax benefits accrue after three years.	Maximum contribution of £1,800 per annum by Director and Company.	None.
Pension	To provide retirement benefits.	Contribution to a pension scheme of each Executive Director's choice. HMRC-approved salary sacrifice arrangements in place.	Monthly employer contribution of 5-10% of base salary in line with a similar range for employees.	n/a.
Other Benefits	To provide additional fringe benefits.	Life Assurance – four times basic salary. Medical Insurance cover for the Executive Director, spouse and dependents to age 24. Permanent Health Insurance.	Continuous upon recruitment.	n/a.

Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance conditions
Fees	To reflect the skills and experience brought by the Director and their role.	Fees consist of a base Board fee and fees for Chairmanship of Committees. Account is taken of practice adopted by similar-sized companies and time commitment.	Fees are reviewed annually. Increases are generally consistent with inflation unless a more significant adjustment is required to reflect fair market comparisons.	n/a.
Benefits	To provide market-related benefits to Non-Executive Directors.	Benefits include reimbursement of expenditure incurred in connection with their duties, grossed up for income tax and NI if applicable.	Reasonable costs.	n/a.

Annual Profit Share and Discretionary Bonus

The Annual Profit Share scheme has been established and operated for many years and is regarded as an effective approach to focus Executive Directors on profit delivery. The performance conditions are chosen to align the potential for Executive Director variable reward with Group profitability above targets set each year by the Committee. Allocations to individual Directors are wholly at the discretion of the Committee to allow for full consideration of non-financial performance matters.

The Discretionary Bonus was introduced on the appointment of Sean Lam as Chief Executive Officer to provide an effective reward mechanism in circumstances where the Remuneration Committee considers this appropriate based on financial and non-financial considerations. Such awards are subject to good governance requirements of deferral, malus and clawback and seek to incentivise performance and behaviour over the medium term and longer term. Sanath Dandeniya is also eligible for such a discretionary award.

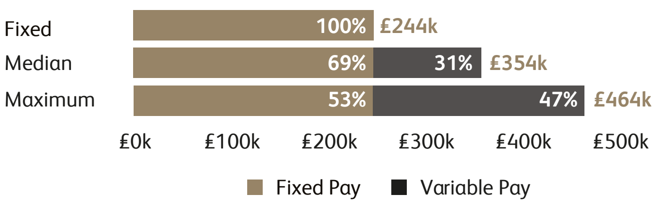
Total annual awards under the Annual Profit Share and Discretionary Bonus to each Executive Director will not exceed their annual base salary.

Application of the Remuneration Policy

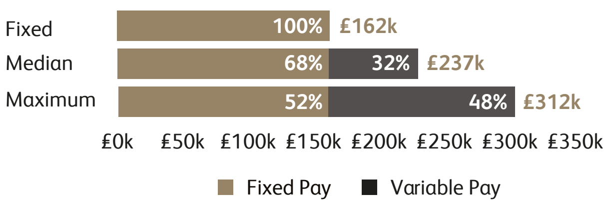
The charts below indicate the level of remuneration that each Executive Director could receive in the first year to which the Policy applies (ie the year to 31 March 2022), at different levels of performance.

For this purpose, Fixed Pay includes base salary and Company pension contributions at their prevailing rates and taxable benefits at their cost to the Company in 2020/21. As both the Annual Profit Share and Discretionary Bonus awards are entirely at the discretion of the Remuneration Committee and are capped in aggregate at 100% of base salary, they have been combined as Variable Pay for illustration of the median and maximum levels of total remuneration that could be received. No account has been taken of SIP matching share awards.

Sean Lam (Chief Executive)



Sanath Dandeniya (Group Finance Director)



Remuneration report (continued)
year ended 31 March 2021

Part C – Directors' Proposed Remuneration Policy – for approval by shareholders at the 2021 AGM (continued)

Remuneration Committee discretion

In addition to assessing and making judgements on the meeting of performance targets and the appropriate incentives payable, the Committee has certain operational discretions available that can be exercised in relation to Executive Directors' remuneration including, but not limited to:

- amending performance conditions following a major corporate event or in circumstances in which the Committee considers that the impact of external economic influences is such that the original metrics and/or targets are no longer appropriate or where there is other political uncertainty having a significant impact on the business environment to ensure a fair and consistent assessment of performance;
- adjusting profit pool thresholds for exceptional items, whether income or expenditure;
- deciding whether to apply malus or clawback to an award; and
- determining whether a leaver is a "good leaver".

Where such discretion is exercised, it will be explained in the next Directors' remuneration report.

Minimum shareholding

A minimum shareholding requirement of 100% of base salary will apply to all Executive Directors. Only those shares (net of any disposals required to meet any tax and NIC obligations arising thereon) awarded by the Committee or under the SIP from the date of adoption of the Policy count towards meeting the minimum shareholding. Any shares awarded when the Executive Director holds in excess of the minimum requirement will continue to be subject to the three-year vesting period and further two-year holding period applied to them.

The minimum shareholding requirement will continue to apply for two years post-employment although the Committee will have discretion to dis-apply this in exceptional circumstances. This will be enforced through the retention of any shares subject to the minimum shareholding requirement vesting in an escrow account until the expiry of the two-year post-employment period.

For the avoidance of doubt, any shares awarded prior to the adoption of the Policy, and any shares purchased by an Executive Director or family members either before or after adoption of the Policy will not count towards the minimum shareholding requirement and will not be subject to any post-employment holding period. This will be re-visited should the Company introduce a future share based long-term incentive plan.

Differences in remuneration for Executive Directors compared to other employees

The approach to remuneration for the Executive Directors is generally consistent with that for employees across the Group as a whole. The Group applies a consistent remuneration philosophy for employees at all levels.

Fixed pay components for all employees, including specifically for new appointments and promotions to new positions, are benchmarked against relevant market comparators and the Committee takes account of the aggregate rate of base salary increase for employees when determining increases in fixed pay for Executive Directors. Pension contributions are applicable on the same basis to employees. Employees are eligible for performance-related annual bonus derived from a bonus pool linked to Group profitability and a discretionary bonus on the recommendation of executive management subject to Committee approval.

Benchmarking

The Committee takes account of market benchmark data when setting total remuneration packages for Executive Directors. Comparisons are made with other FTSE-listed companies of similar size and business profile. Practices in the private client investment management sector, and other related sectors, are also considered. Benchmark data is used by the Committee as a reference point, alongside other factors such as the individual's role and experience, and the relative size of the Company and personal performance, rather than as a direct determinant of pay levels.

How the views of shareholders are taken into account

The Committee periodically compares the Directors' remuneration policy with relevant guidelines and takes account of the results of shareholder votes on remuneration. Historically, shareholders have voted overwhelmingly in favour of past Remuneration Reports and the Remuneration Policy, which the Committee has accepted as broad endorsement for the approach taken. If any material changes to the remuneration policy are contemplated, the Group Chairman or Committee Chairman will consult with major shareholders about these in advance.

Details of votes cast for and against the resolution to approve last year's remuneration report are provided in Part B of the Directors' remuneration report. If there is a significant vote against any remuneration resolution, the Committee will endeavour to understand the reasons for the lack of support and to address shareholders' concerns.

Consideration of employment conditions elsewhere in the Group

The Group does not operate formal employee consultation on remuneration. However, employees can provide direct feedback on the Group's remuneration policies to their line managers or the Human Resources department. The Committee monitors the effectiveness of the Group's remuneration policy in recruiting, retaining, engaging and motivating employees.

The Committee does not seek to apply fixed ratios between the total remuneration levels of different roles in the Group, as this would prevent it from recruiting and retaining the necessary talent in a competitive employment market.

External Non-Executive Director positions

Executive Directors are permitted to serve as Non-Executive Directors of other companies, on the grounds that this can help to broaden the skills and experience of the Director, provided any conflicts of interest can be managed effectively and where these duties do not interfere with the individual's ability to perform his duties for the Company.

Where an outside appointment is accepted in furtherance of the Company's business, any fees received are remitted to the Company.

Approach to remuneration for new Executive Director appointments
The remuneration package for a new Executive Director would be set in accordance with the terms and maximum levels of the Group's approved remuneration policy in force at the time of appointment. The Committee is conscious of the importance of not paying more than is necessary to secure the best candidate. However, there may be circumstances in which a higher salary than that of the incumbent needs to be offered to attract a new Director into a role. As noted above, the allocation of the formulaic annual bonus is discretionary and it is normal practice for total bonus awards in any year to be limited to 100% of base salary.

The Committee may also offer additional cash and/or share-based elements when it considers these to be in the best interests of the Group and shareholders, for the purpose of replacing awards or potential foreseeable earnings which are forgone by the individual on becoming an Executive Director. This may involve the use of awards made under Rule 9.4.2 of the Listing Rules. In considering any such payments the Committee would take account of the amount of remuneration foregone and the nature, vesting dates and any performance requirements attached to the remuneration foregone.

Shareholders will be informed of any such payments and the rationale for these.

For an internal appointment, any deferred pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, ongoing remuneration obligations existing prior to appointment may be permitted to continue where this is considered to be in the best interests of the Group and shareholders.

For external and internal appointments, the Company may meet certain relocation expenses as appropriate.

Service contracts and letters of appointment
Service contracts normally continue until the Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination. The Company's policy is for Executive Directors' notice periods to be limited to six months by either party. Executive Directors are not eligible for profit-share or discretionary bonus awards in the year of leaving employment, other than at the discretion of the Committee, but any contractual entitlements (salary, pension and benefits) will be calculated on a pro-rata basis.

The Non-Executive Directors are engaged under letters of appointment for a minimum period not exceeding three years and subject to three months' notice or, in the case of David Gelber, six months' notice by either side thereafter. Hua Min Lim, a Non-Executive Director, has no formal service agreement with and receives no remuneration from the Group.

Loss of office payments
If the employing Company wrongfully terminates the employment of an Executive Director without giving the period of notice required under the contract, the Executive Director would be entitled to claim recompense for up to six or the agreed term of months' total fixed pay (i.e. salary, pension contributions and benefits). Where an Executive Director is considered by the Committee to be a "good leaver", circumstances in which the individual leaves because of retirement, redundancy, ill-health, death or disability, or otherwise at the Committee's discretion, the Committee may consider a discretionary award of annual variable pay, subject to performance, in respect of the portion of any financial year that the individual has been working with the Company, although not for the period of any notice or "garden leave". Where an Executive Director is considered by the Committee to be a "bad leaver", any deferred awards would be cancelled, at the Committee's discretion, through the exercise of the malus provisions in the Executive Director's service contract.

In the event of a change of control of the Company there is no enhancement to these terms.

Legacy arrangements
For the avoidance of doubt, the Directors' remuneration policy includes any arrangements entered with a Director before 28 June 2012 that are unchanged since that date. Any other remuneration or termination payments made to a Director during the currency of this policy will be consistent with the terms of this policy. Details of any payments to former Directors will be set out in the implementation section of this report as they arise.

Approval
This report was approved by the Committee and the Board and signed on its behalf by:

Clive Bouch
Remuneration Committee Chairman

20 August 2021

Directors' report
for the year ended 31 March 2021

The Directors present their Annual Report on the affairs of the Group, together with the financial statements and Auditor's Report, for the year ended 31 March 2021.

Results and dividends

Results, distributions and retained profits are as follows:

	2021 £'000	2020 £'000
Retained earnings at 1 April	**11,582**	10,659
(Loss)/profit for the year after taxation	**(258)**	718
Effect of adoption of IFRS 16	**–**	601
Dividends paid	**(64)**	(396)
Retained earnings at 31 March	**11,260**	11,582

The Directors, having considered the impact of the pandemic and Group's liquidity requirements, recommend the payment of a final dividend of 0.60 pence per share (2020: nil). The proposed final dividend is subject to shareholder approval at the AGM on 28 September 2021. If approved by shareholders, this will be paid on 1 October 2021 to shareholders on the Company's shareholder register at the close of business on 17 September 2021. The total dividend paid in the year was 0.75 pence per share (2020: 0.60 pence per share).

Capital structure

Details of the Group's share capital are shown in note 29. The Group has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Group.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Group's shares that may result in restrictions on the transfer of securities or on voting rights.

Where shares have been issued as consideration for new clients to investment advisers upon commencement with the Group, these shares are restricted from sale for periods of four to six years.

No person has any special rights of control over the Group's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Group is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Acts and related legislation. The Articles themselves may be amended by a special resolution of the shareholders.

Brief biographies of the Directors eligible and standing for election at the Annual General Meeting are set out on pages 26 and 27.

Directors' interests

Directors' emoluments and beneficial interests in the shares of the Company are disclosed in the Directors' remuneration report on pages 44 and 45. Other than noted on page 45, there are no other situations where a Director had a material interest in a contract to which the Company or any of its subsidiaries was a party (other than their own service contract), requiring disclosure under the Companies Act 2006.

Related party transactions

Details of related party transactions are disclosed in note 33.

Ethical responsibility

Our clients specify any ethical preferences that they have when we construct their investment portfolios or make individual recommendations. We actively support the professional institutes and trade associations of which we are members to promote a strong ethical code of conduct.

Employment policy

We are committed to the principle of equality and equal opportunities in employment. We are opposed to any form of less favourable treatment or financial reward through direct or indirect discrimination, harassment, victimisation to employees or job applicants on the grounds of age, race, religion or belief, marriage or civil partnership, pregnancy or maternity, sex, sexual orientation, gender reassignment or disability.

We recognise our obligations under the Equality Act 2010 and The Codes of Practice published by the Equality and Human Rights Commission and the European Commission for the elimination of discrimination on the grounds of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, maternity and pregnancy and for the elimination of discrimination in pay between men and women who do the same work.

We report that at the end of 2021: No Directors of the Group's Parent Company were women (2020: nil); 29% of senior managers, being individuals with responsibility for planning, directing or controlling, were women (2020: 31%); and 40% of the Group's employees were women (2020: 44%).

Health and safety policy

The Board has a policy of adopting procedures, appropriate to its activities, to monitor, maintain and, where relevant, improve health and safety standards to safeguard the Group's staff.

None of the Group's activities involve any significant health and safety risks. During the year there were no injuries, illnesses or dangerous occurrences which needed to be reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.

Eligible employees can benefit from the Group's permanent health insurance scheme in the event of long-term illness preventing them from carrying out their function.

Insurance and indemnification of Directors

The Group has put in place insurance to cover its Directors and officers which gives appropriate cover for legal action brought against any of them. In addition, the Group's Articles of Association provide for the ability of the Group to grant qualifying third-party indemnity provisions (as defined in section 234 of the Companies Act 2006) for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

Ordinary and special business

Resolutions will be placed before the Annual General Meeting to confer authority on the Group to allot equity securities of up to an aggregate nominal amount of £946,162 and to authorise and empower the Group to allot equity securities.

The Companies Act 2006 permits a public group to purchase its own shares in accordance with the powers contained in its Articles of Association and with the authority of a resolution of shareholders. The Directors believe that the Group should be authorised to take advantage of these provisions and, therefore, pursuant to the power contained in the Group's Articles of Association, it is intended to propose a special resolution at the forthcoming Annual General Meeting to confer authority on the Group to purchase up to a maximum in aggregate of 10% of the Ordinary Shares of $6^2/_3$ pence each in the share capital of the Group at a price or prices which will not be less than $6^2/_3$ pence and which will not be more than 5% above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the ten business days before the relevant purchase is made.

The authority was given at the last Annual General Meeting of the Group for a period expiring at the conclusion of the next Annual General Meeting. It is the Directors' intention that a resolution for its renewal will be proposed at each succeeding Annual General Meeting. The Directors will only make use of the authority when satisfied that it is in the interest of the Group to do so. Shareholders should note that any Ordinary Shares purchased by the Group will either be cancelled and the number of Ordinary Shares in issue will accordingly be reduced or will be held as treasury shares.

Brexit

Though Brexit had some impact on financial markets, the impact to the Group has not been material.

