WALKERCRIPS

Making investment rewarding

for our clients, our shareholders and our staff

Annual Report and Accounts 2023

A technology driven financial services company

Walker Crips Group offers investment management and financial planning services, pensions administration and cloud-based technology solutions.

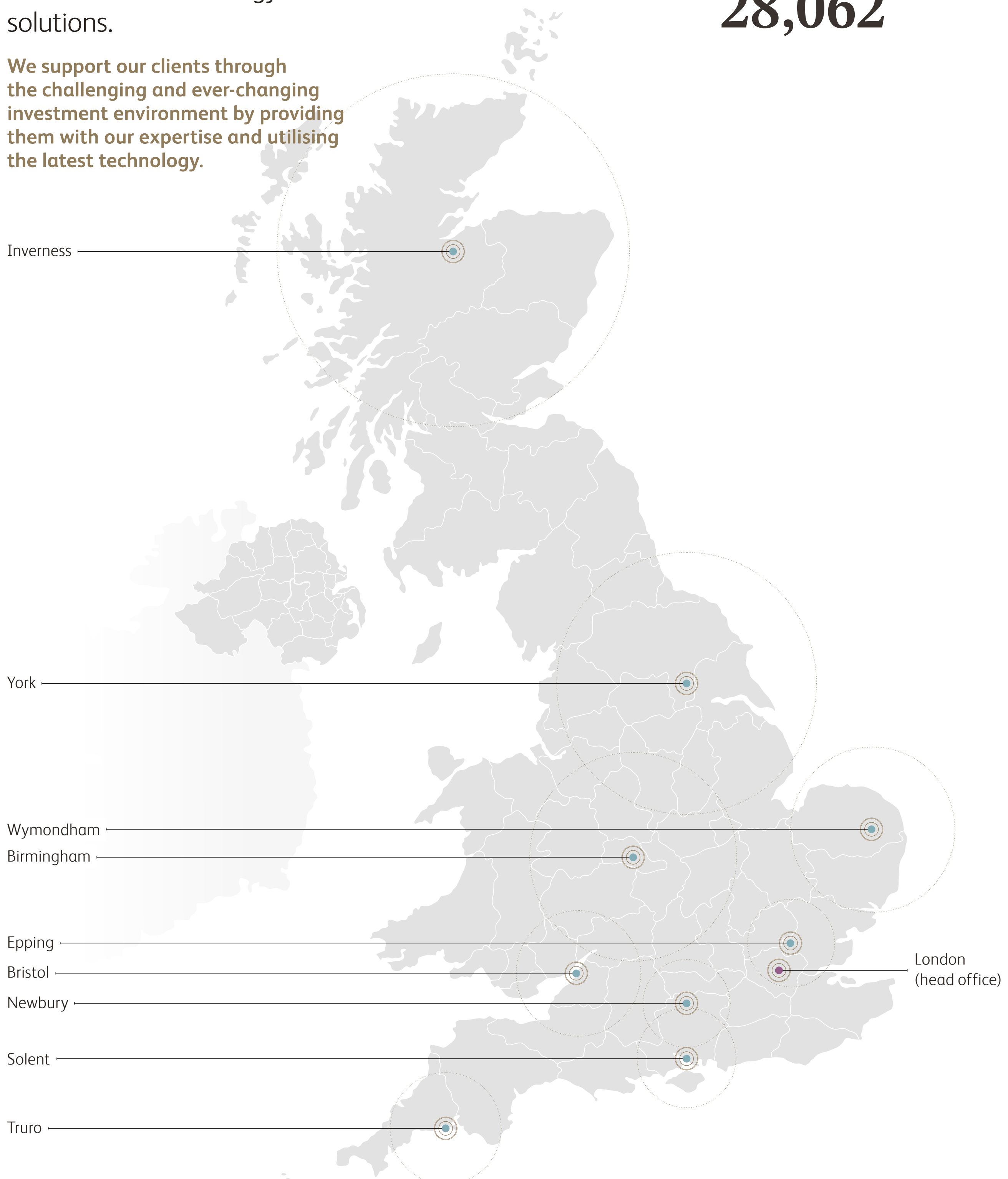
We support our clients through the challenging and ever-changing investment environment by providing them with our expertise and utilising the latest technology.

Offices in the UK

10

Clients across the UK

28,062



In our long history of managing investments spanning over a century, we have supported our clients through numerous challenging periods. Walker Crips and its predecessors have been actively trading shares for clients on the London Stock Exchange since before the outbreak of the First World War in 1914.

Our team consists of dedicated individuals who strive to continuously improve and provide a valuable service to our clients, helping them nurture and grow their investments to achieve their life goals.

We remain committed to enhancing our technological capabilities to bolster our offering, increase efficiencies and deliver value to all our stakeholders.

This report forms part of our wider communications suite. But as part of our commitment to being a sustainable business operating in the right manner, we want to reduce our carbon footprint on the world. With that in mind, we would like you to consider opting for digital pdfs in the future. We will be empowering our online experience and ensuring that you get the same Walker Crips experience of our Annual Reports online.

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Financial highlights

A challenging year in the face of headwinds but we maintain our focus on the key drivers of revenue generation, cost management, cash conversion, and operational and financial resilience, including making important investments in our people and technology.

Revenue

Total revenues **decreased 3.7%** to

£31.6m

(2022: £32.8 million).

Assets Under Management

Assets Under Management ("AUM") **decreased by 13.9%** to

£3.1bn

(2022: £3.6 billion).

Cash and cash equivalents

Cash and cash equivalents of

£13.14m

(2022: £11.11 million).

Adjusted EBITDA

Adjusted EBITDA **decreased 16.7%** to

£3.25m

(2022: £3.90 million)**.

Operating profit

Operating profit **increased 200.5%** to

£625,000

(2022: £208,000 – restated****), albeit fell 36.8% to £1,179,000 (2022: £1,866,000) when adjusted for operational exceptional items*.

Proposed final dividend

Proposed final dividend of

0.25p per share

(2022: 1.20 pence per share), bringing the total dividends for the year to 0.50 pence per share (2022: 1.50 pence per share).

Underlying cash generated

Underlying cash generated from operations **improved 174.4%** to

£3.36m

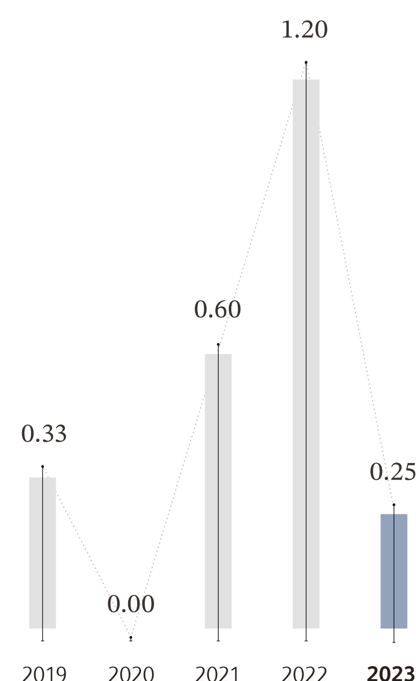
(2022: £1.23 million – restated)***.

Profit before tax

Profit before tax i**ncreased 206.8%** to

£632,000

(2022: £206,000 – restated), though fell 32.7% to £1,186,000 (2022: £1,761,000) when adjusted for total exceptional items*.



* 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.

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

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

**** As explained in the Finance Director's review and note 38 of the accounts, the prior year results have been restated to correct an error regarding the recording of an obligation to HMRC in respect of Stamp Duty Reserve Tax.

Key performance indicators

Performance in 2023 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.

Revenue

£31.6m

Year	Value
2023	£31.6m
2022	£32.8m
2021	£30.3m

Commentary
An overall 3.7% decrease in total revenue reflecting the mix of economic and political uncertainty, and higher interest rate environment.