The Group does not have branches or any of its activities conducted in the EU. The Group had very few clients based in the EU and following the Brexit agreement, all such clients have or are in the process of moving to an alternative investment house. The expected revenues from these clients were removed from future forecasts, with very little impact felt. Whilst the UK is likely to see disruptions on movement of goods, capital and labour for some time to come there is no direct impact to the Group.

Financial instruments and risk management

The risk management objectives and policies of the Group are set out in note 25 to the financial statements.

Substantial shareholdings

As at 31 March 2021, there were no interests, excluding those of Directors, in excess of 3% of the Ordinary Share capital of the Group.

	Number	Percentage
L. W. S. Lim	3,496,694	8.21
L. W. Y. Lim	3,496,694	8.21
L. W. J. Lim	3,496,692	8.21

As at 30 June 2021, the following interests, excluding those of Directors, in excess of 3% of the Ordinary Share capital of the Group were held:

	Number	Percentage
L. W. S. Lim	3,496,694	8.21
L. W. Y. Lim	3,496,694	8.21
L. W. J. Lim	3,496,692	8.21

Pillar 3 disclosures

The Basel Capital Accord, issued by the Basel Committee on Banking Supervision, aims to improve the flexibility and risk sensitivity of the existing Accord. The Accord consists of three mutually reinforcing pillars. Pillar 3 recommends requirements aimed at enhancing market discipline through effective disclosure of information to market participants.

The disclosures can be found on the following website: www.wcgplc.co.uk.

Directors' report (continued)
for the year ended 31 March 2021

Carbon emission reporting
Greenhouse gas (GHG) emissions data for the year ended 31 March 2021:

	2021 tCO_2e	2020 tCO_2e
Scope 1 – combustion of fuel	**8**	12
Scope 2 – purchased electricity	**87**	96
Total	**95**	108
Total emissions per employee	**0.45**	0.49

The underlying global energy use for the year ended 31 March 2021:

	2021 kWh	2020 kWh
Electricity	**373,952**	374,806
Gas	**44,555**	64,550
Total	**418,507**	439,356

All energy consumption is in the UK (2020: 100%).

The Greenhouse Gas Protocol assessment methodology and UK Government conversion factors for Company Reporting have been applied to calculate the emissions statistics in relation to material sources of emissions for which the Group is responsible.

The reporting boundary used for collation of the above data is consistent with that used for consolidation purposes in the financial statements.

These disclosures incorporate the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which is effective for periods beginning 1 April 2019.

The Group continues to incorporate considerations of the environment and energy efficiency into its decision-making processes and further information in relation to its impact is considered in the Group's Section 172(1) statement contained in the Group's Strategic Report.

The following sources of emissions are not deemed to be material for the purposes of preparing this disclosure:

- Vehicle use; and
- Air conditioning.

Audit information
Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware;
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information; and
- a resolution to reappoint the auditor, PKF Littlejohn LLP, will be put to the AGM on 28 September 2021.

Auditor
PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Going concern
The Group's forecasts and projections show sufficient cash resources, working capital and regulatory financial resources for its present requirements covering a period extending more than 12 months (see note 2 on page 68 for further details). Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Subsequent events
Details of significant events occurring after the end of the reporting period are given in note 35.

Approval
This report has been approved by the Board and signed on its behalf by:

Sanath Dandeniya FCCA
Director

20 August 2021

Statement of Directors' responsibilities
for the year ended 31 March 2021

The Directors are responsible for preparing the Annual Report and the 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 are required to prepare the Group financial statements in accordance with International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006, and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements of the Group have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable UK Accounting Standards have been followed in the preparation of the Company financial statements, 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 and Company will continue in business; and
- prepare a Directors' report, a Strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that the Annual Report and Accounts, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

Approval

This report has been approved by the Board and signed on its behalf by:

Sanath Dandeniya FCCA
Director

20 August 2021

Independent auditor's report
to the members of Walker Crips Group plc

Opinion

We have audited the financial statements of Walker Crips Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company balance sheet, the company statement of changes in equity and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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).

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 2021 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company 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 and, as regards to the group financial statements, international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of management's going concern assessment process. We also engaged with management to ensure all key factors were considered in their assessment.
- We obtained management's going concern assessment, including the cash forecast for a period exceeding twelve months from the date the financial statements were approved by the directors. The group has modelled various scenarios in their cash forecasts to incorporate unexpected changes to the forecasted liquidity of the group.
- We reviewed the factors and assumptions included in the cash forecast. We considered the appropriateness of the assumptions and methods used to calculate the cash forecasts and determined that the assumptions and methods utilised were appropriate to be able to make an assessment for the group.
- We reviewed the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We determined materiality for the financial statements as a whole to be £122,000 for the consolidated financial statements using 0.4% of group revenue as a basis. We consider group revenue to be the most stable benchmark and the most relevant determinant of the group's performance used by shareholders.

We used a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This was set at 70% of overall materiality at £85,400.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of 5% of overall materiality at £6,100 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We reassessed materiality at the end of the audit and did not find it necessary to revise our planning materiality.

Whilst materiality for the financial statements as a whole was set at £122,000, each significant component of the group was audited to an overall materiality ranging between £4,000 and £109,000 with performance materiality set at 70% of overall materiality. We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement.

Our approach to the audit

Our audit approach was developed by obtaining an understanding of the group's activities, the key subjective judgements made by the directors, for example in respect of significant accounting estimates that involved making assumptions, and considering future events that are inherently uncertain, and the overall control environment, such as impairment of goodwill, impairment of intangible assets and provision for client claims

Based on this understanding we assessed those aspects of the group's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly.

All the subsidiaries of the group (components) are based in the UK and the group audit team have responsibility for the audit of all components included in the consolidated financial statements. The group consists of nineteen components. Five of the components were determined to be significant components and were subject to full scope audits. The remaining components were considered to be non-significant components and specific audit procedures were performed on material balances.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Area	Reason	How our scope addressed this matter
Revenue recognition Refer to notes 3 (accounting policy) and 5 (financial disclosures) of the group financial statements.	Revenue is the most relevant determinant of the group's performance used by shareholders. Inaccurate or incomplete revenue could have a material impact on group performance. The group's revenue amounting to £30,348,000 (2020: £31,422,000) consists of broking income and non-broking income from the following activities: - Stockbroking; - Investment management; - Wealth management; - Pensions administration; and - Interest income For broking income, the risk is whether the IT system records trades accurately. For non-broking income (e.g. management fees), there is a risk that the calculation is not in accordance with the signed agreements or contracts.	We obtained an understanding and evaluated the design and implementation of controls that the group has established in relation to the recognition of revenue. We also performed the following tests of detailed procedures tailored to each revenue stream: ***Broking income*** - For a sample of trade commissions, compliance charges and other commissions, we traced revenue recorded to contract notes and deductions from client accounts. - We gained reliance on controls being operating effectively on the group's systems. This also provided assurance over the completeness of the balances from the assessment performed using IT techniques. ***Non-broking income*** - Used data analytics to verify the client fees schedule in the underlying system. The client fees data was extracted and reconciled to the figures in the final accounts providing assurance over completeness of the balance. - For a sample of fees we obtained invoices and rate confirmation letters/signed client agreements to agree the amount, cut off and % fee applied to the client's Assets Under Management ("AUM"), as well as tracing the revenue to deductions from client accounts or bank receipts. The share prices used for AUM valuations in the sample were agreed to third-party sources such as the London Stock Exchange. - We gained assurance over the recalculation of the client fees in the invoices from the assessment performed by our internal IT team on the group's systems including a review of both manual and automated controls. - A sample of accrued fees at the year-end were agreed to invoices to recalculate the amount accrued, and post year end settlement agreed to deduction from the client account or bank receipts. - We agreed any new fee tariffs in the year to appropriate authorisation. Based on the procedures performed, we are satisfied that revenue is appropriately recognised and classified.

Independent auditor's report (continued)
to the members of Walker Crips Group plc

Area	Reason	How our scope addressed this matter
Impairment of goodwill Refer to notes 3 (accounting policy) and 17 (financial disclosures) of the group financial statements.	Goodwill amounting to £4,388,000 (2020: £4,388,000) arose from the acquisitions of London York Fund Management Limited and Barker Poland Asset Management LLP in previous years. Impairment of goodwill is considered a significant risk as significant judgement is required to be exercised by the directors in determining the underlying assumptions used in the annual impairment reviews. Key assumptions include discount rate, long term growth rates, Enterprise Value/ Assets Under Management ("EV/AUM") and Price/Earnings ("P/E") ratios. The use of inappropriate or unsupported assumptions gives rise to the risk of material misstatement in the carrying amount of goodwill.	We obtained an understanding and tested the design and implementation of the group's controls over the impairment assessment process. We evaluated the appropriateness of management's identification of the group's CGUs. We challenged management on the appropriateness of the impairment models and reasonableness of the assumptions used through performing the following: - Benchmarking the group's key market-related assumptions in the models, including discount rates, long term growth rates, EV/AUM and P/E ratios, against external data; - Assessing the reliability of any forecasts through a review of actual past performance and comparison to previous forecasts; - Testing the mathematical accuracy and performing sensitivity analyses of the models; - Understanding the commercial prospects of the assets, and where possible comparison of assumptions with external data sources; - Assessing management's sensitivity analysis showing the impact of a reasonably possible change in underlying assumptions; - Performing our own sensitivity analysis using a range of acceptable assumptions; and - Assessing the adequacy of the disclosures within the financial statements. Based on the procedures performed, we consider management's assessment of no impairment on goodwill to be appropriate and the carrying value of goodwill is appropriately stated.
Recognition and Impairment of intangible assets (client lists) Refer to notes 3 (accounting policy) and 18 (financial disclosures) of the group financial statements.	Intangible assets (client lists) amounting to £6,142,000 (2020: £6,682,000) arise in respect of acquired client lists. Impairment of intangible assets (client lists) is considered a significant risk as significant judgement is required to be exercised by the directors in assessing whether the initial recognition criteria has been met and the estimated useful life is appropriate and supportable.	For Intangible assets (client lists), we performed the following: - Verifying amounts capitalised in the year against supporting agreements; - Challenging management's assessment that any additions meet the required capitalisation criteria; - Performing an assessment on the appropriateness of the useful life; - Reviewing management's assessment of impairment indicators, considering both internal and external sources of information; and - Assessing the sufficiency of the sensitivity analyses performed by management, focusing on what we consider to be reasonably possible changes in key assumptions. Based on the procedures performed, the carrying value of intangible assets (client lists) is appropriately stated.
Provision for client claims Refer to notes 3 (accounting policy) and 27 (financial disclosures) of the group financial statements.	Claims amounting to £205,000 (2020: £178,000) arise in the ordinary course of business. Significant judgement is required to be exercised in the assessment of the amount of any provision that should be carried in respect of any open claims, including the availability of insurance.	We evaluated the design and implementation of controls in respect of provisioning for client claims. Our procedures included the following: - Reviewing external legal advice obtained by management; - Discussing open claim matters and developments with the group general counsel; - Discussing with management and reviewed relevant correspondence including the complaints register; - Assessing and challenged management's conclusions through understanding precedents set in similar cases; - Circularising relevant third-party legal representatives, together with follow up discussions, where appropriate; and - Reviewing expenses for any litigation costs. Based on the procedures performed, we consider the provision for client claims to be reasonably stated.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 and the part of the directors' remuneration report to be audited 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.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's and parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 57;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate on page 33;
- Directors' statement that they consider the annual report and the financial statements, taken as a whole, to be fair, balanced and understandable set out on page 57;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 24;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 32; and
- The section describing the work of the audit committee set out on page 38.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company 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.

Independent auditor's report (continued)
to the members of Walker Crips Group plc

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.

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the investment management and wealth management sectors.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be arising from Companies Act 2006, Listing Rules, Corporate Governance Code, the rules of the Financial Conduct Authority ("FCA") and the financial reporting framework. Several components within the group are authorised and regulated by the FCA and we considered the extent to which non-compliance with the FCA regulations might have a material effect on the group's financial statements.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included but were not limited to making enquiries of management and those responsible for legal and compliance matters, review of minutes of the Board and papers provided to the audit committee to identify any indications of non-compliance, and review of legal / regulatory correspondence with the FCA.
- We also identified the possible risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in relation to the recognition of income, the assessment of any impairment of goodwill and client lists and the assessment of the provision for client claims. We addressed this by challenging the assumptions and judgements made by management when auditing significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the audit committee on 14 December 2020 to audit the financial statements for the period ending 31 March 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 1 year, covering the period ending 31 March 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

In addition to the audit, we also provided CASS audit services to three subsidiaries within the group. CASS audit services are audit related services and the threat to auditor independence is deemed to be insignificant. We do not consider there to be any other threats that may impair our objectivity and independence.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Carmine Papa (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

20 August 2021

Consolidated income statement
year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Revenue	5	**30,348**	31,422
Commissions and fees paid	7	**(9,702)**	(9,771)
Share of associate/joint venture after tax profit/(loss)	8	**66**	(11)
Gross profit		**20,712**	21,640
Administrative expenses	9	**(20,271)**	(20,923)
Exceptional items	10	**(419)**	375
Operating profit		**22**	1,092
Investment revenue	11	**10**	76
Finance costs	12	**(146)**	(205)
(Loss)/profit before tax		**(114)**	963
Taxation	14	**(144)**	(245)
(Loss)/profit for the year attributable to equity holders of the Parent Company		**(258)**	718
(Loss)/earnings per share			
Basic and diluted	16	**(0.61)p**	1.69p

The Accounting Policies and Notes on pages 68 to 93 form part of these financial statements.

Consolidated statement of comprehensive income
year ended 31 March 2021

	2021 £'000	2020 £'000
(Loss)/profit for the year	**(258)**	718
Total comprehensive (loss)/income for the year attributable to equity holders of the Parent Company	**(258)**	718

The Accounting Policies and Notes on pages 68 to 93 form part of these financial statements.

Consolidated statement of financial position
as at 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000
Non-current assets			
Goodwill	17	**4,388**	4,388
Other intangible assets	18	**6,566**	6,701
Property, plant and equipment	19	**1,477**	2,330
Right-of-use asset	20	**3,612**	4,362
Investment in associate/joint venture	8	**2**	–
Investments – fair value through profit or loss	21	**37**	51
		16,082	17,832
Current assets			
Trade and other receivables	22	**49,098**	24,515
Investments – fair value through profit or loss	21	**920**	638
Cash and cash equivalents	23	**8,855**	8,609
		58,873	33,762
Total assets		**74,955**	51,594
Current liabilities			
Trade and other payables	26	**(47,395)**	(22,750)
Current tax liabilities		**(123)**	(424)
Deferred tax liabilities	24	**(400)**	(335)
Provisions	27	**(205)**	(178)
Lease liabilities	28	**(946)**	(969)
		(49,069)	(24,656)
Net current assets		**9,804**	9,106
Long-term liabilities			
Deferred cash consideration	36	**(33)**	(15)
Lease liabilities	28	**(2,856)**	(3,620)
Dilapidation provision	27	**(675)**	(659)
		(3,564)	(4,294)
Net assets		**22,322**	22,644
Equity			
Share capital	29	**2,888**	2,888
Share premium account	29	**3,763**	3,763
Own shares	30	**(312)**	(312)
Retained earnings	30	**11,260**	11,582
Other reserves	30	**4,723**	4,723
Equity attributable to equity holders of the Parent Company		**22,322**	22,644

The Accounting Policies and Notes on pages 68 to 93 form part of these financial statements.

The financial statements of Walker Crips Group plc (Company registration no: 01432059) were approved by the Board of Directors and authorised for issue on 20 August 2021.

Signed on behalf of the Board of Directors

Sanath Dandeniya FCCA
Director

20 August 2021

Consolidated statement of cash flows
year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Operating activities			
Cash generated from operations	31	**1,806**	3,483
Tax (paid)/received		**(379)**	18
Net cash generated from operating activities		**1,427**	3,501
Investing activities			
Purchase of property, plant and equipment		**(24)**	(321)
Sale of investments held for trading		**78**	101
Consideration paid on acquisition of client lists		**(100)**	(21)
Consideration paid on acquisition of subsidiary		**–**	(1)
Dividends received	11	**8**	17
Dividends received from associate investment	8	**64**	–
Interest received		**2**	48
Net cash generated from/(used in) investing activities		**28**	(177)
Financing activities			
Dividends paid		**(64)**	(396)
Interest paid		**(12)**	(7)
Repayment of lease liabilities*		**(999)**	(944)
Repayment of lease interest*		**(134)**	(157)
Net cash used in financing activities		**(1,209)**	(1,504)
Net increase in cash and cash equivalents		**246**	1,820
Net cash and cash equivalents at beginning of period		**8,609**	6,789
Net cash and cash equivalents at end of period		**8,855**	8,609

* Total repayment of lease liabilities under IFRS 16 in the period was £1,133,000 (2020: 1,101,000)

The Accounting Policies and Notes on pages 68 to 93 form part of these financial statements.

Consolidated statement of changes in equity
year ended 31 March 2021

	Share capital £'000	Share premium account £'000	Own shares held £'000	Capital redemption £'000	Other £'000	Retained earnings £'000	Total equity £'000
Equity as at 31 March 2019	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**10,659**	**21,721**
Comprehensive income for the year	–	–	–	–	–	718	718
Effect of adoption of IFRS 16	–	–	–	–	–	601	601
Total comprehensive income for the year	–	–	–	–	–	1,319	1,319
Contributions by and distributions to owners							
Dividends paid	–	–	–	–	–	(396)	(396)
Total contributions by and distributions to owners	–	–	–	–	–	(396)	(396)
Equity as at 31 March 2020	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**11,582**	**22,644**
Comprehensive loss for the year	–	–	–	–	–	(258)	(258)
Total comprehensive loss for the year	–	–	–	–	–	(258)	(258)
Contributions by and distributions to owners							
Dividends paid	–	–	–	–	–	(64)	(64)
Total contributions by and distributions to owners	–	–	–	–	–	(64)	(64)
Equity as at 31 March 2021	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**11,260**	**22,322**

The Accounting Policies and Notes on pages 68 to 93 form part of these financial statements.

Notes to the accounts
year ended 31 March 2021

1. General information

Walker Crips Group plc ("the Company") is the Parent Company of the Walker Crips group of companies ("the Company"). The Company is a public limited company incorporated in the United Kingdom under the Companies Act 2006 and listed on the London Stock Exchange. The nature of the Group's operations and its principal activities are set out on pages 2 to 3. The Group is registered in England and Wales. The address of the registered office is Old Change House, 128 Queen Victoria Street, London EC4V 4BJ.

The significant accounting policies have been disclosed below. The accounting policies for the Group and the Company are consistent unless otherwise stated.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 3. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Group financial statements are presented on pages 63 to 67.

The consolidated financial statements are presented in GBP sterling (£). Amounts shown are rounded to the nearest thousand, unless stated otherwise.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, and are presented in Pounds Sterling, which is the currency of the primary economic environment in which the Group operates. The principal accounting policies adopted are set out below and have been applied consistently to all periods presented in the consolidated financial statements.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Going concern

The financial statements of the Group have been prepared on a going concern basis. At 31 March 2021, the Group had net assets of £22.3 million (2020: £22.6 million), net current assets of £9.8 million (2020: £9.1 million) and cash and cash equivalents of £8.9 million (2020: £8.6 million). The Group reported an operating profit of £22,000 for the year ended 31 March 2021 (2020: £1,092,000), inclusive of exceptional expense of £419,000 (2020: exceptional income of £375,000), and net cash inflows from operating activities of £1.8 million (2020: £3.5 million).

The Directors consider the going concern basis to be appropriate following their assessment of the Group's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment the Directors have taken into account the following:

- The Group's three-year base case projections based on current strategy, trading performance, expected future profitability, liquidity, capital solvency and dividend policy.
- Outcome of stress scenarios applied to the Group's base case projections prior to deployment of management actions.
- The principal risks facing the Group and its systems of risk management and internal control.
- The Group's ability to generate positive operating cash flow during the year to 31 March 2021, a period of significant uncertainty, and the projections over the next three years.

Key assumptions that the Directors have made in preparing the base case cash flow forecasts are that:

- Revenues reflect the impact of (i) continued low base rates of 10 basis points on income for managing client deposits and (ii) no further significant impact from the pandemic other than what is already known. The base case assumption is for the FTSE 100 index to remain at the lower 7000 range for a large part of the next 12 months. The total revenue is expected to increase by 5% next year with fee income, helped by the recovering financial markets, and a conservative new fee expectation from the joiners to our Wealth team. Years two and three growth expectation set conservatively at 2%.
- Base case costs prudently reflect only the actions Management has taken to date.
- Expected benefits from the planned consolidation of a number of regulated entities and streamlining the management structure not included in the forecast at this stage.

Key stress scenarios that the Directors have considered include:

- A "bear stress scenario": representing a further 10% fall in income compared to the base case scenario in the reporting periods ending 31 March 2022 and 31 March 2023.
- A remote "severe or reverse stress scenario": representing a 20% fall in commission income and 15% fall in fee income compared to the base case for each forecast period.
- Both stress scenarios assume no mitigating actions.

Liquidity and regulatory capital resource requirements exceed the minimum thresholds in both the base and bear scenarios. However, in the severe stress scenario, although the Group has positive liquidity throughout the period, the negative impact on our prudential capital ratio is such that it is projected to fall below the regulatory requirement in September 2022. The Directors consider this scenario to be remote in view of the prudence built into the base case planning and that further mitigations available to the Directors are not reflected therein. Such mitigating actions within Management control include reduction in proprietary risk positions, delayed capital expenditure, further reductions in discretionary spend and additional reduction in employee headcount. Other mitigating actions which may be possible include seeking shareholder support, sale of assets and stronger cost reductions.

Following the assessment of the Group's financial position and its ability to meet its obligations as and when they fall due, including the financial implications of the pandemic, the Directors are not aware of any material uncertainties that cast significant doubt on the Group's ability to continue as a going concern.

Standards and interpretations affecting the reported results or the financial position

The accounting standards adopted are consistent with those of the previous financial year. Amendments to existing IFRS standards did not have a material impact on the Group's Consolidated Income Statement or the Statement of Financial Position.

The Group does not expect standards yet to be adopted by the newly-formed and independent UK endorsement body ("UKEB") to have a material impact in future years.

3. Significant accounting policies

Basis of consolidation

The Group financial statements consolidate the financial statements of the Group and companies controlled by the Group (its subsidiaries) made up to 31 March each year. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is obtained and no longer consolidated from the date that control ceases; their results are in the consolidated financial statements up to the date that control ceases.

Entities where the interest is 49% or less are assessed for potential treatment as a Group company against the control tests outlined in IFRS 10, being power over the investee, exposure or rights to variable returns and power over the investee to affect the amount of investors' returns.

All intercompany balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognised in profit or loss.

Interests in associate/joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are accounted for in the consolidated financial statements under the equity method. Following the acquisition of the remaining interest in the former joint venture, JWPCreers Wealth Management Limited, which is now a 100% owned subsidiary, no assets or liabilities are classified as a joint venture investment in these financial statements.

An associate is an entity in which the Group has significant influence, but not control or joint control. The Group uses the equity method of accounting by which the equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net assets of the associate.

The Group has a 33% associate investment in Walker Crips Property Income Limited ("WCPIL") (see note 8).

Notes to the accounts (continued)
year ended 31 March 2021

3. Significant accounting policies (continued)

Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed in future periods.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Client lists

Client lists are recognised when it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably whilst the risk and rewards have also transferred into the Group's ownership.

Intangible assets classified as client lists are recognised when acquired as part of a business combination or when separate payments are made to acquire clients' assets by adding teams of investment managers.

The cost of acquired client lists and businesses generating revenue from clients and investment managers are capitalised. These costs are amortised on a straight-line basis over their expected useful lives of three to twenty years at inception. The amortisation period and amortisation method for intangible assets are reviewed at least each financial year end. All intangible assets have a finite useful life.

Amortisation of intangible fixed assets is included within administrative expenses in the consolidated income statement.

At each statement of financial position date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(c) Software licences

Computer software which is not an integral part of the related hardware is recognised as an intangible asset when the Group is expected to benefit from future use of the software and the costs are reliably measured and amortised using the straight-line method over a useful life of up to five years.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Own shares held

Own shares consist of treasury shares which are recognised at cost as a deduction from equity shareholders' funds. Subsequent consideration received for the sale of treasury shares is also recognised in equity with any difference being taken to retained earnings. No gain or loss is recognised on sale of treasury shares.

Revenues recognised under IFRS 15

Revenue from contracts with customers:

- Gross commissions on stockbroking activities are recognised on those transactions whose trade date falls within the financial year, with the execution of the trade being the performance obligation at that point in time.
- In Walker Crips Investment Management, fees earned from managing various types of client portfolios are accrued daily over the period to which they relate with the performance obligation fulfilled over the same period.
- Fees in respect of financial services activities of Walker Crips Wealth Management are accrued evenly over the period to which they relate with the performance obligation fulfilled over the same period.
- Fees earned from structured investments are recognised on the date the underlying security of the structured investment is traded and settled, with the execution of the trade being the performance obligation at that point in time.
- Fees earned from software offering, Software as a Service ("SaaS"), are accrued evenly over the period to which they relate with the performance obligation fulfilled over the same period.

Other incomes:

- Interest is recognised as it accrues in respect of the financial year.
- Dividend income is recognised when:
  - the Group's right to receive payment of dividends is established;
  - when it is probable that economic benefits associated with the dividend will flow to the Group; and
  - the amount of the dividend can be reliably measured.
- Gains or losses arising on disposal of trading book instruments and changes in fair value of securities held for trading purposes are both recognised in profit and loss.

The Group does not have any long-term contract assets in relation to customers of any fixed and/or considerable lengths of time which require the recognition of financing costs or incomes in relation to them.

Operating expenses

Operating expenses and other charges are provided for in full up to the statement of financial position date on an accruals basis.

Exceptional items

To assist in understanding its underlying performance, the Group identifies certain items of pre-tax income and expenditure and discloses them separately in the Consolidated income statement.

Such items include:

1. profits or losses on disposal, closure or impairment of assets or businesses;
2. corporate transaction and restructuring costs;
3. changes in the fair value of contingent consideration; and
4. non-recurring items considered individually for classification as exceptional by virtue of their nature or size.

The separate disclosure of these items allows a clearer understanding of the Group's trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group. The exceptional items arising in the current period are explained in note 10 and fall under categories 2, 3 and 4 above. The related tax effect is also quantified and disclosed in note 14.

Deferred income

Income received from clients in respect of future periods to the transaction or reporting date are classified as deferred income within creditors until such time as value has been received by the client.

Foreign currencies

The individual financial statements of each of the Group's companies are presented in Pounds Sterling, which is the functional currency of the Group and the presentation currency of the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are included in the consolidated income statement for the period.

Where consideration is received in advance of revenue being recognised, the date of the transaction reflects the date the consideration is received.

Notes to the accounts (continued)
year ended 31 March 2021

3. Significant accounting policies (continued)

Property, plant and equipment

Fixtures and equipment are stated at historical cost less accumulated depreciation and provision for any impairment. Depreciation is charged so as to write-off the cost or valuation of assets over their estimated useful lives using the straight-line method on the following bases:

Computer hardware	33 1/3% per annum on cost
Computer software	between 20% and 33 1/3% per annum on cost
Leasehold improvements	over the term of the lease
Furniture and equipment	33 1/3% per annum on cost

Right-of-use assets held under contractual arrangements are depreciated over the lengths of their respective contractual terms, as prescribed under IFRS 16.

The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. The residual values and estimated useful life of items within property, plant and equipment are reviewed at least at each financial year end. Any shortfalls in carrying value are impaired immediately through profit or loss.

Taxation

The tax expense for the period comprises current and deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates, unless there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Financial assets and liabilities

Financial assets and liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus transaction costs. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss ("FVTPL") are expensed in the income statement. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

The Group does not use hedge accounting.

a) Financial assets

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVTOCI"); or
- Amortised cost.

Financial assets are classified as current or non-current depending on the contractual timing for recovery of the asset. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Debt instruments
Classification and subsequent measurement of debt instruments depend on:

- the Group's business model for managing the asset; and
- the cash flow characteristics of the asset.

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets, to collect both the contractual cash flows and cash flows arising from the sale of assets, or solely or mainly to collect cash flows arising from the sale of assets. Factors considered by the Group include past experience on how the contractual cash flows for these assets were collected, how the assets' performance is evaluated, and how risks are assessed and managed.

Cash flow characteristics of the asset: Where the business model is to hold assets to collect contractual cash flows, the Group assesses whether the financial instruments' contractual cash flows represent solely payments of principal and interest ("the SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending instrument.

Based on these factors, the Group classifies its debt instruments into one of two measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVTPL, are measured at amortised cost. Amortised cost is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation, using the effective interest rate method, of any difference between that initial amount and the maturity amount, adjusted by any ECL recognised. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount. Interest income from these financial assets is included within investment revenues using the effective interest rate method.

Fair value through profit or loss ("FVTPL"): Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at fair value through profit or loss.

Reclassification
The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Impairment
The Group assesses on a forward-looking basis the ECL associated with its debt instruments held at amortised cost. The Group recognises a loss allowance for such losses at each reporting date. On initial recognition, the Group recognises a 12-month ECL. At the reporting date, if there has been a significant increase in credit risk, the loss allowance is revised to the lifetime expected credit loss.

The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group adopts the simplified approach to trade receivables and contract assets, which allows entities to recognise lifetime expected losses on all assets, without the need to identify significant increases in credit risk (i.e. no distinction is needed between 12-month and lifetime expected credit losses).

(ii) Equity instruments
Investments are recognised and derecognised on a trade date basis where a purchase or sale of an investment is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned, and are initially measured at fair value.

The Group subsequently measures all equity investments at fair value through profit and loss. Changes in the fair value of financial assets at FVTPL are recognised in revenue within the Consolidated Income Statement.

(iii) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current liabilities in the statement of financial position.

De-recognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Notes to the accounts (continued)
year ended 31 March 2021

3. Significant accounting policies (continued)

Financial assets and liabilities (continued)

b) Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

Financial liabilities are derecognised when they are extinguished.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade payables

Trade payables are classified at amortised cost. Due to their short-term nature, their carrying amount is considered to be the same as their fair value.

Bank overdrafts

Interest-bearing bank overdrafts are initially measured at fair value and shown within current liabilities. Finance charges are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity instruments

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders, until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Share Incentive Plan ("SIP")

The Group has an incentive policy to encourage all members of staff to participate in the ownership and future prosperity of the Group. All employees can participate in the SIP following three months of service. Employees may contribute a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £150) to acquire Ordinary Shares in the Parent Company (Partnership Shares). Partnership Shares are acquired monthly.

In response to mitigate some perceived impacts from the pandemic on the Group, the matching option was temporarily suspended during the twelve-month period to 31 March 2021. On 1 April 2021, the matching option was reinstated to one-half for every Partnership Share purchased. This arrangement will continue until 31 March 2022. All shares awarded under this scheme have been purchased in the market by the Trustees of the SIP.

Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Long-term liabilities – deferred cash and shares consideration

Amounts payable to personnel under recruitment contracts in respect of the client relationships, which transfer to the Group, are treated as long-term liabilities if the due date for payment of cash consideration is beyond the period of one year after the year-end date. The value of shares in all cases is derived by a formula based on the value of client assets received in conjunction with the prevailing share price at the date of issue which in turn determines the number of shares issuable.

Pension costs

The Group contributes to defined contribution personal pension schemes for selected employees. For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The contribution rate is based on annual salary and the amount is charged to the income statement on an accrual basis.

Dividends paid

Equity dividends are recognised when they become legally payable. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. There is no requirement to pay dividends unless approved by the shareholders by way of written resolution where there is sufficient cash to meet current liabilities, and without detriment of any financial covenants, if applicable.