Operating profit / (loss)

£0.63m

Year	Value
2023	£0.63m
2022	£0.21m restated
2021	(£0.14m) restated

Commentary
Year-on-year improvement in IFRS profitability, but this metric masks the true downturn in operating performance due to lower exceptional items year on year.

Transaction volume

112,243

Year	Value
2023	112,243
2022	124,421
2021	277,402

Commentary
Elevated risk of recession, rising inflation and cost of living, rising interest rates and UK political uncertainty have all played a part in dampening market confidence, leading to lower trading volumes.

Operating profit before exceptional items

£1.18m

Year	Value
2023	£1.18m
2022	£1.86m
2021	£0.44m

Commentary
The reduction in revenue and inflationary pressures on costs has resulted in a 36.8% fall in pre-exceptional operating profits.

Total dividends paid and proposed for the current year (pence per share)

0.50p

Year	Value
2023	0.50p
2022	1.50p
2021	0.75p

Commentary
Reduced dividend in line with reduction in underlying profitability.

Breakdown of AUMA

£5.0bn

Commentary
The Group's Assets Under Management and Administration ("AUMA") as at 31 March 2023 is 9.1%, down on prior year, reflecting stagnant financial markets and some customers re-deploying assets due to market uncertainty and cost-of-living pressures.

Type of asset	2023 £'bn	2022 £'bn	2021 £'bn
a. Administration	**1.892**	1.895	1.974
b. Advisory	**1.410**	1.632	1.523
c. Discretionary	**1.710**	1.930	1.863
Total	**£ 5.0**	£5.5	£5.4

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Further information on Walker Crips Group is available on the Company's website: **walkercrips.co.uk**

Chairman's statement

We continue to focus on investing in our people and technology to drive the key initiatives that improve our working environment, customer service and ultimately operating margins.

Martin Wright
Chairman

Although pleasing to report a year-on-year improvement in IFRS profitability, the underlying business has experienced reduced trading commissions, lower management fees, and increased costs in the challenging and uncertain economic conditions we faced during the year.

The Group continues to be profitable despite challenging economic conditions in the UK and across the world. The aftermath of the pandemic, the unprovoked war in Ukraine and the uncertain UK political arena have contributed to supply shortages and heightened demand leading to substantial inflation and the consequent increased cost of living. In response, the BoE has raised UK base rates 13 times since December 2021 when the base rate stood at 0.1% to its current level of 5%. We have benefited from the continued strong performance of our structured investments business and a substantial increase in the Group's revenues from managing clients' trading cash in the higher interest rate environment. However, these positive contributions have not fully offset the decline in commissions and management fees experienced by our investment management business in the last financial year, with Average Assets Under Management and Administration having fallen by 8.7% to £5.1 billion. A more detailed explanation of our results is set out in the Finance Director's review.

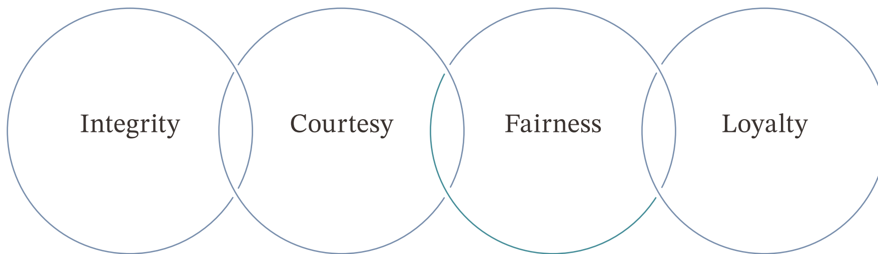
Notwithstanding the pressures reflected in our financial results, I am pleased to report that the Group has made good operational progress towards completing previously noted strategic initiatives, particularly improvements in our regulatory and compliance framework. We have also concluded the material redress exercise affecting a small number of customers where financial harm was caused by the inappropriate actions of one of our former self -employed investment managers, with settlements made post year end and all fully provided for in the results.

It is therefore disappointing once again to report exceptional charges, this time relating to an historic oversight in failing to account for stamp duty on certain trades (Stamp Duty Reserve Tax or SDRT), for which voluntary disclosure has been made to HMRC and the final quantification exercise remains ongoing, and intangible asset write downs following the departure of several self-employed investment manager associates occurring towards our reporting year end. Some reduction in our investment manager headcount was expected given the tighter regulatory operating environment (and our determination to ensure we stay within it) and our deliberate curtailing of certain higher risk investment services. Nevertheless, we are disappointed to part company with certain of our long-standing colleagues and we wish them well in their future pursuits.

The SDRT obligation has arisen over a number of years due to a failure in our procedures and controls. The Board is determined to minimise the risk of such events recurring. The strengthening of our second and third lines of defence in recent years is an important step in this aim, and this will now be complemented by a critical review of key transaction reporting controls, risk indicators, use of systems and exception reporting. This will be completed over the coming months. In addition, we have concluded that strengthening our senior management team to address these important issues is a priority and a search will begin soon. As this issue is material and has arisen over several years, we have presented restated comparative financial results and statements of financial position as explained in note 38 and throughout the report and accounts where applicable.

Our values

We serve our clients with the following values



What does this mean for our future? The higher interest rate environment provides some economic hedge during the present economic uncertainty and the strength of our finances means we can and will continue to invest in growth and further integration of our core businesses, in customer service, and in margin improvement initiatives that strengthen our customer propositions and our operating and financial resilience. This also means continued investment in our people, particularly salary rises and benefits reflective of their significant and valued contributions to our business and the present upward cost-of-living pressures, and as always in technology. We also continue to strengthen our regulatory and compliance infrastructure, to ensure compliance with regulation and the consequent reduction in future exposure to expensive compliance failings like those that have plagued us in recent years.

We also continue, of course, to embrace regulatory change. In that context, we have made good progress responding to the FCA's new regulatory initiative, "the Consumer Duty" which places increased emphasis on delivering good outcomes for retail customers, a principle close to our heart and our mission. In his report, our CEO sets out further detail on the initiatives we are pursuing and importantly our commitment to the environment. I remain optimistic about the future outlook for the business and its long-term prospects.

Dividend

Our aim is always to reward our shareholders for their continued support. In that light, having taken into account the current economic environment and reported results, the Board will recommend for shareholders' approval at the forthcoming AGM a reduced final dividend of 0.25 pence per share (2022: 1.20 pence) payable on 6 October 2023 to those shareholders on the register at the close of business on 22 September 2023, with an ex-dividend date of 21 September 2023.

Directors, account executives and staff

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.

As noted above, we have made significant pay improvements, following a comprehensive benchmarking review. Nevertheless, the business does face challenges and we will continue to make the necessary changes and investments that make Walker Crips an attractive place to work and improve the quality, competencies and bench-strength across our workforce.

Outlook

The Board accepts there are administrative and operational challenges to be addressed. However, the results continue to demonstrate underlying operational and financial resilience and your Board's commitment to invest in the Group's people, technology, growth initiatives and importantly customer services. As noted above, I remain confident in the outlook for the business and its longer-term prospects.

Martin Wright
Chairman

31 July 2023

Highlight

Celebrating International Women's Day

On International Women's Day (8th March) members came together to celebrate the incredible achievements of women and their contributions to our society.

Purple was the dress code of the day in both the London and York offices as we reflected on how to best continue building an equitable and inclusive workplace – and enjoyed some delicious food!

It was a day to remember, and we are proud to have celebrated such an important occasion. A big shout out to all our talented female colleagues!

CEO's statement

Innovating, digitising and focusing on customer outcomes.

Sean Lam
Chief Executive Officer

It is a privilege to be working alongside a great group of investment managers, financial planners, advisers and staff, who diligently serve our customers and who value good customer outcomes. The past year has been dominated by Russia's invasion of Ukraine and the cost-of-living crisis, to name but two major events that have had far-reaching consequences, affecting industries and economies worldwide. We witnessed supply chain disruptions, market volatility and shifts in consumer behaviour. But our people dug deep, stayed the course, and continued to support our customers and our Group through it all.