Leases

The Group leases various offices, software and equipment that are recognised under IFRS 16. The Group's lease contracts are typically made for fixed periods of 2 to 10 years and extension and termination options enabling maximise operational flexibility are included in a number of property and software leases across the Group.

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

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases held by the Group, the lessee's incremental borrowing rate is used.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjust to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- make adjustments specific to the lease, for example term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the lease term and the useful economic life of the underlying asset on a straight-line basis.

The Group does not have any leasing activities acting as a lessor.

Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 16).

There are currently no obligations present that could have a dilutive effect on ordinary shares.

Notes to the accounts (continued)
year ended 31 March 2021

4. Key sources of estimation uncertainty and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill – estimation and judgement

Determining whether goodwill is impaired requires an estimation of the fair value less costs to sell and the value-in-use of the cash-generating units to which goodwill has been allocated. The fair value less costs to sell involves estimation of values based on the application of earnings multiples and comparison to similar transactions. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and apply a discount rate in order to calculate present value. The assumptions used and inputs involve judgements and create estimation uncertainty. These assumptions have been stress-tested as described in note 17. The carrying amount of goodwill at the balance sheet date was £4.4 million (2020: £4.4 million) as shown in note 17.

Other intangible assets – judgement

Acquired client lists are capitalised based on current fair values. During the year, one intangible asset, a client list, was purchased by subsidiary Walker Crips Wealth Management Limited. When the Group purchases client relationships from other corporate entities, a judgement is made as to whether the transaction should be accounted for as a business combination, or a separate purchase of intangible assets. In making this judgement, the Group assesses the acquiree against the definition of a business combination in IFRS 3. Payments to newly recruited investment managers are capitalised when they are judged to be made for the acquisition of client relationship intangibles. The useful lives are estimated by assessing the historic rates of client retention, the ages and succession plans of the investment managers who manage the clients and the contractual incentives of the investment managers. The Directors conduct a review of indicators of impairment and also consider a life of up to twenty years to be both appropriate and in line with peers.

IFRS 16 "Leases" – estimation and judgement

IFRS 16 requires certain judgements and estimates to be made and those significant judgements are explained below.

- The Group has opted to use single discount rates for leases with reasonably similar characteristics. The discount rates used have had an impact on the right-of-use assets' values, lease liabilities on initial recognition and lease finance costs included within the income statement.
- Where a lease includes the option for the Group to extend the lease term, the Group has exercised the judgement, based on current information, that such leases will be extended to the full length available, and this is included in the calculation of the value of the right-of-use assets and lease liabilities on initial recognition and valuation at the reporting date.

Provision for dilapidations – estimation and judgement

The Group has made provisions for dilapidations under six leases for its offices. The Group did not enter into any new property leases in the period. During the year, £14,000 of additional provisions were recognised, including £2,000 of interest, giving a new provision at year-end of £675,000.

The amounts of the provisions are, where possible, estimated using quotes from professional building contractors. The property, plant and equipment elements of the dilapidations are depreciated over the terms of their respective leases. The liabilities in relation to dilapidations are inflated using an estimated rate of inflation and discounted using appropriate gilt rates to present value. The change in liability attributable to inflation and discounting is recognised in interest expense.

5. Revenue

An analysis of the Group's revenue is as follows:

	2021			2020		
	Broking income £'000	Non-broking income £'000	Total £'000	Broking income £'000	Non-broking income £'000	Total £'000
Stockbroking commission	9,009	–	9,009	8,095	–	8,095
Fees and other revenue	–	19,733	19,733	–	21,468	21,468
Investment Management	9,009	19,733	28,742	8,095	21,468	29,563
Wealth Management, Financial Planning & Pensions	–	1,606	1,606	–	1,859	1,859
Revenue	9,009	21,339	30,348	8,095	23,327	31,422
Investment revenue (see note 11)	–	10	10	–	76	76
Total income	9,009	21,349	30,358	8,095	23,403	31,498
% of total income	29.7%	70.3%	100.0%	25.7%	74.3%	100.0%

Timing of revenue recognition

The following table presents operating income analysed by the timing of revenue recognition of the operating segment providing the service:

2021	Investment Management £'000	Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2021 £'000
Revenue from contracts with customers				
Products and services transferred at a point in time	10,389	161	16	10,566
Products and services transferred over time	16,393	1,425	–	17,818
Other revenue				
Products and services transferred at a point in time	1,089	20	–	1,109
Products and services transferred over time	855	–	–	855
	28,726	1,606	16	30,348

2020	Investment Management £'000	Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2020 £'000
Revenue from contracts with customers				
Products and services transferred at a point in time	10,269	410	–	10,679
Products and services transferred over time	16,706	1,449	1	18,156
Other revenue				
Products and services transferred at a point in time	280	–	–	280
Products and services transferred over time	2,307	–	–	2,307
	29,562	1,859	1	31,422

Notes to the accounts (continued)
year ended 31 March 2021

6. Segmental analysis

For segmental reporting purposes, the Group currently has three operating segments; Investment Management, being portfolio-based transaction execution and investment advice; Wealth Management, being financial planning and pensions administration; and Software as a Service ("SaaS") comprising provision of regulatory and admin software to regulated companies. Unallocated corporate expenses, assets and liabilities are not considered to be allocatable accurately, or fairly, under any known basis of allocation and are therefore disclosed separately.

Walker Crips Investment Management's activities focus predominantly on investment management of various types of portfolios and asset classes.

Walker Crips Wealth Management provides advisory and administrative services to clients in relation to their financial planning, life insurance, inheritance tax and pension arrangements.

EnOC Technologies Limited ("EnOC" or "SaaS") provides the regulatory and admin software, Software as a Service, to regulated companies including all WCG's regulated entities. Fees payable by subsidiary companies to EnOC have been eliminated on consolidation and are excluded from segmental analysis.

Revenues between Group entities, and in turn reportable segments, are excluded from the segmental analysis presented below.

The Group does not derive any revenue from geographical regions outside of the United Kingdom.

2021	Investment Management £'000	Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2021 £'000
Revenue				
Revenue from contracts with customers	26,782	1,586	16	28,384
Other revenue	1,944	20	–	1,964
Total revenue	28,726	1,606	16	30,348
Results				
Segment result	1,333	(127)	(127)	1,079
Unallocated corporate expenses				(1,057)
				22
Investment revenue				10
Finance costs				(146)
Loss before tax				(114)
Tax				(144)
Loss after tax				(258)

2021	Investment Management £'000	Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2021 £'000
Other information				
Capital additions	35	201	–	236
Depreciation	304	71	–	375
Statement of financial positions				
Assets				
Segment assets	67,297	1,138	369	68,804
Unallocated corporate assets				6,151
Consolidated total assets				74,955
Liabilities				
Segment liabilities	48,486	328	10	48,824
Unallocated corporate liabilities				3,809
Consolidated total liabilities				52,633

2020	Investment Management £'000	Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2020 £'000
Revenue				
Revenue from contracts with customers	26,975	1,859	1	28,835
Other revenue	2,587	–	–	2,587
Total revenue	29,562	1,859	1	31,422
Results				
Segment result	2,034	42	(29)	2,047
Unallocated corporate expenses				(955)
				1,092
Investment revenue				76
Finance costs				(205)
Profit before tax				963
Tax				(245)
Profit after tax				718

2020	Investment Management £'000	Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2020 £'000
Other information				
Capital additions	444	14	109	567
Depreciation	520	70	13	603
Statement of financial positions				
Assets				
Segment assets	42,473	964	159	43,596
Unallocated corporate assets				7,998
Consolidated total assets				51,594
Liabilities				
Segment liabilities	23,805	502	216	24,523
Unallocated corporate liabilities				4,427
Consolidated total liabilities				28,950

7. Commissions and fees paid

Commissions and fees paid comprises:

	2021 £'000	2020 £'000
To authorised external agents	**63**	65
To self-employed certified persons	**9,639**	9,706
	9,702	9,771

Notes to the accounts (continued)
year ended 31 March 2021

8. Investment in associate/joint venture

	2021 £'000	2020 £'000
Brought forward	–	44
Disposals	–	(33)
Share of after-tax profit/(loss)	66	(11)
Dividends	(64)	–
Carried forward	2	–

Associate
The Group has a 33.33% (2020: 33.33%) interest in its associate, Walker Crips Property Income Limited ("WCPIL"), a company incorporated and operating in the United Kingdom. The brought forward value of the Group's share of net assets in WCPIL was £1. The Board of WCPIL submitted management accounts to 31 March 2021 reporting an after-tax profit of £198,000, giving the Group a £66,000 entitlement from which a dividend of £64,000 was paid to the Group in the period.

Joint venture
As reported in the 2020 Annual Report and Accounts, the Group acquired the remaining interest in the former joint venture, JWPCreers Wealth Management Limited, which is now a 100% owned subsidiary and has changed its name to Walker Crips Ventures Limited.

9. (Loss)/profit for the year
(Loss)/profit for the year on continuing operations has been arrived at after charging:

	2021 £'000	2020 £'000
Depreciation of property, plant and equipment (see note 19)	375	590
Depreciation of right-of-use assets (see note 20)	961	867
Amortisation of intangibles (see note 18)	837	609
Staff costs (see note 13)	12,690	13,268
Recharge of staff costs	(710)	(581)
Settlement costs	1,148	1,049
Communications	1,195	1,474
Regulatory costs	756	523
Computer expenses	595	642
Other expenses	2,221	2,262
Auditor's remuneration	203	220
	20,271	20,923

A more detailed analysis of auditor's remuneration is provided below:

	2021 £'000	2021 %	2020 £'000	2020 %
Audit services				
Fees payable to the Company's auditor for the audit of its annual accounts	57	28	60	27
The audit of the Company's subsidiaries pursuant to legislation – current year	133	66	145	66
Non-audit services				
FCA client assets reporting	13	6	12	6
Interim review	–	–	3	1
	203	100	220	100

10. Exceptional items

Certain amounts are disclosed separately in order to present results which are not distorted by significant items of income and expenditure due to their nature and materiality.

	2021 £'000	2020 £'000
Changes in fair value of deferred consideration	31	(166)
Insurance recovery of historical claim against the Group	–	(209)
Reorganisation and other costs	388	–
	419	(375)

The change in deferred consideration fair value is the impact of revaluing, based on latest financial performance, future amounts due in respect of acquired client relationships.

The prior year insurance recovery was a large receipt recovered following completion of arbitration proceedings in respect of a historic claim expensed several years before.

In the current year the Group has incurred professional fees and other expenses relating to the actions taken in response to the pandemic, including redundancy costs and those relating to the Group reorganisation, and a contractual dispute.

11. Investment revenue

Investment revenue comprises:

	2021 £'000	2020 £'000
Interest on bank deposits	2	59
Dividends from equity investment	8	17
	10	76

12. Finance costs

Finance costs comprises:

	2021 £'000	2020 £'000
Interest on lease liabilities	(134)	(157)
Interest on dilapidation provisions	(2)	(41)
Interest on overdue liabilities	(10)	(7)
	(146)	(205)

13. Staff costs

Particulars of employee costs (including Directors) are as shown below:

	2021 £'000	2020 £'000
Wages and salaries	10,643	10,909
Social security costs	1,074	1,182
Share incentive plan	94	239
Other employment costs	879	938
	12,690	13,268

Staff costs do not include commissions payable mainly to self-employed account executives, as these costs are included in total commissions payable to self-employed certified persons disclosed in note 7. At the end of the year there were 40 certified self-employed account executives (2020: 44). Please see page 44 for details of Directors' remunerations.

Notes to the accounts (continued)
year ended 31 March 2021

13. Staff costs (continued)

The average number of staff employed during the year was:

	2021 Number	2020 Number
Executive Directors	**2**	2
Certification and approved staff	**60**	60
Other staff	**150**	156
	212	218

The table incorporates the new staff classification under Senior Managers and Certification Regime ("SM&CR").

14. Taxation

The tax charge is based on the loss/profit for the year of continuing operations and comprises:

	2021 £'000	2020 £'000
UK corporation tax at 19% (2020: 19%)	**96**	328
Prior year adjustments	**111**	(16)
Origination and reversal of timing differences during the current period	**(63)**	(67)
	144	245

Corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2021 £'000	2020 £'000
(Loss)/profit before tax	**(114)**	963
Tax on (loss)/profit on ordinary activities at the standard rate UK corporation tax rate of 19% (2020: 19%)	**(22)**	183
Effects of:		
Tax rate changes for deferred tax	**–**	(15)
Expenses not deductible for tax purposes	**22**	7
Prior year adjustment	**111**	(1)
Fixed asset differences	**63**	74
Other	**(30)**	(3)
	144	245

Current tax has been provided at the rate of 19%. A further reduction in the rate of corporation tax to 17% was due to come into effect from April 2020, however this planned reduction was cancelled in March 2020 and on 17 March 2020 the 19% rate was again substantively enacted. Deferred tax has been provided at 19% (2020: 19%).

The exceptional charge of £419,000 (2020: the exceptional credit of £375,000), disclosed separately on the consolidated income statement, is tax deductible to the value of £80,000 (2020: tax chargeable £71,000) of corporation tax. Classifying these credits/costs as exceptional has no effect on the tax liability.

In the Spring Budget 2021, the Government announced that from 1 April 2023, the UK corporation tax rate will increase from 19% to 25%. This will have a consequential effect on the Group's future tax charge.

15. Dividends

When determining the level of proposed dividend in any year a number of factors are taken into account including levels of profitability, future cash commitments, investment needs, shareholder expectations and prudent buffers for maintaining an adequate regulatory capital surplus. Amounts recognised as distributions to equity holders in the period:

	2021 £'000	2020 £'000
Final dividend for the year ended 31 March 2020 of 0.00p (2019: 0.33p) per share	**–**	142
Interim dividend for the year ended 31 March 2021 of 0.15p (2020: 0.60p) per share	**64**	254
	64	396
Proposed final dividend for the year ended 31 March 2021 of 0.60p (2020: 0.00p) per share	**256**	–

The proposed final dividends are subject to approval by shareholders at the Annual General Meeting and have not been included as liabilities in these financial statements.

16. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share for continuing operations is based on the post-tax loss for the financial year of £258,000 (2020: post-tax profit of £718,000) and divided by 42,577,328 (2020: 42,577,328) Ordinary Shares of $6^2/_3$ pence, being the weighted average number of Ordinary Shares in issue during the year.

No dilution to (loss)/earnings per share in the current year or in the prior year.

The calculation of the basic (loss)/earnings per share is based on the following data:

	2021 £'000	2020 £'000
(Loss)/earnings for the purpose of basic (loss)/earnings per share being net (loss)/profit attributable to equity holders of the Parent Company	**(258)**	718

Number of shares

	2021 Number	2020 Number
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**42,577,328**	42,577,328

This produced basic loss per share of 0.61 pence (2020: basic earnings per share of 1.69 pence).

17. Goodwill

	£'000
Cost	
At 1 April 2019	7,056
At 1 April 2020	7,056
At 31 March 2021	**7,056**
Accumulated impairment	
At 1 April 2019	2,668
At 1 April 2020	2,668
Impaired during the year	–
At 31 March 2021	**2,668**
Carrying amount	
At 31 March 2021	**4,388**
At 31 March 2020	4,388

Notes to the accounts (continued)
year ended 31 March 2021

17. Goodwill (continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination or intangible asset. The carrying amount of goodwill has been allocated as follows:

	2021 £'000	2020 £'000
London York Fund Managers Limited CGU ("London York")	**2,901**	2,901
Barker Poland Asset Management LLP CGU ("BPAM")	**1,487**	1,487
	4,388	4,388

The recoverable amounts of the CGUs have been determined based upon value-in-use calculations for the London York CGU and fair value less costs of disposal for the BPAM CGU.

The London York computation was based on discounted five-year cash flow projections and terminal values. The key assumptions for these calculations are a pre-tax discount rate of 12%, terminal growth rates of 2% and the expected changes to revenues and costs during the five-year projection period based on discussions with senior management, past experience, future expectations in light of anticipated market and economic conditions, comparisons with our peers and widely available economic and market forecasts. The pre-tax discount rate is determined by management based on current market assessments of the time value of money and risks specific to the London York CGU. The base value-in-use cash flows were stress tested for an increase in discount rates to 16% and a 20% fall in net inflows resulting in no impairment.

The discount rate would need to increase to 29% for the London York CGU value-in-use to equal the respective carrying values. Revenues would need to fall by £565,000 per annum in present value terms for the London York CGU value-in-use to equal the respective carrying values.

The BPAM CGU recoverable amount was assessed, in accordance with IAS 36, by adopting the higher method of the fair value less cost of disposal to determine the recoverable amount (as opposed to the lower value-in-use). The recoverable amount at the year-end calculated for the BPAM CGU, determined by the fair value less cost of disposal, exceeded that produced by the value-in-use calculation. The fair value less cost of disposal amounted to £5.4 million (2020: £4.7 million) with headroom, after selling costs, of £1.7 million (2020: £0.9 million) after applying price earnings multiples based on the average of the Group's and its peers' published results. Accordingly, this measurement is classified as fair value hierarchy Level 3 being directly based on observable market data. A 30% decrease in BPAM's profit after tax would result in potential impairment of £11,000.

18. Other intangible assets

	Software licences £'000	Client lists £'000	Total £'000
Cost			
At 1 April 2019	44	10,524	10,568
Additions in the year	–	48	48
At 1 April 2020	44	10,572	10,616
Reclassification of software as intangibles*	2,783	–	2,783
Additions in the year	56	93	149
At 31 March 2021	**2,883**	**10,665**	**13,548**
Amortisation			
At 1 April 2019	16	3,290	3,306
Charge for the year	9	600	609
At 1 April 2020	25	3,890	3,915
Reclassification of software as intangibles*	2,230	–	2,230
Charge for the year	204	633	837
At 31 March 2021	**2,459**	**4,523**	**6,982**
Carrying amount			
At 31 March 2021	**424**	**6,142**	**6,566**
At 31 March 2020	19	6,682	6,701

* The cost and accumulated depreciation of software assets were reclassified as intangible assets from property, plant and equipment. There was no impact to the Consolidated Income Statement in the current or prior years.

The intangible assets are amortised over their estimated useful lives in order to determine amortisation rates. "Client lists" are assessed on a client-by-client basis and are amortised over periods of three to twenty years and "Software Licences" are amortised over five years. There are no indications that the value attributable to client lists should be impaired.

19. Property, plant and equipment

Owned fixed assets	Leasehold improvements, furniture and equipment £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
1 April 2019	2,734	2,568	1,359	6,661
Disposal of fully depreciated assets	–	(58)	–	(58)
Additions	99	283	76	458
1 April 2020	2,833	2,793	1,435	7,061
Reclassification of assets*	(121)	(10)	126	(5)
Reclassification of software as intangibles**	–	(2,783)	–	(2,783)
Additions	54	–	21	75
At 31 March 2021	**2,766**	**–**	**1,582**	**4,348**
Accumulated depreciation				
1 April 2019	880	2,042	1,219	4,141
Reclassification of depreciation charge on IFRS 16 reclassified assets	–	(6)	–	(6)
Charge for the year	183	265	148	596
1 April 2020	1,063	2,301	1,367	4,731
Reclassification of assets*	19	(71)	47	(5)
Reclassification of software as intangibles**	–	(2,230)	–	(2,230)
Charge for the year	298	–	77	375
At 31 March 2021	**1,380**	**–**	**1,491**	**2,871**
Carrying amount				
At 31 March 2021	**1,386**	**–**	**91**	**1,477**
At 31 March 2020	1,770	492	68	2,330

* Adjustments were made in the year to reclassify assets more appropriately between asset classes. The net impact of these adjustments in asset costs and accumulated depreciation was nil and did not require changes or corrections to depreciation policy.

** The cost and accumulated depreciation of software assets were reclassified as intangible assets from property, plant and equipment. There was no impact to the Consolidated Income Statement in the current or prior years.

20. Right-of-use assets

	Offices £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
1 April 2020	4,601	533	95	5,229
Additions	–	211	–	211
At 31 March 2021	**4,601**	**744**	**95**	**5,440**
Accumulated depreciation				
1 April 2020	660	187	20	867
Charge for the year	659	282	20	961
At 31 March 2021	**1,319**	**469**	**40**	**1,828**
Carrying amount				
At 31 March 2021	**3,282**	**275**	**55**	**3,612**
At 31 March 2020	3,941	346	75	4,362

Notes to the accounts (continued)
year ended 31 March 2021

21. Investments – fair value through profit or loss

Non-current asset investments

	Investments at fair value through profit or loss £'000	Total £'000
At 31 March 2019	51	51
At 31 March 2020	51	51
Disposals in the period	(11)	(11)
Change in value in the period	(3)	(3)
At 31 March 2021	**37**	**37**

The Group's investments include £37,000 unregulated collective investment scheme ("UCIS") investments held in relation to a number of customer complaints (see note 27 for current provisions made against customer complaints).

Current asset investments

	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Trading investments		
Investments – fair value through profit or loss	**920**	638

Financial assets at fair value through profit or loss represent investments in equity securities and collectives that present the Group with opportunity for return through dividend income, interest and trading gains. The fair values of these securities are based on quoted market prices.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group's financial assets held at fair value through profit and loss under current assets fall within this category;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The Group does not hold financial instruments in this category; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Group's financial assets held at fair value through profit and loss under non-current assets fall within this category.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2021				
Financial assets held at fair value through profit and loss	**920**	**–**	**37**	**957**
At 31 March 2020				
Financial assets held at fair value through profit and loss	638	–	51	689

Further IFRS 13 disclosures have not been presented here as the balance represents 1.277% (2020: 1.336%) of total assets. There were no transfers of investments between any of the levels of hierarchy during the year.

22. Trade and other receivables

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Due from clients, brokers and recognised stock exchanges at amortised cost	**40,633**	16,184
Other debtors at amortised cost	**2,447**	2,380
Prepayments and accrued income	**6,018**	5,951
	49,098	24,515

23. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash deposits held at bank, repayable on demand without penalty	**8,855**	8,609
	8,855	8,609

Cash and cash equivalents do not include deposits of client monies placed by the Group with banks and building societies in segregated client bank accounts (free money and settlement accounts). All such deposits are designated by the banks and building societies as clients' funds and are not available to satisfy any liabilities of the Group.

The amount of such net deposits which are not included in the consolidated statement of financial position at 31 March 2021 was £274,145,000 (2020: £305,300,000).

The credit quality of banks holding the Group's cash at 31 March 2021 is analysed below with reference to credit ratings awarded by Fitch.

	2021 £'000	2020 £'000
A+	**5,256**	5,221
A	**–**	1,829
AA-	**3,337**	–
A-	**25**	1,558
Unrated or held in cash	**237**	1
	8,855	8,609

24. Deferred tax liability

	Capital allowances £'000	Short-term temporary differences and other £'000	Total £'000
At 1 April 2019	13	(330)	(317)
Use of loss brought forward	–	78	78
Debit to the income statement	(78)	(18)	(96)
At 1 April 2020	(65)	(270)	(335)
Use of loss brought forward	–	32	32
Debit to the income statement	(59)	(38)	(97)
At 31 March 2021	**(124)**	**(276)**	**(400)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of £11,000 (2020: £nil) in respect of losses amounting to £58,000 (2020: £nil) that can be carried forward against future taxable income. Losses amounting to £nil (2020: £nil) and £nil (2020: nil) expire in 2020 and 2021, respectively.

Notes to the accounts (continued)
year ended 31 March 2021

25. Financial instruments and risk profile

Financial risk management

Procedures and controls are in place to identify, assess and ultimately control the financial risks faced by the Group arising from its use of financial instruments. Steps are taken to mitigate identified risks with established and effective procedures and controls, efficient systems and the adequate training of staff.

The Group's risk appetite, along with the procedures and controls mentioned above, are laid out in the Group's Internal Capital Adequacy Assessment Process document prepared in accordance with the requirements of the Financial Conduct Authority ("the FCA").

The overall risk appetite for the Group is considered by Management to be low, despite operating in a marketplace where financial risk is inherent in investment management and financial services.

The Group considers its financial risks arising from its use of financial instruments to fall into three main categories:

(i) credit risk;
(ii) liquidity risk; and
(iii) market risk.

Financial risk management is a central part of the Group's strategic management which recognises that an effective risk management programme can increase a business's chances of success and reduce the possibility of failure. Continual assessment, monitoring and updating of procedures and benchmarks are all essential parts of the Group's risk management strategy.

(i) Credit risk management practices

The Group's credit risk is the risk of loss through default by a counterparty and, accordingly, the Group's definition of default is primarily attributable to its trade receivables or pledged collateral which is the risk that a client, market counterparty or recognised stock exchange will be unable to pay amounts to settle a trade in full when due. Other credit risks, such as free delivery of securities or cash, are not deemed to be significant. Significant changes in the economy or a particular sector could result in losses that are different from those that the Group has provided for at the year-end date.

All financial assets at the year-end were assessed for credit impairment and no material amounts have arisen having evaluated the age of overdue debtors, the quality of recourse to third parties and the availability of mitigation through the disposal of liquid collateral in the form of marketable securities. The Group's write-off policy is driven by the historic dearth of instances where material irrecoverable losses have been incurred. Where the avenues of recourse and mitigation outlined above have not been successful, the outstanding balance, or residual balance if sale proceeds do not fully cover an exposure, will be written off.

The Board is responsible for oversight of the Group's credit risk. The Group accepts a limited exposure to credit risk but aims to mitigate and minimise the risk through various methods. There is no material concentrated credit risk as the exposures are spread across a substantial number of clients and counterparties.

Trade receivables (includes settlement balances)

Settlement risk arises in any situation where a payment of cash or transfer of a security is made in the expectation of a corresponding delivery of a security or receipt of cash. Settlement balances arise with clients, market counterparties and recognised stock exchanges.

In the vast majority of cases, control of the stock purchased will remain with the Group until client monetary balances are fully settled.

Where there is an absence of securities collateral, clients are usually required to hold sufficient funds in their managed deposit account prior to the trade being conducted. Holding significant amounts of client money helps the Group to manage credit risks arising with clients. Many of our clients also hold significant amounts of stock and other securities in our nominee subsidiary company, providing additional security should a specific transaction fail to be settled and the proceeds of such securities disposed of can be used to settle all outstanding obligations.

In addition, the client side of settlement balances are normally fully guaranteed by our commission-sharing certified persons who conduct transactions and manage the relationships with our mutual clients.

Exposures to market counterparties also arise in the settlement of trades or when collateral is placed with them to cover open trading positions. Market counterparties are usually other FCA-regulated firms and are considered creditworthy, some reliance being placed on the fact that other regulated firms would be required to meet the stringent capital adequacy requirements of the FCA.

Maximum exposure to credit risk:

	2021 £'000	2020 £'000
Cash	**8,855**	8,609
Trade receivables	**40,633**	16,184
Other debtors	**2,447**	2,380
Accrued interest income	**55**	56
	51,990	27,229

An ageing analysis of the Group's financial assets is presented in the following table:

At 31 March 2021	Current £'000	0-1 month £'000	2-3 months £'000	Over 3 months £'000	Carrying value £'000
Trade receivables	39,634	932	33	34	40,633
Cash and cash equivalent	8,855	–	–	–	8,855
Other debtors	2,291	2	24	130	2,447
Accrued interest income	55	–	–	–	55
	50,835	934	57	164	51,990

Expected credit loss

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

As noted in principal risks on page 24, the Group undertakes a daily assessment of credit risk which includes monitoring of client and counterparty exposure and credit limits. New clients are individually assessed for their creditworthiness using external ratings where available and all institutional relationships are monitored at regular intervals.

As at 31 March 2021, the Directors of the Company reviewed and assessed the Group's existing assets for impairment using the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets and no additional impairments have been recognised on application and no material defaults are anticipated within the next twelve months.

Concentration of credit risk

In addition, daily risk management procedures to actively monitor disproportionately large trades by a customer or market counterparty are in place. The financial standing, pattern of trading, type and size of security or instrument traded are amongst the factors taken into consideration.

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Historically, sufficient underlying cash has been prevalent in the business for many years as the Group is normally cash-generative. The risk of unexpected large cash outflows could arise where large amounts are being settled daily of which only a fraction forms the commission earned by the Group. This could be due to clients settling late or bad deliveries to the market or CREST, also resulting in a payment delay from the market side.

The Group's policy with regard to liquidity risk is to carefully monitor balance sheet structure and borrowing limits, including:

- monitoring of cash positions on a daily basis;
- exercising strict control over the timely settlement of trade debtors; and
- exercising strict control over the timely settlement of market debtors and creditors.

The Group holds its cash and cash equivalents spread across a number of highly rated financial institutions. All cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash without penalty.

All the regulated Group subsidiaries are subject to the provisions of FCA Liquidity standards if they are within the scope of the rules in the FCA Handbook chapter IFPRU 7.

The table below analyses the Group's cash outflow based on the remaining period to the contractual maturity date.

2021	Less than 1 year £'000	Total £'000
Trade and other payables	47,395	47,395
	47,395	47,395

2020		
Trade and other payables	22,750	22,750
	22,750	22,750

Future contractual undiscounted cash flows for deferred cash consideration amount to £46,000, which is within current liabilities, and £33,000, which is within long-term liabilities.

(iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates or equity prices, on financial assets and liabilities will affect the Group's results. They relate to price risk on fair value through profit or loss trading investments and are subject to ongoing monitoring.

Notes to the accounts (continued)
year ended 31 March 2021

25. Financial instruments and risk profile (continued)

Fair value of financial instruments

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values as they are valued at their realisable values. The Group's financial assets that are classed as current asset and non-current asset investments (fair value through profit or loss) have been revalued at 31 March 2021 using closing market prices.

A 10% fall in global equity markets would, in isolation, result in a pre-tax decrease to net assets of £92,000 (2020: £63,800). A 10% rise would have an equal and opposite effect.

The impact of foreign exchange and interest rate risk is not material and is therefore not presented.

26. Trade and other payables

	2021 £'000	2020 £'000
Amounts owed to clients, brokers and recognised stock exchanges	**39,951**	15,167
Other creditors	**3,059**	3,548
Contract liability	**28**	3
Accrued expenses	**4,357**	4,032
	47,395	22,750

Trade creditors and accruals comprise amounts outstanding for investment-related transactions, to customers or counterparties, and ongoing costs. The average credit period taken for purchases in relation to costs is 14 days (2020: 10 days). The Directors consider that the carrying amount of trade payables approximates to their fair value.

27. Provisions

Provisions included in other current liabilities and long-term liabilities are made up as follows:

	Claims/ complaints £'000	**Dilapi-dations £'000**	**Total £'000**
At start of year	178	659	837
Additions	55	16	71
Utilisation of provision	(28)	–	(28)
At 31 March 2021	**205**	**675**	**880**

Claims/complaints

These provisions relate to outstanding claims and complaints from third parties which, in the opinion of the Board, need providing for after taking into account the risks and uncertainties surrounding each claim or complaint. The timing of these settlements is unknown but it is expected that they will be resolved within twelve months.

Dilapidations

The Group, based on revised estimates, has made an additional provision of £16,000 (including interest) for dilapidations in connection with acquired leasehold premises (2020: total additional provision of £117,000). These costs are expected to arise at the end of each respective lease. Provisions for dilapidations payable on leases after more than one year amounted to £675,000.

The Group had six leased properties, all of which had contractual dilapidation requirements. The dilapidation provisions in relation to these leases range from net present values as at the year-end of £10,000 to £530,000 per lease.