An important focus over the past year was on the new Consumer Duty regulation which serves to set higher and clearer standards of consumer protection across the financial services industry, and requires firms to put customers' needs first. We must take all reasonable steps to avoid causing foreseeable harm to customers, enabling them to pursue their financial objectives, and always act in good faith towards them. As principles, these have of course always been at the heart of our services, but the detailed application of the new regulations has required a raft of changes to the way in which we do business. We have sought, and continue to seek, to put customers first in everything we do and, if there are any shortfalls in this goal, to learn from those and deliver ever-improving outcomes for our customers.

It is important to build revenue, manage costs and improve margins, but as a regulated firm it is also crucial to have in place a control environment that oversees our regulatory, operational and governance obligations. Our Non-Executive Directors provide the Board members with a high level of challenge and scrutiny, and the firm has in place departments that manage risk, regulatory and anti-financial crime oversight. The regulatory and anti-financial crime oversight departments have seen a large increase in full-time staff headcount, to help us remain updated and compliant with regulations. We have also created a Self-Initiated Regulatory Review Regime ("SIR") where we select certain topics that are a priority to the FCA and engage regulatory consultants to independently review our control processes for the area(s) selected.

In recent years, we have been de-risking our business, ending products or services where the rewards received do not sufficiently outweigh the risks taken, like private placings and broker-to-broker transactions.

Our strict approach to regulatory compliance and the embedding of a good regulatory culture, where "Compliance is Everyone's Responsibility", is very important to the firm. We strive for Walker Crips to be an attractive workplace where top quality individuals want to conduct business and embrace our customer centric, entrepreneurial, technology focused and compliant culture.

We continue to leverage on our own technology, creating bespoke systems that are appropriate for the business, and we shall drive forward with our programme of digitisation and enhancements, from onboarding to risk management, from efficiency initiatives to regulatory compliance.

Group's performance

Our Investment Management division has had a challenging year, as described in the Chairman's statement, and we also up-resourced our regulatory teams, especially within compliance, financial crime, and operations, with more specialists to tackle the deluge of regulations, upgrade systems, enhance change processes and also pay significantly higher salary rises than we ever did before, to try to counter the cost-of-living crisis that our staff has had to endure. However, the firm's core investment management business remains sound and therefore we have invested in business development, to help grow our customer base and increase Assets Under Management, increasing contribution to our top line, while managing our costs from here on out. For more information, please see the section Our business model and strategy.

Our Structured Investment division continues to go from strength to strength, and is a core competency of the firm, providing well-crafted structured products to customers through financial advisers. We look forward to adding structured deposits into our suite of products, expanding our breadth of offering and providing another investment avenue to financial advisers and our customers. We are pushing on with our plans to simplify and digitise this business further, making ourselves more efficient and putting ourselves on a footing where we can achieve greater scale.

Our Financial Planning division has been growing by bringing on highly experienced financial planners, to serve our existing customers and to take on new customers. Our Barker Poland Asset Management division continues to generate steady revenues for the Group. The Financial Planning and the Pensions divisions are working together to expand our service offerings to ensure we are anticipating and responding to our customers' needs.

Our teams continue to provide excellent service and support to our customers, and I thank our people and customers for their commitment to Walker Crips.

Corporate responsibility

If we want our children to see tomorrow, like we saw yesterday, then let's not destroy today. We must safeguard our planet for our children, and for our children's children. I wish to reiterate my message from last year, that we can all do our part in reducing our carbon footprint:

- **REFUSE –** Avoid buying harmful, wasteful or non-recyclable products, e.g. unnecessary product packaging and single-use plastics. Don't need, don't buy. Less painful on the pocket too.
- **REDUCE –** Reduce the use of harmful, wasteful and non-recyclable products so that fewer of them end up in landfill. Use the minimum required to avoid unnecessary waste. For example, don't need, don't print. Reduce single-use plastics, plastic packaging and Styrofoam cups.
- **REUSE –** Get rid of the "buy and throw-away" mindset. Use what you have as often, and for as long, as you can.
- **REPAIR –** Try to repair things before tossing them out.
- **REPURPOSE –** If something is no longer useful for its original purpose, think creatively of ways it can be broken down and reconstituted as something else. I am a big fan of upcycling!
- **ROT –** Compost if you can, try not to let your trash end up in landfill.
- **RECYCLE –** Make recycling your last step, after going through all the "R's" above.

We must purposefully and actively practise the seven "R"s at home and in the office, so that they become automatic and habitual.

We are committed to sustainability and environmental responsibility because we recognise the urgent need to address climate change and mitigate our environmental impact. We also believe that our commitment to sustainable practices will present us with opportunities for innovation and cost efficiencies.

Mental health charity

As a Group, we continue to support **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 **walkercrips.co.uk/community.**

Conclusion

We shall continue to make investment rewarding for our customers, our shareholders and our staff, and to give our customers a fair deal. And we support our investment advisers and our staff by being a technology-driven financial services company and providing a safe and enjoyable place to work and be part of. We are optimistic about the future because we believe that we have the right strategies, the right talent and the right mindset to overcome the challenges and create opportunities. We remain committed to delivering sustainable growth, creating value for our stakeholders and making a positive impact on society.

Sean Lam
Chief Executive Officer

31 July 2023

Highlight

Wear it Green Day

On 18th May, the CSR Action Group encouraged all staff to wear green and make a small donation in support of The Mental Health Foundation's Mental Health Awareness Week.

The Mental Health Foundation works towards good mental health for all; focusing on prevention and protecting people's mental health. The money raised on the day will help deliver vital research and develop solutions to improve prevention and treatment for the 1 in 6 people affected by mental health problems every week.

At the time of writing, members have donated £78 through their generous donations. The Just Giving page is still open if anyone still wishes to make a contribution.

Don't forget, if ever you wish to talk to someone about your own mental health, the Walker Crips Mental Health First Aiders are always on hand for a confidential chat.

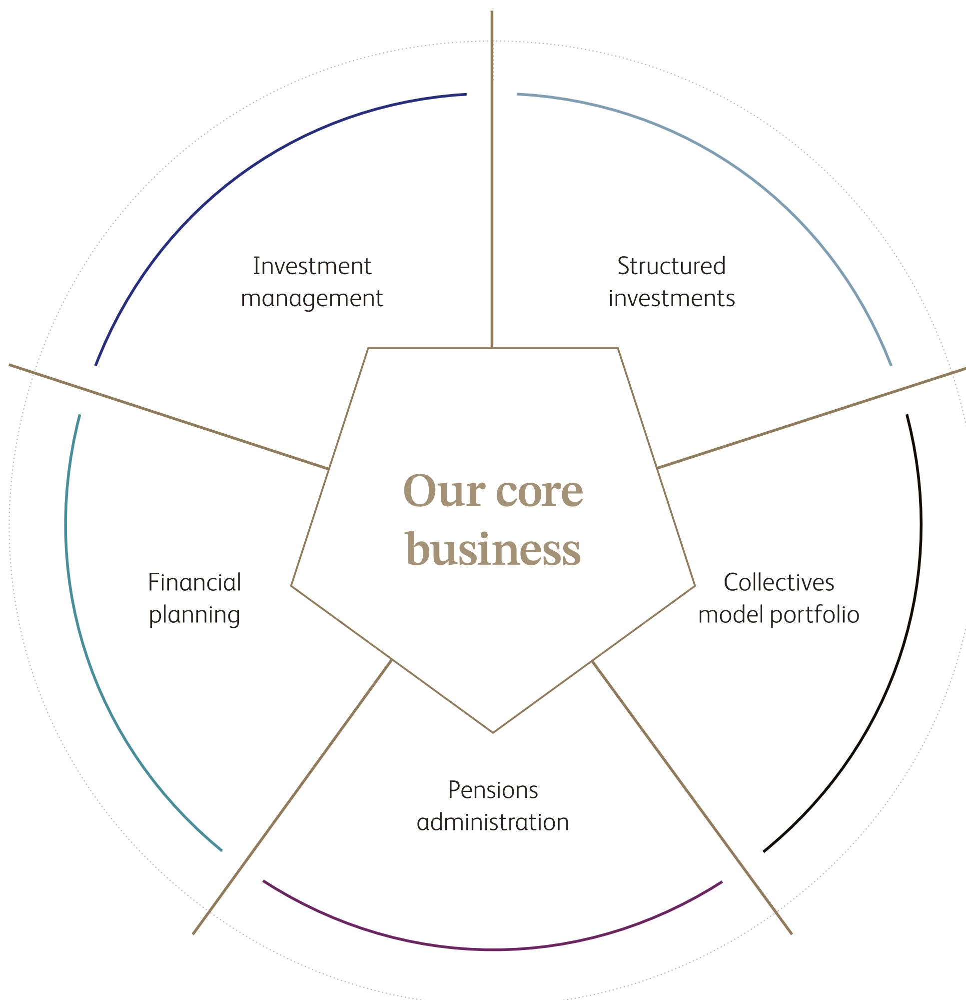
Our business model and strategy

Our mission

Our mission is to make investment rewarding for our customers, our shareholders and our staff and give our customers a fair deal. We support our investment advisers and our staff by being a technology-driven financial services company.