28. Lease liabilities

Lease liabilities	Offices £'000	Computer software £'000	Computer hardware £'000	Total £'000
At 1 April 2020	4,209	306	74	**4,589**
Additions	–	212	–	**212**
Interest	123	9	2	**134**
Lease payments	(846)	(266)	(21)	**(1,133)**
At 31 March 2021	**3,486**	**261**	**55**	**3,802**

Lease liabilities profile (statement of financial position)	2021 £'000	2020 £'000
Amounts due within one year	**946**	969
Amounts due after more than one year	**2,856**	3,620
	3,802	4,589

Undiscounted lease maturity analysis	2021 £'000	2020 £'000
Within one year	**1,069**	1,099
Between one and two years	**266**	942
Between two and five years	**3,898**	2,643
Over five years	**65**	1,496
Total undiscounted lease liabilities	**5,298**	6,180

29. Called-up share capital

	2021 £'000	2020 £'000
Called-up, allotted and fully paid 43,327,328 (2020: 43,327,328) Ordinary Shares of 6²/₃p each	**2,888**	2,888

The Group's Articles were amended in 2010 since when there has been no authorised share capital. Shareholders have no restrictions on their holdings except for certain investment managers who were awarded shares in the Group soon after joining as part of the consideration for their client relationships. These holdings cannot be sold for a period of four to six years from commencement date.

The following movements in share capital occurred during the year:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 April 2020	43,327,328	2,888	3,763	6,651
At 31 March 2021	**43,327,328**	**2,888**	**3,763**	**6,651**

The Group's capital is defined for accounting purposes as total equity. As at 31 March 2021, this totalled £22,322,000 (2020: £22,644,000).

The Group's objectives when managing capital are to:

- safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- maintain a strong capital base to support the development of the business;
- optimise the distribution of capital across the Group's subsidiaries, reflecting the requirements of each company;
- strive to make capital freely transferable across the Group where possible; and
- comply with regulatory requirements at all times.

Notes to the accounts (continued)
year ended 31 March 2021

29. Called-up share capital (continued)

Walker Crips Group plc is classified for capital purposes as an investment management group and performs an Internal Capital Adequacy Assessment Process ("ICAAP"), which is presented to the FCA on request. Regulatory capital resources for ICAAP purposes are calculated in accordance with published rules. These require certain adjustments to and certain deductions from accounting capital, the latter largely in respect of intangible assets. The ICAAP compares regulatory capital resources against regulatory capital requirements derived using the FCA's Pillar 1 and Pillar 2 methodology.

The Group has adopted the standardised approach to calculating its Pillar 1 credit risk component and the basic indicator approach to calculating its operational risk component. Capital management policy and practices are applied at both Group and entity level.

In addition to a variety of stress tests performed as part of the ICAAP process, and daily reporting in respect of treasury activity, capital levels are monitored and forecast to ensure that dividends and investment requirements are appropriately managed and appropriate buffers are kept against adverse business conditions.

Regulatory capital

No breaches were reported to the FCA during the financial years ended 31 March 2021 and 2020.

Treasury shares

The Group holds 750,000 of its own shares, purchased for total cash consideration of £312,000. In line with the principles of IAS 32 these treasury shares have been deducted from equity (note 30). No gain or loss has been recognised in the income statement in relation to these shares.

30. Reserves

Apart from share capital and share premium, the Group holds reserves at 31 March 2021 under the following categories:

Own shares held	(£312,000) (2020: (£312,000))	the negative balance of the Group's own shares, which have been bought back and held in treasury.
Retained earnings	£11,260,000 (2020: £11,582,000)	the net cumulative earnings of the Group, which have not been paid out as dividends, are retained to be reinvested in our core, or developing, companies.
Other reserves	£4,723,000 (2020: £4,723,000)	the cumulative premium on the issue of shares as deferred consideration for corporate acquisitions £4,612,000 (2020: £4,612,000) and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares £111,000 (2020: £111,000).

31. Cash generated by operations

	2021 £'000	2020 £'000
Operating profit for the year	**22**	1,092
Adjustments for:		
Amortisation of intangibles	**837**	609
Changes in the fair value of deferred consideration	**31**	(166)
Net change in fair value of financial instruments at fair value through profit or loss*	**(362)**	367
Share of associate/joint venture after tax result	**(66)**	11
Depreciation of property, plant and equipment	**375**	590
Depreciation of right-of-use assets	**961**	867
(Increase)/decrease in debtors**	**(24,572)**	11,044
Increase/(decrease) in creditors**	**24,580**	(10,884)
Change in working capital as a result of net effects of acquiring a subsidiary and disposal of a joint venture		
De recognition of joint venture asset now fully acquired	**–**	(44)
Trade and other payables	**–**	(12)
Trade and other receivables	**–**	9
Net cash inflow	**1,806**	3,483

* Revaluation (profit)/loss on proprietary positions.

** £8,000 cash inflow from working capital movement (2020: £160,000).

32. Financial commitments

Capital commitments

At the end of the year, there were capital commitments of £nil (2020: £nil) contracted but not provided for and £nil (2020: £nil) capital commitments authorised but not contracted for.

33. Related parties

Directors and their close family members have dealt on standard commercial terms with the Group. The commission and fees earned by the Group included in revenue through such dealings is as follows:

	2021 £'000	2020 £'000
Commission and fees received from Directors and their close family members	15	14

Other related parties include Charles Russell Speechlys, of which Martin Wright, Chairman, is a Partner. Charles Russell Speechlys provides certain legal services to the Group on normal commercial terms and the amount paid and expensed during the year (including the fees paid to the firm for Mr. Wright's services as Director) was £154,000 (2020: £84,000).

Commission of £7,587 (2020: £4,746) was earned by the Group from Phillip Securities (HK) Limited (a Phillip Brokerage Pte Limited company, where Hua Min Lim is a shareholder) having dealt on standard commercial terms. Additionally, some custody services are provided by Phillip Securities Pte Ltd (in Singapore, where Hua Min Lim is a Director), again all on standard commercial terms, both these items being included in revenue. Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are accordingly not disclosed. Remuneration of the Directors who are the key Management personnel of the Group are disclosed in the table below.

	2021 £'000	2020 £'000
Key management personnel compensation		
Short-term employee benefits	432	446
Post-employment benefits	31	34
Share-based payment	–	7
	463	487

34. Contingent liability

From time to time, the Group receives complaints or undertakes past business reviews, the outcomes of which remain uncertain and/or cannot be reliably quantified based upon information available and circumstances falling outside the Group's control. Accordingly contingent liabilities arise, the ultimate impact of which may also depend upon availability of recoveries under the Group's indemnity insurance and other contractual arrangements. Other than the complaints deemed to be probable, the Directors presently consider a negative outcome to be remote or a reliable estimate of the amount of a possible obligation cannot be made. As a result, no disclosure has been made in these financial statements.

35. Subsequent events

There are no material events arising after 31 March 2021, which have an impact on these financial statements.

36. Long-term liabilities – deferred cash consideration

	2021 £'000	2020 £'000
Amounts due to personnel under recruitment contracts/acquisition agreements	33	15

These amounts are based on fixed contractual terms and the fair value of the liability approximates carrying value, due to the consistency of the prevailing market rate of interest when compared to the inception of liability. During the year, deferred consideration of £46,000 was reclassified within other creditors in current liabilities. This liability was a long-term liability of £15,000 in the prior year and was reassessed to a current liability of £46,000 in the current year.

Company balance sheet
as at 31 March 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Other intangible assets	41	**3,215**	3,556
Property, plant and equipment	40	**856**	1,420
Investments measured at cost less impairment	42	**17,775**	17,425
		21,846	22,401
Current assets			
Trade and other receivables	43	**759**	737
Deferred tax asset	44	**74**	179
Cash and cash equivalents		**359**	141
		1,192	1,057
Total assets		**23,038**	23,458
Current liabilities			
Trade and other payables	45	**(3,162)**	(2,363)
		(3,162)	(2,363)
Net current liabilities		**(1,970)**	(1,306)
Long-term liabilities			
Deferred cash consideration	48	**–**	(15)
Dilapidation provisions	48	**–**	(554)
Landlord contribution to leasehold improvements	48	**(335)**	(398)
		(335)	(967)
Net assets		**19,541**	20,128
Equity			
Share capital	47	**2,888**	2,888
Share premium account	47	**3,763**	3,763
Own shares	47	**(312)**	(312)
Retained earnings	47	**8,479**	9,066
Other reserves	47	**4,723**	4,723
Equity attributable to equity holders of the Company		**19,541**	20,128

As permitted by section 408 of the Companies Act 2006 the Parent Company has elected not to present its own profit and loss account for the year. Walker Crips Group plc reported an after-tax loss for the financial year of £523,000 (2020: £328,000).

The financial statements of Walker Crips Group plc (Company registration no: 01432059) were approved by the Board of Directors and authorised for issue on 20 August 2021.

Signed on behalf of the Board of Directors:

Sanath Dandeniya FCCA
Director

Company statement of changes in equity
year ended 31 March 2021

	Called up share capital £'000	Share premium account £'000	Own shares held £'000	Other £'000	Retained earnings £'000	Total equity £'000
Equity as at 31 March 2019	2,888	3,763	(312)	4,723	9,790	20,852
Total comprehensive loss for the period	–	–	–	–	(328)	(328)
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(396)	(396)
Total contributions by and distributions to owners	–	–	–	–	(396)	(396)
Equity as at 31 March 2020	2,888	3,763	(312)	4,723	9,066	20,128
Total comprehensive loss for the period	–	–	–	–	(523)	(523)
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(64)	(64)
Total contributions by and distributions to owners	–	–	–	–	(64)	(64)
Equity as at 31 March 2021	**2,888**	**3,763**	**(312)**	**4,723**	**8,479**	**19,541**

Notes to the Company accounts
year ended 31 March 2021

37. Significant accounting policies

The separate financial statements of Walker Crips Group plc, the Parent Company, are presented as required by the Companies Act 2006.

The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below, and in accordance with Financial Reporting Standard (FRS 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 Management to exercise judgement in applying the Parent Company's accounting policies (see note 38).

The financial statements are presented in the currency of the primary activities of the Parent Company (its functional currency). For the purpose of the financial statements, the results and financial position are presented in Sterling (£). The principal accounting policies have been summarised below. They have all been applied consistently throughout the year and the preceding year.

The Parent Company has chosen to adopt the disclosure exemption in relation to the preparation of a cash flow statement under FRS 102.

Going concern

After conducting enquiries, the Directors believe that the Parent Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The Parent Company's business activities, together with the factors likely to affect its future development, performance and position, has been rigorously assessed.

Property, plant and equipment

Fixtures and equipment are stated at historical cost less accumulated depreciation and provision for any impairment. Depreciation is charged so as to write-off the cost or valuation of assets over their estimated useful lives using the straight-line method on the following bases:

Computer hardware	33 1/3% per annum on cost
Computer software	between 20% and 33 1/3% per annum on cost
Leasehold improvements	over the term of the lease
Furniture and equipment	33 1/3% per annum on cost

The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. The residual values and estimated useful life of items within property, plant and equipment are reviewed at least at each financial year end. Any shortfalls in carrying value are impaired immediately through profit or loss.

Intangible assets

Client lists

Client lists are recognised when it is probable that future economic benefits will flow to the Parent Company and the cost of the asset can be measured reliably whilst the risk and rewards have also transferred into the Parent Company's ownership.

Intangible assets classified as client lists are recognised when acquired as part of a business combination or when separate payments are made to acquire clients' assets by adding teams of investment managers.

The cost of acquired client lists and businesses generating revenue from clients and investment managers are capitalised. These costs are amortised on a straight-line basis over their expected useful lives of three to twenty years. The amortisation period and amortisation method for intangible assets are reviewed at least each financial year end. All intangible assets have a finite useful life.

Impairment of non-financial assets

At each reporting date, the Parent Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Taxation

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

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax charges arising on the realisation of revaluation gains recognised in the statement of comprehensive income are also recorded in this statement.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Own shares held

Own shares consist of treasury shares which are recognised at cost as a deduction from equity shareholders' funds. Subsequent consideration received for the sale of treasury shares is also recognised in equity with any difference being taken to retained earnings. No gain or loss is recognised on sale of treasury shares.

Financial instruments
Financial assets and financial liabilities are recognised in the balance sheet when the Parent Company becomes a party to the contractual provisions of the instrument. Section 11 of FRS 102 has been applied in classifying financial instruments depending on the nature of the instrument held.

Revenue
Income consists of interest received or accrued over time and dividend income recorded when received.

Investments in subsidiaries
Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Debtors
Other debtors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term highly liquid investments, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Parent Company after deducting all of its liabilities. Equity instruments issued by the Parent Company are recorded at the proceeds received, net of direct issue costs.

Leases
Rentals under operating leases are charged on a straight-line basis over the lease term even if the payments are not made on such a basis. Benefits received as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

38. Key sources of estimation uncertainty and judgements
The preparation of financial statements in conformity with generally accepted accounting practice requires Management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Intangible assets
Acquired client lists are capitalised based on current fair values. By assessing the historic rates of client retention, the ages and succession plans of the investment managers who manage the clients and the contractual incentives of the investment managers, the Directors consider a life of up to twenty years to be both appropriate and in line with our peers. There were no acquisitions made in the period to 31 March 2021. Additions in the period relate to existing client lists and are disclosed in note 41.

39. Loss for the year
Loss for the financial year of £523,000 (2020: £328,000) is after an amount of £57,000 (2020: £60,000) related to the auditor's remuneration for audit services to the Parent Company.

Particulars of employee costs (including Directors) are as shown below. Employee costs during the year amounted to:

	2021 £'000	2020 £'000
Employee costs during the year amounted to:		
Wages and salaries	**147**	170
Social security costs	**12**	14
Other costs	**3**	4
	162	188

In the current year, employee costs are those of the Non-Executive Directors, a proportion of Executive Directors and the cost of the Group's profit share scheme. The remaining Executive Directors' employee costs are borne by Walker Crips Investment Management Limited.

The monthly average number of staff employed during the year was:

	2021 Number	2020 Number
Executive Directors	**2**	2
Non-Executive Directors	**4**	4
	6	6

Notes to the Company accounts (continued)
year ended 31 March 2021

40. Property, plant and equipment

	Leasehold improvements, furniture and equipment £'000	Computer software £'000	Total £'000
Cost			
At 1 April 2020	2,192	858	3,050
Asset transfers on 1 April 2020 *	(518)	–	(518)
At 31 March 2021	**1,674**	**858**	**2,532**
Amortisation			
At 1 April 2020	772	858	1,630
Asset transfers on 1 April 2020 *	(106)	–	(106)
Charge for the year	152	–	152
At 31 March 2021	**818**	**858**	**1,676**
Net book value			
At 31 March 2021	**856**	**–**	**856**
At 31 March 2020	1,420	–	1,420

* The cost and accumulated depreciation of leasehold property dilapidation assets and liabilities were transferred on 1 April 2020 to subsidiary Walker Crips Investment Management Limited to reflect the real obligation of the subsidiary to pay for the future works. The adjustment had no impact on the financial performance or position of the Group, in the current year or prior periods, due to the fact that Walker Crips Investment Management Limited is a wholly owned subsidiary.

41. Other intangible assets

	Client lists £'000	Total £'000
Cost		
At 1 April 2020	5,076	5,076
At 31 March 2021	**5,076**	**5,076**
Amortisation		
At 1 April 2020	1,520	1,520
Charge for the year	341	341
At 31 March 2021	**1,861**	**1,861**
Net book value		
At 31 March 2021	**3,215**	**3,215**
At 31 March 2020	3,556	3,556

42. Investments measured at cost less impairment

	2021 £'000	2020 £'000
Subsidiary undertakings	**17,775**	17,425

During the year, the Company subscribed to a further 349,999 new shares in its subsidiary EnOC Technologies Limited, a 100% owned subsidiary, for consideration of £349,999.

A complete list of subsidiary undertakings can be found in note 53.

43. Trade and other receivables

	2021 £'000	2020 £'000
Amounts owed by Group undertakings	**751**	436
Prepayments and accrued income	**8**	8
Other debtors	**–**	293
	759	737

A presentational change was made in this note to exclude the deferred tax asset from this grouping and to present it in its own line on the face of the statement of financial position. The deferred tax asset is presented separately in note 44.

44. Deferred taxation

	2021 £'000	2020 £'000
At 1 April	**179**	224
Use of Group Relief	**(40)**	(86)
(Charge)/credit to the income statement	**(65)**	41
At 31 March	**74**	179

A further reduction in the rate of corporation tax to 17% was due to come into effect from April 2020, however this planned reduction was cancelled in March 2020 and on 17 March 2020 the 19% rate was again substantively enacted. Deferred tax has been provided at 19% (2020: 19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023, the UK corporation tax rate will increase from 19% to 25%. This will have a consequential effect on the Company's future tax charge.

45. Trade and other payables

	2021 £'000	2020 £'000
Accruals and deferred income	**142**	99
Amounts due to subsidiary undertakings	**2,730**	2,195
Other creditors	**290**	69
	3,162	2,363

Notes to the Company accounts (continued)
year ended 31 March 2021

46. Risk management policies

Procedures and controls are in place to identify, assess and ultimately control the financial risks faced by the Parent Company arising from its use of financial instruments. Steps are taken to mitigate identified risks with established and effective procedures and controls, efficient systems and the adequate training of staff.

The Parent Company's risk appetite, along with the procedures and controls mentioned above, are laid out in the Group's Internal Capital Adequacy Assessment Process document prepared in accordance with the requirements of the Financial Conduct Authority ("FCA").

The overall risk appetite for the Parent Company and for the Group as a whole is considered by Management to be low, despite operating in a market-place where financial risk is inherent in the core businesses of investment management and financial services.

The Group considers its financial risks arising from its use of financial instruments to fall into three main categories:

(i) credit risk;
(ii) liquidity risk; and
(iii) market risk.

Further information on the disclosures and policies carried out by the Parent Company and the Group are made in note 25 of the consolidated financial statements.

(i) Credit risk

Maximum exposure to credit risk:

	2021 £'000	2020 £'000
Cash	**359**	141
Other debtors	**–**	293
As at 31 March	**359**	434

The credit quality of banks holding the Group's cash at 31 March 2021 is analysed below with reference to credit ratings awarded by Fitch.

	2021 £'000	2020 £'000
A	**–**	11
A+	**359**	–
AA-	**–**	130
As at 31 March	**359**	141

Analysis of other debtors due from financial institutions:

		2021 £'000	2020 £'000
Neither past due, nor impaired		**–**	293
Amounts past due, but not impaired	< 30 days	**–**	–
	> 30 days	**–**	–
	> 3 months	**–**	–
		–	293

(ii) Liquidity risk

The tables below analyse the Parent Company's future undiscounted cash outflows based on the remaining period to the contractual maturity date:

	2021 £'000	2020 £'000
Creditors due within one year	3,162	2,363
Creditors due after more than one year	–	569
As at 31 March	**3,162**	2,932

	2021 £'000	2020 £'000
Within one year	3,162	2,363
Within two to five years	–	15
After more than five years	–	554
As at 31 March	**3,162**	2,932

(iii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates or equity prices will affect the Group's income.

These relate to price risk breached on available-for-sale and trading investments and closely monitored using limits to prevent significant losses.

Fair value of financial instruments
No financial instruments at fair value were held by the Parent Company in the current or prior financial year.

47. Called-up share capital

	2021 £'000	2020 £'000
Called-up, allotted and fully paid		
43,327,328 (2020: 43,327,328) Ordinary Shares of 6²/₃p each	2,888	2,888

No new shares were issued in the year to 31 March 2021 or the prior year.

The Parent Company holds 750,000 of its own shares, purchased for a total cash consideration of £312,000. In line with the principles of FRS 102, section 11, these treasury shares have been deducted from equity. No gain or loss has been recognised in the profit and loss account in relation to these shares.

The following movements in share capital occurred during the year:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 April 2020	43,327,328	2,888	3,763	6,651
At 31 March 2021	**43,327,328**	**2,888**	**3,763**	**6,651**

Walker Crips is classified for capital purposes as an Investment Management group and performs an Internal Capital Adequacy Assessment Process ("ICAAP"), which is presented to the FCA on request. Regulatory capital resources for ICAAP purposes are calculated in accordance with published rules. These require certain adjustments to and certain deductions from accounting capital, the latter largely in respect of intangible assets. The ICAAP compares regulatory capital resources against regulatory capital requirements derived using the FCA's Pillar 1 and Pillar 2 methodology. The Group has adopted the standardised approach to calculating its Pillar 1 credit risk component and the basic indicator approach to calculating its operational risk component. Capital management policy and practices are applied at both Group and entity level.

In addition to a variety of stress tests performed as part of the ICAAP process, and daily reporting in respect of treasury activity, capital levels are monitored and forecast to ensure that dividends and investment requirements are appropriately managed and appropriate buffers are kept against adverse business conditions.

Notes to the Company accounts (continued)
year ended 31 March 2021

47. Called-up share capital (continued)

Apart from share capital and share premium, the Parent Company holds reserves at 31 March 2021 under the following categories:

Own shares held	(£312,000) (2020: (£312,000))	the negative balance of the Parent Company's own shares that have been bought back and held in treasury.
Retained earnings	£8,479,000 (2020: £9,066,000)	the net cumulative earnings of the Parent Company, which have not paid out as dividends, retained to be reinvested in our core or new business.
Other reserves	£4,723,000 (2020: £4,723,000)	the cumulative premium on the issue of shares as deferred consideration for corporate acquisitions £4,612,000 (2020: £4,612,000) and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares £111,000 (2020: £111,000).

48. Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Dilapidation provision	**–**	554
Landlord contribution to leasehold improvements	**335**	398
Deferred cash consideration	**–**	15
	335	967

The cost and accumulated depreciation of leasehold property dilapidation assets and liabilities were transferred on 1 April 2020 to subsidiary Walker Crips Investment Management Limited to reflect the real obligation of the subsidiary to pay for the future works. The adjustment had no impact on the financial performance or position of the Group, in the current year or prior periods, due to the fact that Walker Crips Investment Management Limited is a wholly owned subsidiary.

During the year, deferred consideration of £46,000 was reclassified within other creditors in current liabilities. This liability was a long-term liability of £15,000 in the prior year and was reassessed to a current liability of £46,000 in the current year.

49. Financial commitments

Capital commitments

At the end of the year, there were capital commitments of £nil (2020: £nil) contracted but not provided for and £nil (2020: £nil) capital commitments authorised but not contracted for.

Lease commitments

The annual commitments under non-cancellable operating leases fall due as follows:

	2021 £'000	2020 £'000
Within one year	**–**	765
Within two to five years	**–**	2,616
More than five years	**–**	1,390

As part of a review of Group-wide assets and lease commitments, it was the view of the Directors that the lease commitments previously disclosed in this Company in fact belong in the Company's subsidiary Walker Crips Investment Management Limited. This is reflected in the individual company accounts of the subsidiary. The resulting adjustment to this disclosure has had no impact on profit or loss in either entity.

50. Related party transactions

Key Management are those persons having authority and responsibility for planning, controlling and directing the activities of the Parent Company and Group. In the opinion of the Board, the Parent Company and Group's key Management are the Directors of Walker Crips Group plc.

Total compensation to key management personnel is £463,000 (2020: £487,000).

51. Contingent liability

From time to time, the Company receives complaints or undertakes past business reviews, the outcomes of which remain uncertain and/or cannot be reliably quantified based upon information available and circumstances falling outside the Company's control. Accordingly contingent liabilities arise, the ultimate impact of which may also depend upon availability of recoveries under the Company's indemnity insurance and other contractual arrangements. Other than the complaints deemed to be probable, the Directors presently consider a negative outcome to be remote or a reliable estimate of the amount of a possible obligation cannot be made. As a result, no disclosure has been made in these financial statements.

52. Subsequent events

There are no material events arising after 31 March 2021, which have an impact on these financial statements.

53. Subsidiaries and associates

	Principal place of business	Principal activity	Class and percentage of shares held
Group			
Trading subsidiaries			
Walker Crips Investment Management Limited[1]	United Kingdom	Investment management	Ordinary Shares 100%
London York Fund Managers Limited[3]	United Kingdom	Management services	Ordinary Shares 100%
Walker Crips Wealth Management Limited[3]	United Kingdom	Financial services advice	Ordinary Shares 100%
Ebor Trustees Limited[3]	United Kingdom	Pensions management	Ordinary Shares 100%
EnOC Technologies Limited[1]	United Kingdom	Financial regulation and other software	Ordinary Shares 100%
Barker Poland Asset Management LLP[1]	United Kingdom	Investment management	Membership 100%
Non-trading subsidiaries			
Walker Crips Financial Services Limited[1]	United Kingdom	Financial services	Ordinary Shares 100%
G & E Investment Services Limited[3]	United Kingdom	Holding company	Ordinary Shares 100%
Ebor Pensions Management Limited[3]	United Kingdom	Dormant company	Ordinary Shares 100%
Investorlink Limited[1]	United Kingdom	Agency stockbroking	Ordinary Shares 100%
Walker Cambria Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
Walker Crips Trustees Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
W.B. Nominees Limited[2]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB (PEP) Nominees Limited[2]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB (ISA) Nominees Limited[2]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB Nominees Limited[2]	United Kingdom	Nominee company	Ordinary Shares 100%
Walker Crips Consultants Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
Walker Crips Ventures Limited[3]	United Kingdom	Financial services advice	Ordinary Shares 100%
Associate			
Walker Crips Property Income Limited[1]	United Kingdom	Holding company	Ordinary Shares 33.3%

The registered office for companies and associated undertakings is:

1 Old Change House, 128 Queen Victoria Street, London, England, EC4V 4BJ.
2 St James House, 27-43 Eastern Road, Romford, Essex, England, RM1 3NH.
3 Apollo House, Eboracum Way, York, England, YO31 7RE.

Notice of Annual General Meeting
of Walker Crips Group plc (the "Company")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Walker Crips Group plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Important information regarding Annual General Meeting arrangements in light of the Coronavirus (COVID-19) outbreak

Although the Company is holding this year's Annual General Meeting of the Company (the "Meeting") as a physical meeting, the Board of Directors understands that some shareholders may be unwilling or unable to attend in person in the light of restrictions on travel and potential health concerns. Therefore, as well as the ability to attend in person, shareholders will be able to view the proceedings by way of video link. Please note that shareholders using the video link option will not formally be in attendance at the Meeting and so will not be able to vote using this facility. Therefore, shareholders who wish to use the video link facility are encouraged to vote in advance by proxy. In addition, because of the possibility that COVID-19 restrictions are re-imposed or extended in the period from the date of this notice of Meeting and the date of the Meeting itself, all shareholders are encouraged to vote in advance by proxy. Voting in advance by proxy will not preclude a shareholder from attending in person. If the Company is required to restrict attendance to the Meeting following the date of this notice it will make an appropriate RNS announcement.

Shareholders who wish to follow proceedings via video link must inform the Company Secretary of their wish to do so and provide an email address to which personalised electronic attendance details will then be sent. Notice of attendance may be given to the Company Secretary by way of post to Old Change House, 128 Queen Victoria Street, London, England, EC4V 4BJ or by email to CoSec@wcgplc.co.uk. Notification of attendance must be received by the Company by no later than 11.00 a.m. on 24 September 2021. Shareholders who have notified the Company that they wish to use the video link will be provided personalised access details by email to the address provided by them on 27 September 2021.

Questions prior to and at the Annual General Meeting

If you would like to pose a question, you can do so in advance by emailing your question to CoSec@wcgplc.co.uk. Please ensure that you submit your questions by 11.00 a.m. on 24 September 2021. Following the Meeting, the Company will publish details of the business conducted at the Meeting, including responses to selected questions received, on its website at www.wcgplc.co.uk.

Voting at the Annual General Meeting

Shareholders can vote on the resolutions to be put to the Meeting by completing, signing and returning the proxy form on page 111. Given the potential for travel and other restrictions (including a restriction on the number of persons who can meet in an indoor location) to be imposed between the date of this notice and the Meeting, which may mean the Company cannot hold a fully open Meeting, shareholders are strongly encouraged to appoint the Chairman of the Meeting as their proxy to ensure that their vote is counted, rather than a named person who may not be permitted to attend the Meeting in person. Voting on all resolutions will be carried out on a poll to ensure that the results reflect the votes received.

If there are any changes to the arrangements for the holding of the Meeting for any reason, the Company will make an appropriate RNS announcement.

Notice is hereby given that the Annual General Meeting of Walker Crips Group plc (the "Company") will be held at the registered office of the Company, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 28 September 2021 at 11.00 a.m. for the following purposes:

As ordinary business

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive and adopt the Directors' reports and audited financial statements for the year ended 31 March 2021.
2. To approve the Directors' remuneration report (excluding the Directors' remuneration policy set out on pages 49 to 53 of the Directors' remuneration report) for the year ended 31 March 2021.
3. To approve the Directors' remuneration policy, the full text of which is set out on pages 49 to 53 of the Directors' remuneration report for the year ended 31 March 2021, which takes immediate effect.
4. To declare a final dividend of 0.60 pence per Ordinary Share for the year ended 31 March 2021.
5. To re-elect as a Director Mr. M. Wright.
6. To re-elect as a Director Mr. S. K. W. Lam.
7. To re-elect as a Director Mr. S. Dandeniya.
8. To re-elect as a Director Mr. C. Bouch.
9. To re-elect as a Director Mr. D. Gelber.
10. To re-elect as a Director Mr. H. M. Lim.
11. To re-appoint PKF Littlejohn LLP as auditor of the Company until the conclusion of the next meeting at which accounts are laid.
12. To authorise the Directors to set the auditor's remuneration.

As special business

To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

13. That the authority and power conferred upon the Directors to allot shares or to grant rights to subscribe for or to convert any security into shares in accordance with Article 12 of the Company's Articles of Association shall apply until the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this resolution and for that period the Section 551 Amount (as defined in Article 12(B)) shall be £946,162 (equivalent to one third of the Company's issued share capital (excluding treasury shares) as at the date of this notice of meeting). All previous authorities pursuant to Article 12(B) are revoked, subject to Article 12(D).

    To consider, and if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

14. That, subject to the passing of Resolution 13, the authority and power conferred upon the Directors to allot equity securities for cash in accordance with Article 12 of the Company's Articles of Association shall apply until the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this resolution and for that period the Section 561 Amount (as defined in Article 12(C)) shall be £283,488 (equivalent to 10% of the Company's issued share capital (excluding treasury shares) as at the date of this notice of meeting). All previous authorities pursuant to Article 12(C) are revoked, subject to Article 12(D).
15. That the Company be and is hereby granted pursuant to section 701 of the Companies Act 2006 general and unconditional authority to make market purchases (within the meaning of section 693 of the Companies Act 2006) on the London Stock Exchange of Ordinary Shares of $6^2/_3$ pence each in the capital of the Company (Ordinary Shares) provided that:
    (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is limited to 10% of the Company's issued share capital then in issue;
    (b) the minimum price which may be paid for any Ordinary Shares is $6^2/_3$ pence per Ordinary Share;
    (c) the maximum price (exclusive of expenses) which may be paid for any Ordinary Shares is not more than 5% above the average of the middle market quotations for the Ordinary Shares (as derived from the London Stock Exchange Daily Official List) for the ten business days before the purchase is made;
    (d) the authority hereby conferred shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of this resolution; and
    (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract or contracts. This resolution shall confer on the Directors all rights for the Company to make any such market purchase of the Company's own shares as are required under the terms of Article 11(B).
16. That the Company be authorised to call a general meeting of the shareholders, other than an Annual General Meeting, on not less than fourteen clear days' notice.

By order of the Board

Rod Goddard
Secretary

6 September 2021

Walker Crips Group plc
Old Change House, 128 Queen Victoria Street, London, England, EC4V 4BJ

Reg No. 01432059

Notice of Annual General Meeting (continued)

Notes on resolutions

The following paragraphs explain, in summary, the resolutions to be proposed at the Annual General Meeting (the "Meeting"). Your vote is important to the Company and all shareholders are encouraged to vote on all shareholder matters.