Our financial services offering is delivered through three distinct divisions within the Group: Investment Management, Financial Planning* and Pensions Administration.

Our business model



* Previously referred to as Wealth Management.

Investment Management

Investment Management is delivered through three sub-divisions namely, Investment Management Services, Structured Investments and Share Dealing.

Our strategy with the Investment Management division is to refocus on our core service offering of discretionary (both bespoke and model portfolios), advisory managed, advisory and execution only share dealing. We have also been deliberate in curtailing some of the higher risk investment services as well as services that are no longer commercially viable due to the significant increase in the cost of regulation to remain compliant, and the increase in the cost of administration, operations, staffing, systems and capital.

We have invested in business development, to help grow our customer base and increase Assets Under Management, increasing contribution to our top line, while making every effort to manage our costs. Taking into consideration the significant inflationary pressures and the cost of doing business, we have carefully reviewed our tariff and endeavoured to right-price our fees, commission and supplementary tariff. We have resisted adjusting our tariff for many years and many of the cost items have remained unchanged for decades, but we had to take this decision to make appropriate adjustments, whilst still ensuring that we are giving fair value to our customers.

Arising from our Target Market Analysis review, as a result of the new Consumer Duty regulation, we have adjusted the boundaries of our service types. Discretionary shall be for the larger portfolios, Service First Model Portfolios for the medium, and a multi-asset model portfolio for the smaller portfolios. By doing so, the cost to the firm arising from the complexity and the effort of managing the above categories will be balanced by the fees and/or commission that a customer pays for each service type, and thereby seeking to avoid foreseeable harm to the customer, at least from the perspective of cost. Advisory Managed and Advisory shall remain for customers who require advice, and Execution Only for customers who wish to make their own investment decisions.

Structured Investments

Structured Investments continues to be a popular investment product to financial advisers.

It is a core competency of the firm and the team provides well-crafted structured products to customers through financial advisers. We are now adding structure deposits into our suite of products, expanding our breadth of offering and providing another investment avenue to financial advisers and our customers. We are also pushing ahead with our plans to simplify and digitise this business further, making ourselves more efficient and putting ourselves on a footing where we can achieve greater scale.

Share Dealing

Share Dealing is the execution only dealing arm of the firm.

We offer customers the flexibility of making a quick phone call to our team to trade, or if they wish, they could also trade UK shares, which are liquid, online. Whilst most firms are turning, or have turned, away certificated dealing, we are looking at possibly expanding our dealing in certificated securities, and offering it as a unique selling proposition.

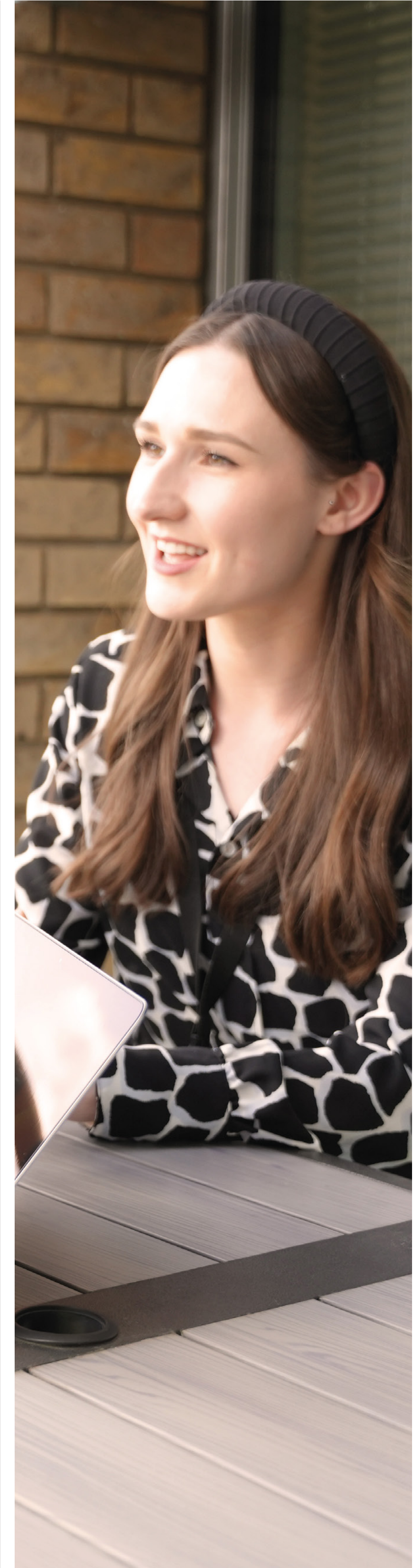
Financial Planning

Financial Planning operates through our offices in York, London and Fareham.

Our financial planners make time and effort to understand our customers' circumstances and requirements, in order to be able to advise and help them realise their financial goals. We provide guidance on an extensive range of financial matters such as life assurance, pre-retirement planning, at-retirement advice, savings plans, tax-efficient management of investments and estate planning. Our strategy continues to be one of controlled growth, and we have recently added two financial planners to the team of nine financial planners in the Group.

Pensions Administration

Pensions Administration continues to hold steady, providing Self-Invested Personal Pensions ("SIPP") and Small Self-Administered Schemes ("SSAS") services to our customers.



Our people and culture

Our people are the backbone of our business, and we promote a culture that values Diversity, Equity and Inclusion and staff wellbeing.

We proactively address mental health challenges, and we equip our workforce with necessary awareness and tools, and promote better health. Recruiting, retaining staff and fulfilling training needs are also crucial in helping to fulfil these objectives.

Wellbeing

Our goal is to respond effectively to work-related mental health issues, and where possible, to prevent them from occurring or worsening, providing support to our staff throughout their employment with us, access to assistance and voicing their concerns with assurance of professional support. These initiatives aim to provide a supportive environment to our staff:

- 24/7 helpline where employees can access a range of support with financial and/or legal worries, support for carers and other life events.
- 24/7 remote GPs where employees have quick access to GP appointments via video consultation.
- Mental health support which includes unlimited support available for employees who are experiencing mental health issues, bereavements and other matters.
- Physiotherapy that offers personalised treatment to all our employees via video consultation.
- Medical second opinion which is available in person or via video consultation where employees can gain a second opinion and a review of their medical record on diagnoses and/or treatment plan.
- Financial and legal support where employees can receive advice in areas such as credit and debt, budgeting, mortgages, insurance and state benefits.
- Access to wellbeing contents including podcasts, webinars and a wellbeing calendar.
- 360° wellbeing score where employees can assess their scores and view suggestions tailored to them based on their assessment.
- 1-2-1 lifestyle coaching where employees can access sessions with a lifestyle coach.
- Personal training where employees can access 1-2-1 sessions with a personal trainer who will assess their fitness and discuss individuals' goals and thereafter create a personalised plan.
- Nutritional consultation, savings and discounts on brands, technology, travel, gym membership, day outs and attractions.
- We implemented a new Human Resources Information System ("HRIS"), which also generates a wellbeing survey quarterly to 'pulse-check' how our employees are doing, thereby allowing HR to be proactive in addressing areas of concern.