The Board considers that all resolutions proposed are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Your Board unanimously recommends that shareholders vote in favour of them.

Resolution 1: Receipt of the 2021 Annual Report and Accounts
The Directors' and auditor's reports and the audited financial statements of the Company ("the Annual Report and Accounts") for the year ended 31 March 2021 have been made available to shareholders and will be presented at the Meeting. The Annual Report and Accounts may also be accessed on the Company's website at www.wcgplc.co.uk. Shareholders may raise any questions on the Annual Report and Accounts under this resolution.

Resolution 2: Approval of the 2021 Directors' remuneration report
In accordance with section 439 of the Companies Act 2006, shareholders are requested to approve the Directors' remuneration report which can be found on pages 42 to 53 of the Annual Report and Accounts for the year ended 31 March 2021 (other than the Directors' remuneration policy set out on pages 49 to 53). The vote is advisory only and does not affect the actual remuneration paid to an individual Director.

Resolution 3: Approval of the 2021 Directors' remuneration policy
The Directors' remuneration policy was approved by shareholders at the Annual General Meeting on 9 September 2020 with effect from 1 April 2021("the existing remuneration policy"). Under section 439A of the Companies Act 2006, the Directors' remuneration policy is required to be put to shareholders for approval every three years, and the vote is binding, but a company can seek to amend or replace its remuneration policy more frequently.

As explained in the Annual Statement of the Remuneration Committee Chairman on page 42 of the Annual Report for the year ended 31 March 2021, in order to resolve certain ambiguities in the existing remuneration policy, the Board is seeking to replace it with the proposed remuneration policy set out on pages 49 to 53 of the Directors' remuneration report for the year ended 31 March 2021. The proposed remuneration policy contains revised provisions for the award of annual profit shares and discretionary bonuses to the Executive Directors and introduces a minimum shareholding requirement and post-employment shareholding period for share awards on the terms and subject to the restrictions contained therein.

If approved by shareholders, the policy is intended to be effective from the conclusion of the Annual General Meeting. Once in effect, the Company will not be able to make a remuneration payment to a current or prospective Director or a payment for loss of office to a current or past Director, unless that payment is consistent with the policy or has otherwise been approved by a resolution of shareholders of the Company.

Resolution 4: Final dividend
Shareholders are being asked in Resolution 4 to approve a final dividend of 0.60 pence per Ordinary Share for the year ended 31 March 2021. If you approve the recommended final dividend, this will be paid on 1 October 2021 to all ordinary shareholders who were on the register of members at the close of business on 17 September 2021.

Resolutions 5 to 10: Re-election of Directors
The UK Corporate Governance Code 2018 provides that all Directors should be subject to annual re-election. Accordingly, each of the Directors is retiring and seeking re-election.

The resolutions relating to the re-election of the Directors are proposed as separate resolutions numbered 5 to 10. The Board believes that the performance of each of the Directors standing for re-election continues to be effective and each Director demonstrates commitment to the role. As such, the Board determined that the Company would benefit by retaining the knowledge and experience gained by these Directors over the previous years.

The biographies of the Directors eligible and standing for re-election at the Meeting are set out on pages 26 and 27 of the Annual Report and Accounts for the year ended 31 March 2021.

Resolution 11: Appointment of auditor
The Company is required to appoint its auditor at each general meeting at which accounts are laid before the shareholders and the auditor is usually appointed to hold office from the conclusion of an Annual General Meeting until the conclusion of the next Annual General Meeting.

Following receipt of a letter of resignation as auditor from BDO LLP on 11 December 2020, the Board appointed PKF Littlejohn LLP as auditor to fill the casual vacancy created.

Accordingly, shareholders are being asked in Resolution 11 to approve the re-appointment of PKF Littlejohn LLP as auditor of the Company from the conclusion of the Meeting until the conclusion of the next meeting at which accounts are laid.

Resolution 12: Remuneration of the auditor
This resolution authorises the Directors, in accordance with standard practice, to set the remuneration of the auditor. In accordance with its terms of reference, the Audit Committee will approve the terms of engagement and the level of audit fees payable by the Company and the Group to the auditor and recommend them to the Board.

Resolution 13: Renewal of the Directors' authority to allot shares
Resolution 13 will be proposed before the Meeting to confer authority on the Directors to allot shares, or grant rights to subscribe for or to convert any security into shares, of up to an aggregate nominal amount of £946,162 (being one-third of the Company's issued share capital (excluding treasury shares) as at 3 September 2021) (being the latest practicable date prior to the date of this notice of meeting). This resolution, which is an ordinary resolution, will replace the authority given to the Directors at the last Annual General Meeting on 9 September 2020.

750,000 shares are held in treasury as at 3 September 2021 (being the latest practicable date prior to the date of this notice of meeting), representing approximately 1.73% of the Company's issued share capital (excluding treasury shares) on that date.

The Directors have no present intention to issue new Ordinary Shares other than those commitments disclosed in the Annual Report and Accounts, if any. However, the Directors consider it prudent to maintain the flexibility to take advantage of business opportunities that this authority provides.

Shareholders may further note that there were neither warrants nor options to subscribe for equity shares in the Company which were outstanding as at 3 September 2021 (being the latest practicable date prior to the date of this notice of meeting).

This authority will expire on the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of the resolution, whichever is the earlier.

Resolution 14: Renewal of the Directors' authority to disapply pre-emption rights
Resolution 14 will be proposed before the Meeting to confer authority on the Directors to allot equity securities for cash up to an aggregate nominal amount of £283,488 (being 10% of the Company's issued share capital (excluding treasury shares) as at 3 September 2021 (being the latest practicable date prior to the date of this notice of meeting)) as if section 561(1) of the Companies Act 2006 did not apply. This resolution, which is a special resolution, will replace the authority given to the Directors at the last Annual General Meeting on 9 September 2020.

The Directors have no present intention to make use of this authority and will only do so when satisfied that it is in the interest of the Company.

This authority will expire on the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of the resolution, whichever is the earlier.

Resolution 15: Authority for the Company to purchase its own shares
The Companies Act 2006 permits a public company to purchase its own shares in accordance with powers contained in its Articles of Association and with the authority of a resolution of shareholders. The Directors believe that the Company should be authorised to take advantage of these provisions and therefore, pursuant to the power contained in the Company's Articles of Association, it is intended to propose a special resolution at the Meeting to confer authority on the Company to purchase up to a maximum in aggregate of 10% of the Ordinary Shares of $6^2/_3$ pence each in the share capital of the Company at a price or prices which will not be less than $6^2/_3$ pence and not be more than 5% above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the ten business days before the relevant purchase is made.

The authority was given at the last Annual General Meeting of the Company for a period expiring at the conclusion of the next Annual General Meeting. It is the Directors' intention that a resolution for its renewal will be proposed at each succeeding Annual General Meeting. The Directors will only make use of the authority when satisfied that it is in the interest of the Company to do so. Shareholders should note that any Ordinary Shares purchased by the Company will either be cancelled and the number of Ordinary Shares in issue will accordingly be reduced or will be held as treasury shares.

This authority will expire on the next Annual General Meeting of the Company or the date falling fifteen months from the date of the passing of the resolution, whichever is the earlier.

Resolution 16: Notice period for general meeting
The notice period for general meetings of the Company is twenty-one clear days unless shareholders approve a shorter notice period which cannot be less than fourteen clear days. Annual General Meetings will continue to be called on at least twenty-one clear days' notice.

Resolution 16, which is a special resolution, will enable the Company to call general meetings (other than Annual General Meetings) on fourteen clear days' notice. The Directors believe that this is in the best interests of the shareholders and it is intended that this shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

The approval will be effective until the Company's Annual General Meeting in 2022 when it is intended that a similar resolution to renew the authority will be proposed.

Notice of Annual General Meeting (continued)

Shareholder notes

The following pages provide more detailed information about your voting rights and how you may exercise them.

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
   - 6.00 p.m. on 24 September 2021; or
   - if this Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting (excluding weekends),

   shall be entitled to attend and vote at the meeting.

   Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. However, please see Note 4 below for important information on appointment of anyone other than the Chairman of the Meeting as proxy.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. However, please see Note 4 below for important information on appointment of anyone other than the Chairman of the Meeting as proxy.
4. **Given the potential for restrictions to be imposed both locally and nationally which may affect travel and/or the ability for people to meet in indoor locations in the period between the date of this notice of Meeting and the Meeting itself, you are strongly encouraged to appoint the Chairman of the Meeting as your proxy to vote in accordance with your instructions, to ensure that your vote is counted. If such restrictions are imposed and are in force on the date of the Meeting, it may not be possible for a named person other than the Chairman of the Meeting to attend and vote at the meeting as proxy.**
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your proxy form or contact Neville Registrars Limited to obtain an extra proxy form on 0121 585 1131.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:
   - completed and signed;
   - sent or delivered to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD;
   - or sent via email to info@nevilleregistrars.co.uk; and
   - received by Neville Registrars Limited no later than 11.00 a.m. on 24 September 2021.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included in with the proxy form.

Appointment of proxies through CREST

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https://my.euroclear.com/euilegal). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instructions made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent ID (7RA11) by no later than 11.00 a.m. on 24 September 2021, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting (excluding weekends). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first name being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

    Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited on 0121 585 1131.

    If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of the proxies will take precedence.

Termination of proxy appointments

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 11.00 a.m. on 24 September 2021.

    If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

    Appointment of a proxy does not preclude you from attending the Meeting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

13. As at 3 September 2021 (being the latest practicable date prior to the date of this notice of meeting), the Company's issued share capital comprised 43,327,328 Ordinary Shares of $6^2/_3$ pence each. Each Ordinary Share carries the right to one vote at a general meeting of the Company. The Company held 750,000 Ordinary Shares in treasury on 3 September 2021 and, therefore, the total number of voting rights in the Company as at such date is 42,577,328.

Notice of Annual General Meeting (continued)

Communication

14. You may not use any electronic address provided either in this notice of meeting or any related documents (including the letter with which this notice of meeting was enclosed and proxy form) to communicate with the Company for any purposes other than those expressly stated.

Website giving information regarding the Meeting

15. Information regarding the Meeting, including the information required by section 311A of the Companies Act 2006, is available from www.wcgplc.co.uk.

Questions at the Meeting

16. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless (i) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on the Company's website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered. Shareholders who are not attending the Meeting in person but who would like to pose a question to the Meeting must do so in advance by emailing your question to CoSec@wcgplc.co.uk. Questions must be received by 11.00 a.m. on 24 September 2021. Following the Meeting, the Company will publish details of the business conducted at the Meeting, including responses to selected questions received, on its website at www.wcgplc.co.uk.

Website publication of audit concerns

17. Pursuant to section 527 of the Companies Act 2006, where requested by members meeting the qualification criteria set out in that section, the Company must publish on the Company's website a statement setting out any matter that such members propose to raise at the Meeting relating to either: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) the circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which the Annual Report and Accounts were laid in accordance with section 437 of the Companies Act 2006.

    Where the Company is required to publish such a statement on its website:

    - it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
    - it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website; and
    - the statement may be dealt with as part of the business of the Meeting.

    The request:

    - may be in hard copy form or in electronic form;
    - must either set out the statement in full or, if supporting a statement sent by another shareholder, clearly identify the statement which is being supported;
    - must be authenticated by an accompanying statement setting out the identity of the person or persons making it; and
    - must be received by the Company at least one week before the meeting.

    In the case of a request made in hard copy form, such request must be sent to the Company Secretary at Walker Crips Group plc, Old Change House, 128 Queen Victoria Street, London, England, EC4V 4BJ.

    In the case of a request made in electronic form, such request must be sent to the Company Secretary at CoSec@wcgplc.co.uk. Please state "WCG Plc 2021 AGM" in the subject line of the email.

Nominated person

18. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("Nominated Person"), you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Form of proxy

For use at the Annual General Meeting (the "Meeting") of Walker Crips Group plc (the "Company") to be at the registered office of the Company, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 28 September 2021 at 11.00 a.m. and at any adjournment thereof.

I/We (name(s) in full)..(BLOCK LETTERS PLEASE)

Of (address)..
being (a) holder(s) of shares in the above-named Company HEREBY APPOINT (see Note 3):

(name(s) in full)..(BLOCK LETTERS PLEASE)

Of (address)..

or failing him (or in the event that no person is named) the Chairman of the Meeting to act as my/our proxy and to vote for me/us on my/our behalf at the above-mentioned Meeting and any adjournment thereof, and I/we desire this proxy to be used as directed below or, failing any direction(s) as regards the Resolution(s), the proxy will abstain or vote at his discretion.

Enter the number of shares in relation to which your proxy is authorised to vote or leave blank to authorise your proxy to act in relation to your full entitlement (see Note 4). ....

Please also mark this box if you are appointing more than one proxy (see Note 5). ....

The manner in which the proxy is to vote should be indicated by inserting 'X' in the box provided:

	For	Against	Vote withheld
1) To receive and adopt the Directors' report and audited financial statements			
2) To approve the Directors' remuneration report			
3) To approve the Directors' remuneration policy			
4) To declare a final dividend of 0.60 pence per Ordinary Share			
5) To re-elect Martin Wright as a Director			
6) To re-elect Sean Lam as a Director			
7) To re-elect Sanath Dandeniya as a Director			
8) To re-elect Clive Bouch as a Director			
9) To re-elect David Gelber as a Director			
10) To re-elect Hua Min Lim as a Director			
11) To re-appoint PKF Littlejohn LLP as auditor			
12) To authorise the Directors to set the remuneration of the auditor			
13) To authorise the Directors to allot shares			
14) To disapply pre-emption rights[1]			
15) To authorise the Company to make market purchases of its own shares[1]			
16) To authorise the Company to call a general meeting of shareholders on not less than fourteen clear days' notice[1]			

1 Special resolution.

Signed:.. Dated:..
(for a company see Note 9 to this form of proxy)

Form of proxy
notes

Notes:

1. As a member of the Company you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes. Please see Note 7 for important information in relation to recommended actions for proxy appointments.
2. Appointment of a proxy does not preclude you from attending the meeting in person.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the space above. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. If the proxy is being appointed in relation to less than your full voting entitlement, please indicate the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or, if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your proxy card or contact Neville Registrars Limited on 0121 585 1131 to obtain an extra proxy card. Please indicate the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you).
6. To direct your proxy how to vote on the resolutions mark the appropriate box with an ‘X’. To abstain from voting on a resolution, select the relevant ‘Vote withheld’ box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
7. **Given the potential for restrictions on attendance to be imposed prior to the date of the meeting, the Company strongly recommends and encourages shareholders to appoint the Chairman of the meeting as their proxy to vote in accordance with their instructions.**
8. To appoint a proxy using this form, the form must be:
   - completed and signed;
   - sent or delivered to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD;
   - or sent via email to info@nevilleregistrars.co.uk; and
   - received by Neville Registrars Limited no later than 11.00 a.m. on 24 September 2021.
9. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
10. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
11. CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Neville Registrars Limited CREST ID (7RA11) by 11.00 a.m. on 24 September 2021. See the notes to the notice of meeting for further information on proxy appointment through CREST.
12. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
13. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
14. For details of how to change your proxy instructions or revoke your proxy appointment, see the notes to the notice of meeting.
15. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

Officers and professional advisers

Directors

Executive Directors
Sean Lam FCPA (Aust.), Chartered FCSI – Chief Executive Officer
Sanath Dandeniya FCCA – Group Finance Director

Non-Executive Directors
Martin Wright – Chairman
Clive Bouch FCA – Audit Committee Chairman & Senior Independent Director
David Gelber
Hua Min Lim

Secretary

Rod Goddard

Registered office

Old Change House
128 Queen Victoria Street
London EC4V 4BJ

Bankers

HSBC Bank plc
London

Solicitors

Charles Russell Speechlys LLP
London

Auditor

PKF Littlejohn LLP
London

Registrars

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