Training

Our industry requires our workforce to be experienced and qualified specialists in the areas of financial services, and continuing to be experienced and qualified. For that purpose, we implemented a new Learning Management System ("LMS") which contains over a thousand courses, accessible through mobile devices, for our employees' development.

Diversity, Equity and Inclusion

We are committed to developing a diverse workforce and a healthy work environment derived from people of different background, race, religion, and gender, resulting in a rich culture where every employee is treated fairly, is respected and has the opportunity to fulfil their potential and contribute to the success of the Group.

We encourage inclusivity at work by also acknowledging and sharing the various key dates and celebrations of different cultures and religions amongst our employees via our internal newsletter, promoting multicultural respect and celebrating our differences.

We are committed to and encourage diversity, equity, and inclusion among our people and to prevent less favourable treatment or financial reward through direct or indirect discrimination, harassment, victimisation of employees or job applicants on the grounds of the Equality Act 2010 protected characteristics. We are certified as a Disability Confident Committed employer, which means we are committed to:

- ensure our recruitment process is inclusive and accessible
- communicating and promoting vacancies
- offering an interview to disabled people who meet the minimum criteria for the job
- anticipating and providing reasonable adjustments as required
- supporting any existing employee who acquires a disability or long-term health condition, enabling them to stay in work and continue to be productive.

At Walker Crips, we work to highlight and remove biases within our recruitment practices. There is training for management in recognising unconscious bias and what may result in others being treated less favourably or even discriminated against. To address unconscious biases and their negative effects in the workplace, the training provides identification of which biases are being held and the actions that reinforce them. Our approach is to encourage employees to take time to self-reflect and record when they have experienced biases; training and transparency in hiring are some of the ways we have adapted to address bias.

A key principle of the Equality Act 2010 is the concept of equal pay for equal work and earlier this year we reviewed our employee data with the objective to ensure that men and women in the same job performing equal work must receive equal pay, unless any differences in remuneration can be justified, and we can confirm that this principle applies to more than just basic pay, but also includes all benefits.

Our vision is to improve our recruitment strategy to further fair representation across all groups. We believe in bringing together different perspectives, ideas and approaches, and this leads to increased innovation and improved performance. We have already implemented a graduate scheme where we can develop younger generations, which started last year. We have also streamlined our apprenticeship scheme and have formed numerous relationships with learning providers to further our goal of offering more apprenticeship schemes. We also offer a work experience scheme for those in school – please see our careers page and testimonials of our graduates and apprentices at **walkercrips.co.uk/Careers**.

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.

Market analysis

Market and macroeconomic backdrop

Global equity markets over the 2022/23 financial year were mixed, ranging from small single-digit gains in selective regional developed markets, including Japan and wider Europe, to near double-digit losses across regions typically associated with higher growth such as the US and broader emerging countries. This trend shifted more recently, driven largely by the technology sector, where investors expressed significant interest in Artificial Intelligence. Fixed income markets generally suffered as yields were forced higher from central banks aggressively hiking interest rates to combat stubborn inflation. By the end of June, there had been a total of 90 increases by central banks globally since the start of the year and this contributed to price declines for existing bond holders.

Inflation was the key theme for the period, with the price of goods and services rising significantly across developed markets and reaching 10.1% year on year in the UK to March 2023. This was following a peak in inflation in the US in Q2 and in Europe in Q4 in 2022. Most components of inflation have seen an increase, but the prices of electricity and gas was a heavy influence, both of which have subsequently subsided. The UK has suffered prolonged inflation relative to its developed counterparts, largely as lower gas prices have taken longer to feed through, due to the regulator fixing prices.

To combat this elevated inflation, the world's leading central banks embarked on rapid interest rate increases, which began with the Bank of England in late 2021. As the UK has taken longer to overcome its inflation dilemma, further rate increases are expected until policymakers are convinced that this is under control. More broadly, the pace and direction of interest rates will also be dictated by the scale of any upcoming economic weakness or fragility in employment data.

Labour markets have been surprisingly resilient with unemployment rates remaining at multi-decade lows and wage growth well above average. This is despite UK labour market figures also showing a record number of people not working due to long-term sickness, which now stands at more than 2.5 million people. There continues to be excess demand from businesses that are struggling to find workers, many of whom also left the workforce and retired early during the pandemic. Notwithstanding a slowdown in growth, we are not yet seeing meaningful job cuts, enabling companies to maintain their profit margins, although this may change in the period ahead.

Regarding economies, there are multiple leading indicators highlighting elevated risk of recession such as the status of financial conditions, consumer confidence levels, business expectations and factory orders. The highly observed US yield curve, which measures the difference between 10-year and two-year treasury yields, inverted in March 2022, and this has often been a precursor for recession, on average just under two years after the event.

Consensus real GDP increase forecasts for 2023 currently range between 0.2% and 1.3% across principal developed markets, which is much lower than average levels. Governments are still spending, with large volumes driven partly by the green transition and infrastructure spending. Companies will also have to publish how they intend to reduce their emissions to help the UK reach net zero by 2050. We expect this trend to continue, noting much further investment and resources are needed to meet this goal.

Household debt as a percentage of GDP has broadly been declining from the heights experienced during the pandemic and to levels back below early 2020. However, in the US for example, consumers also built up to $2.5 trillion of savings over this period and recent data shows this will be almost entirely depleted by the end of the year, leaving less of a buffer during a potentially more challenging economic period. This is an important consideration given that US consumers drive over two-thirds of the economy.

The balance sheets of the major developed world central banks reached a peak of around $26 trillion in 2022 and we have since seen this decrease, with central banks embarking on quantitative tightening in order to reduce the debt burden. This is expected to continue and has generally been a headwind for markets. It has also been compounded by banks generally reducing their credit availability following the collapse of several large banks earlier in the year and in anticipation of more challenging times ahead.

The financial year contained a multitude of market events that required navigation. Shortly before the start of the period, Russia had invaded Ukraine and since then there has been little sign of a resolution. Any escalation in geopolitical risk has negatively impacted sentiment and supply constraints contributed to a substantial rise in the price of oil, which had been another factor driving inflation higher.

There were a series of large bank collapses starting with Silicon Valley Bank ("SVB") in the US, which failed in March following its poorly structured balance sheet and run on deposits from its customers. This was the largest bank collapse since Washington Mutual during the 2008 financial crisis.

Shortly after, Credit Suisse, the second largest bank in Switzerland, was bought by rival UBS following its financial difficulties. Then in May, the US encountered its second-largest bank failure in history when First Republic was rescued by JP Morgan Chase given its liquidity struggles. It is important to note, both SVB and First Republic were concentrated particularly on high-growth startup businesses, and therefore their issues were less impactful to the broader public, unlike the systemic nature of the credit crunch. Since then, regulation has increased and many banks have in fact better capitalised and tidied their balance sheets.

In the lead-up to June, investors became concerned about the prospect of a US debt default. Negotiations went down to the wire as the Treasury Department had warned that it would be unable to pay all its bills if a deal was not reached. President Biden subsequently signed a bill that suspended the $31.4 trillion debt ceiling, removing concerns over a US default. The bill signing marked a symbolic end to a potential economic crisis.

Artificial Intelligence "AI" has been a hot topic coming into 2023. Positive sentiment acted as a tailwind for Apple, now valued at over $3 trillion. This is larger than the entirety of all but six countries' economies in isolation. Chat GPT became the fastest consumer app to reach one million users in just five days, and only two months to reach the 100 million user milestone. AI is likely to transform the finance industry and automate many tasks such as sentiment analysis, named entity recognition and news classification. This will be a huge development in the industry and may be one of the determinants in how financial roles are likely to change alongside the impact this will have on everyday lives. It could also be one of the catalysts needed to help boost productivity, a key component of economic growth.

Many companies are experimenting with AI's uses although generally management teams are hesitant to roll this out to customer-facing applications. The first stage for many will be the automation of manual processes, which has many concerned about the impact it may have on the labour market. The World Economic Forum expects that by 2025, AI will automate 75 million jobs globally, however consequently a further 133 million new jobs are expected to be added in their place. Ultimately it will be down to those who look to prepare and embrace what AI can bring to their business, to enable a smooth transition. At Walker Crips, we pride ourselves on being a technology-driven business and welcome advancements in AI.

Developments in China continue to be of key importance given its position as the world's largest economy, accounting for around 18% of global GDP and still increasing. China's post-pandemic recovery was not as strong as expected with the manufacturing sector remaining weak. Political tensions also remain elevated with President Xi Jinping and his administration promoting a more assertive approach to foreign policy. The trade war between the US and China has led to the country comprising a much smaller share of US imports following an increase in trade with Vietnam. There have also been hints of a growing desire for China to bring Taiwan under mainland control.

One increasing talking point with clients has been the next UK general election, which will take place before the end of January 2025. The UK has suffered a volatile political backdrop as many of the more recent Prime Ministers have taken office following the resignation of their predecessors. The 49-day premiership of Liz Truss was one which rattled markets following her plans for radical large-scale borrowing and tax cuts which were heavily criticised both domestically and by international investors in the UK market. Looking forward as it stands today, the opinion polls reveal that the Labour Party are very much in favour and we continue to watch for how this unfolds and the impact this may have on markets.

Market outlook

Looking at the period ahead, much of our outlook centres back to the direction and pace of inflation. We believe developed economies have now passed the inflation peak and that the trend is generally disinflation from here. The market will, however, likely remain sensitive to the pace at which inflation declines, as this will be a key driver to when interest rate hikes will cease, hold and eventually start to fall. We do not, however, believe that in this new economic regime we will see interest rates go back to near zero, where they were the decade before and during the pandemic. Central banks are acutely aware that they cannot continue with loose monetary policy driven by low interest rates and quantitative easing indefinitely, particularly in an environment of elevated inflation, but also in consideration of debt levels, noting that debt is now significantly more expensive to service.

We acknowledge the economic backdrop is likely to remain fragile, with shallow recessions largely anticipated across developed economies. Despite this challenging economic backdrop, we still see opportunities for investors across markets. The rise in interest rates has led to increasingly attractive yields on offer from fixed income markets and we see this area of the market having a more important role across portfolios, particularly in providing an element of defence, following heightened recession risk.

There is also potential for capital growth when interest rate hikes stabilise and cuts are on the horizon.

Within equity markets, we believe there is ample opportunity within the UK, noting the broader market is trading on much cheaper valuations than other developed markets, and that a rising interest rate environment has generally favoured the UK, given its concentration in energy and financial sectors. Emerging markets are also an area of increasing opportunity, given numerous economies are not exposed to the same inflationary challenges. Many had peaked earlier in the cycle and central banks generally have more scope to cut interest rates, where required. We believe quality businesses with recurring revenues and strong balance sheets could prove resilient during any upcoming economic weakness. We feel it is, however, important to remain diverse in terms of region and sector, given the vastly changing environment.

Property markets have faced declines with prices being particularly exposed to higher interest rates, which have weighed on affordability. Mortgage rates are forecast to remain high for the remainder of the year, however, two-thirds of UK households do not have a mortgage. For those that do, many fixed their mortgages during the pandemic, although those on ultra-low fixed rates will be due for renewal at much higher rates in the coming years.

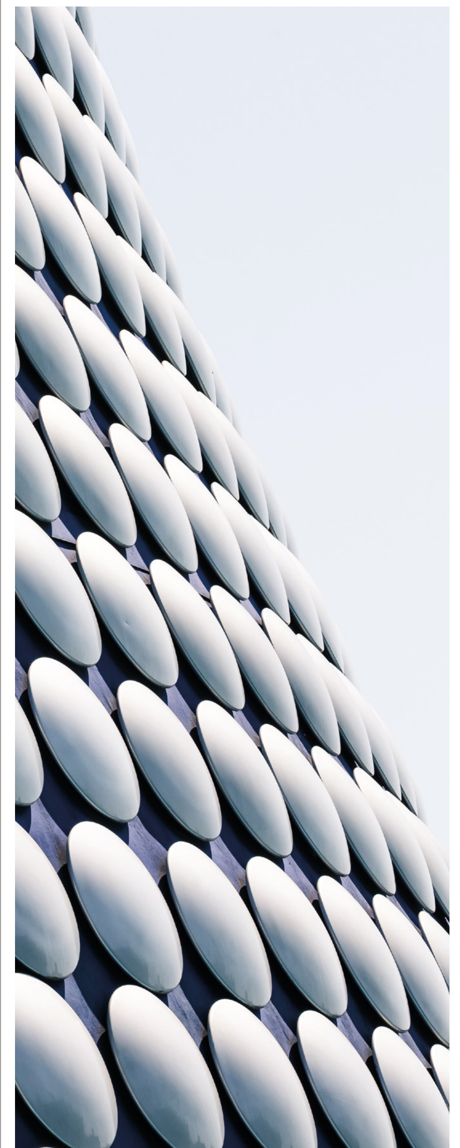
Alternative assets remain crucial in providing diversification and can offer an element of capital preservation in adverse market events. Some areas such as infrastructure and specialist property exhibit inflation-hedging characteristics due to their cash flows being index-linked. These are, of course, valuable during periods of elevated inflation. We are also cognisant of the impact of the green energy transition and the opportunities within the renewable energy sector.

In summary, there will always be reasons to be sceptical about the future, whether it is concerns of economic decline, policy error from central banks, political developments or otherwise. We, however, remain optimistic on the longer-term outlook for markets and their ability to deliver returns in excess of inflation over a market cycle. We believe that with potentially heightened near-term volatility, managing well-diversified portfolios and having a dynamic view of the market outlook will be critical in the upcoming period.

Shane Bennett
Head of Investment Strategy

31 July 2023

> “Inflation was the key theme for the period, with the price of goods and services rising significantly across developed markets.



Finance Director's review

A challenging year but we maintain our focus on the key drivers of revenue generation, cost management, cash conversion, and operational and financial resilience, including important investments in our people and technology.

Sanath Dandeniya
Finance Director

Financial performance

The year to March 2023 was challenging, with the post-pandemic market recovery dampened by uncertain UK political and other world events, including the impact of higher inflation and interest rates, and the continuing war in Ukraine. These are reflected in our results. Market pressures depressed trading commissions and management fees, and inflationary pressures together with continued investment in strengthening our regulatory and compliance functions are increasing our cost base. These impacts were partially mitigated by significantly improved margins on administering clients' trading cash balances in the rising interest rate environment, and the continued strong performance of our structured products business leading to an overall improvement in the reported gross margin.

As referenced in the Chairman's statement, we have also incurred material exceptional charges, one of which has led us to present restated comparative results, and I comment on these in more detail later in this report.

The outcome is that although reporting an improved Group profit before tax of £632,000 (2022: £206,000 – as restated), when adjusted for exceptional items, there has been a marked year-on-year reduction in reported pre-tax, pre-exceptional profits of £1,186,000 (2022: £1,761,000). Further explanation of these headline results is provided below.

Against this background, Management continues to focus on revenue generation, cost management, cash conversion, and operational and financial resilience. However, like others, we continue to face significant upward cost pressures, particularly regarding workforce remuneration. In a tight and competitive labour market we are seeing increased mobility and naturally must compete in retaining and attracting key talent and supporting our most value-adding people in response to the cost-of-living challenges they face. Investment in our people is therefore a positive and important step in ensuring Walker Crips remains an attractive place to be (see pages 10 and 11 for further details of our engagement with staff). Further, our focus on strengthened regulatory compliance, including implementation of the MIFIDPRU remuneration requirements, together with the Board's conscious de-risking decision that has led to a cessation of certain services, has meant we have recently parted company with a number of our associates, with its consequent impact on future revenues. We remain positive and committed to our strategy with a number of key initiatives expected to bear fruit in the coming year.

Total revenue

Total revenue decreased by 3.7% to £31.6 million (2022: £32.8 million). Revenue generation, whilst one of our key objectives, has been stifled by the political and macro economic environment and its impact on market confidence. In terms of how this affects our business, there are two key impacts. One is that our management fees are based upon market values therefore the reduction in the overall value of the market will have a proportionate effect on our asset-based fee income. And secondly, the market uncertainty leading to lower trading volumes and proportionally reducing our commission income. A segmented analysis of revenues is provided in notes 5 and 6.

Assets Under Management and Administration fell by 8.2% to £5 billion and, in turn, management fee income saw a fall of 8.3% to £17.7 million, down £1.6 million from last year. Overall commission income saw a decrease of 25.9% to £6 million, down £2.1 million from last year. The shortfall in fee and commission income was partly offset by our Structured Investment business, which continues to perform well with income increasing by 11.4% from the previous year to £3.9 million and, on the back of increased interest rates, higher revenues on managing clients' trading cash funds which contributed an additional £2.5 million.

Our arbitrage dealing desk also made a positive but lower contribution of £97,000 (2022: £419,000) as profitability was impacted by mark to market unrealised losses on certain positions, within risk limits, spanning the year end. Our Tier1 business, which is now closed for new investors, recorded a 20% fall in income to £778,000 (2022: £979,000) and this trend is expected to continue as the business line is wound down.

Barker Poland Asset Management continued to be a valuable contributor, having a relatively stable year although fee income still fell by 4.6% to £2.2 million (2022: £2.3 million) compared to last year. Our Financial Planning division continued to grow revenues and its client base from the continued recruitment drive reported last year. This division saw overall income up by 5.1% from last year to £1.9 million (2022: £1.8 million) and income growth has continued post year end.

As a result of changes in revenue lines, and more specifically the drop in transaction volumes impacting trading commission, coupled with higher revenues on managing clients' trading cash balances, broking income fell to 18.9% of revenues, from 24.5% in 2022. Our gross operating margin increased to 76.6% from 72.5% in 2022, demonstrating the benefits of the continued trend away from self-employed to employed investment professionals which is a key, albeit longer-term, transition as part of Management's plans to improve margins. Consistent with these trends and initiatives, the commission and fees 'paid away' decreased by 20.3% from last year, partially offset by higher salaries and staff-related costs.

As noted above, we recently parted company with five self-employed investment managers. The impact on the reported results for the year was to record an exceptional charge of £423,000 reflecting the write down of attributable intangible asset balances (see note 10), and the estimated reduction in the projected reported gross margin for the coming year is £0.9 million. The full impact of this is factored into our going concern and cash forecasting models.

Reconciliation of operating profit to operating profit before exceptional items	2023 £000	2022 (restated) £000	2022 (previously reported) £'000
Operating profit	**625**	208*	326
Operating exceptional items (note 10)	**554**	1,658*	1,540
Operating profit before exceptional items	**1,179**	1,866	1,866
Reconciliation of profit before tax to profit before tax and total exceptional items			
Profit before tax	**632**	206*	324
Total exceptional items (note 10)	**554**	1,555*	1,437
Profit before tax and exceptional items	**1,186**	1,761	1,761
Adjusted EBITDA			
Operating profit	**625**	208*	326
Operating exceptional items (note 10)	**554**	1,658*	1,540
Amortisation/depreciation (note 31)	**1,301**	1,165	1,165
Right-of-use assets depreciation charge (note 31)	**771**	873	873
Adjusted EBITDA	**3,251**	3,904	3,904
Underlying cash generated from operations			
Net cash inflow from operations	**3,539**	4,217	4,217
Working capital (note 31)	**156**	(2,375)*	(2,257)
Lease liability payments under IFRS 16 (note 31)	**(332)**	(1,052)	(1,052)
Cash outflow on operating exceptional items (note 10)	**–**	435	435
Underlying cash generated in the period	**3,363**	1,225	1,343

* The restatement of the 2022 figures is explained in note 38

Expenses

Administrative expenses, excluding exceptional items, salaries, depreciation and amortisation, increased by 3.5% in the year, with a general increase in a number of areas offset by favourable spend variances on trade settlement, irrecoverable VAT, and FCA fees and levies. Salary costs, owing to a combination of investment in advisers, upskilling and pay rises, saw an increase of 7.8%, and the current cost-of-living crisis triggered by the rising inflation will see this increase further next year. The Board is fully committed to retaining and supporting our loyal and committed workforce and this is reflected in salary increases awarded for the coming year.

Given trends in workforce mobility, Management reviewed the useful economic life of intangible assets linked to self-employed investment managers. Based upon updated experience and review of the contractual arrangements in place, the estimated useful lives were shortened which resulted in £133,000 of additional amortisation expensed in the year, which is not treated as an exceptional item.

Management will keep trends in workforce mobility and their impact on the amortisation of intangible assets under review.

The Group is again reporting operating exceptional costs this year totalling £554,000 (2022: £1,658,000 – as restated), noting they relate to two matters quite distinct to those reported in the prior year (see note 10). First, as explained in the Chairman's statement, a system and monitoring issue relating to Stamp Duty Reserve Tax ("SDRT") was recently discovered which, following initial investigation, was voluntarily disclosed to HMRC. Communications with HMRC and our work to quantify the obligation continue, but we presently estimate the cost of repayment, potential penalties and related costs to be £878,000. The second exceptional item is the write down of the remaining unamortised intangible asset in respect of departing self-employed associates which amounted to £423,000.

Due to the materiality of the SDRT obligation and the fact that it arose over a number of years, we have concluded that prior-year reported results should be restated to correct this fundamental error and more accurately reflect associated costs. Accordingly, charges of £131,000 and £118,000 have now been recorded as exceptional items in the current and prior year respectively, with the balance of the provision reflected as a reduction in the previously reported 31 March 2021 reserves. The matter has only recently been identified and so the provision remains our current best estimate, to be adjusted as the matter, including discussions with HMRC, is finalised. As work to quantify the cost remains ongoing, we have addressed our present understanding of the estimation uncertainty by including an allowance for a 80% deterioration in the estimated cost in our going concern and viability stress testing. The actions we are taking to address the weaknesses in the control environment are explained in the Chairman's statement (page 4) and the Risk management section (page 20).

Regarding exceptional items, we have now settled the material redress obligation we reported last year.

Cash management

The Group remains cash generative and recorded a cash inflow from operations of £3.5 million (2022: £4.2 million), generally reflecting the poorer trading conditions experienced this year. However, the underlying cash generated from operations, principally reflecting the impact of lease liability payments, non-cyclical working capital movements and cash flows from exceptional items (see adjacent reconciliation) showed a significant year-on-year improvement to £3.4 million (2022: £1.2 million – as restated) Underlying cash generation was greatly helped by the renegotiation of our London office lease, which included a new rent-free period that reduced lease payments by £561,000 compared to the previous year, and £922,000 in cash generated from our proprietary trading activity, which saw our investments on the statement of financial position also reduce to £1,276,000 (2022: £1,647,000).

After deducting cash deployed in investing activities and dividends paid, cash and cash equivalents increased to £13.1 million at year end (2022: £11.1 million) As noted previously, since year end we have settled the redress obligations reported in the previous year, at a net of insurance cash outlay of £0.7 million.

Financial result and alternative performance measures

The Group reported operating profit and profit before tax for the year of £625,000 and £632,000, respectively (2022: £208,000 and £206,000 – as restated, respectively).

Finance Director's review continued

Regulatory own funds and own funds requirements	2023 £000	2022 (restated) £000	2022 (previously reported) £000
Own funds			
Share capital	**2,888**	2,888	2,888
Share premium	**3,763**	3,763	3,763
Retained earnings	**10,104**	10,303*	11,050
Other reserves	**4,723**	4,723	4,723
Less:			
Own shares held	**(312)**	(312)	(312)
Regulatory adjustments	**(8,800)**	(9,804)	(9,804)
Total own funds	**12,366**	11,561	12,308
Total own funds requirement	**(4,854)**	(4,676)	(4,676)
Regulatory capital surplus	**7,512**	6,885	7,632
Cover on own funds as a %	**254.8%**	247.3%	263.2%
Pillar 2 requirement	**(7,227)**	(7,014)	(7,014)
Regulatory capital surplus	**5,139**	4,547	5,294
Cover on own funds as a %	**171.1%**	164.8%	175.5%

* The restatement of the 2022 figures is explained in note 38

Adjusting for exceptional items (see page 15 for reconciliations and further detail in note 10), the Group's operating profit and profit before tax for the year are £1.18 million and £1.19 million, respectively (2022: £1.87 million and £1.76 million, respectively). The Group's adjusted EBITDA (being EBITDA adjusted for exceptional items – see page 15 for reconciliation) is £3.3 million (2022: £3.9 million), a decrease of 16.7%.

Explanations for the reported results have been provided earlier and, notwithstanding the lower reported pre-exceptional operating profitability consistent with market and inflationary pressures, and the SDRT obligation, Management are pleased with the Group's financial resilience which allows it to remain focused on the Group's strategic priorities, as further explained in the Chairman's and CEO's respective reports.

Total Assets Under Management and Administration ("AUMA") averaged £5.1 billion during the year (2022: £5.6 billion). The drop in AUMA values is caused by a combination of stagnant market, clients withdrawing funds for alternative deployment and some attrition in the client base. Discretionary and Advisory Assets Under Management fell by 13.9% year on year to £3.1 billion (2022: £3.6 billion).

Divisional performance

The Investment Management division, including exceptional costs, delivered an operating profit of £1.55 million for the year, compared to £1.04 million (as restated) in the previous year. Adjusting for exceptional items, the division reported an operating profit of £2.12 million (2022: £2.7 million – as restated). The division was adversely affected by the lower fee and commission income generated in the year, partially offset by higher retained margin on the administration of clients' trading cash balances, and inflationary cost pressures. On a positive note, notwithstanding the impact of parting company with certain self-employed associates, the division continues to focus on growing its client and income base and since year end has made two new key business development hires with benefits expected to emerge in the next financial year. The Structured Investments business, having delivered two very successful years, is expected to continue to grow and generate income and margins for the division. The impact of the Consumer Duty regulation, with the Group standardising its charges across all similar client groups, on a standalone basis, is expected to be an overall net positive.

On 1 April, the Investment Management division transferred internally generated intellectual property in relation to a proprietary web-based software system to its subsidiary EnOC Technologies Limited ("EnOC"). The transfer allows EnOC staff to take on the costs and obligations of developing and maintaining the system and package it to be marketed both within the Group for its continued use as well as marketing it externally. The move does not impact the Investment Management division's functionality as EnOC will continue to support the division and its growth plans. Reflecting the change, there will be an impact on future internal recharges between EnOC and the division.

The Financial Planning division continued to increase its adviser base with several key hires in the year and more in the pipeline. The division saw a 5.1% increase in total revenue, but presently reports a loss reflecting the continued investment in the new financial planners and advisers and time for the client base to build up.

Our tech arm, EnOC, reported an operating loss of £128,000 (2022: £102,000). EnOC's tech capabilities are integral to the Group's operational efficiencies, deploying cloud solutions to the business, and we continue to invest in its capabilities, and prospects.

Capital resources, liquidity and regulatory capital

The Group's capital structure, consisting solely of equity capital, provides a stable platform to support the Group's strategic plan and initiatives. At year end, net assets are £21.2 million (2022: £21.4 million – as restated; 2021: £21.7 million – as restated), reflecting a net decrease of £0.2 million (2022: reduction of £0.3 million – as restated), due to the reported profit after tax, less dividends paid. Liquidity remains strong, with cash and cash equivalents increasing over the year to £13.1 million (2022: £11.1 million). Regulatory capital at year end, including audited reserves for the year, is £12.4 million (2022: £11.5 million – as restated), comfortably in excess of the Group's capital requirements for both Pillar 1 and Pillar 2, as shown in the adjacent table.

Dividends

In view of the Group's financial performance, capital and liquidity position, the Board recommends a final dividend of 0.25 pence per share to be paid on 6 October 2023 for those members on the shareholders' register on 22 September 2023, the ex-dividend date being 21 September 2023. Including the interim dividend of 0.25 pence per share (2022: 0.30 pence per share), the total dividend paid and proposed in respect of the year is 0.50 pence per share (2022: 1.50 pence per share).

Sanath Dandeniya
Finance Director

31 July 2022

Highlights

Our offices across the UK

Walker Crips operates 10 offices throughout the UK, headed and staffed by dedicated individuals.

As we reflect on the past year, we are share some highlights from around the regions below.

Epping

Andrew Powell from the Walker Crips Epping office drove more than 1,000 km to Gorzow in Poland to aid Ukrainian refugees displaced by the Russian invasion with donations of food and supplies. The aid mission was a resounding success, with people from all backgrounds and businesses joining in the effort and offering supplies, storage, transportation and on-site support.

> It was an incredibly rewarding experience being able to help out and to actually see that all of the supplies and donations were going to the right place.

Andrew Powell Chartered FCSI
Investment Director

London

Walker Crips Structured Investments was awarded the prestigious title of "Best Distributor UK & Ireland" at the SRP Europe Awards for the second successive year. The team collected the award at a black-tie ceremony in London in March 2023. The SRP Europe Awards are highly prestigious prizes across a range of categories covering the whole of the structured products industry internationally. This award is a testament to the team's commitment and hard work.

Truro

Our Truro team have had a busy year. After relocating to a new office in the centre of town, the team was bolstered by the arrival of Shane Bennett as Walker Crips' new Head of Investment Strategy in January 2023. Shane joined from Exeter-based Cathedral Financial Management, where he spent more than a decade having started with the firm as a Research Analyst before rising through the ranks to become Head of Investment. Our new Truro office is located on Walsingham Place, arguably Truro's finest street which is often referred to as the "Jewel in Truro's Crown" dating back to the early nineteenth century.

In November, our Truro team attended the annual Cornwall Christmas Fair in support of the Cornwall Community Foundation, hosted by the Eden Project. Over the past 30 years, they have raised over £850,000 for communities in Cornwall and the Isles of Scilly. This year's event broke all previous records, raising an impressive £74,000.

York

In June 2022 a group from our York office participated in the Wharfedale Ton, a cycling event that takes in 100 miles and over 4,500 feet of ascent. Starting and finishing in Ilkley, the ride takes a very scenic route into the North Yorkshire countryside. Now in its seventh year, this annual charity event is widely supported by many local businesses. In addition to the event's supported charity, Marie Curie Cancer Care Hospice in Bradford, our team also chose to raise funds for another local organisation, OSCAR's Paediatric Brain Tumour Charity, which provides support and care for children who face brain tumours, funds research to drive down diagnosis time and increase survival rate and, importantly, improves children's quality of life during and after treatment. The team managed to raise over £500 in sponsorship for the charity.

Our York office also sponsored the Bishopthorpe White Rose Club's Under 13 girls' football team over the course of the 2022/23 season. The team enjoyed remarkable success, winning the City of York Girls League for the first time in their history in April, before going on to complete a notable "Double" by winning the inaugural York City Football Club Foundation girls-only tournament in June. Their remarkable achievements are a testament to their talent, dedication and teamwork. Walker Crips is proud to support grassroots girls' football and celebrate the success of these young athletes.

Supporting our community

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 local employers, and other forms of support. By helping people secure work and keep work, supporting employers and campaigning against mental health stigma, Twining Enterprise makes a real difference to people's lives and wider society.

A year in review

We are delighted to report that Twining Enterprise has had another incredible year. It has just concluded its flagship Individual Placement and Support programme (IPS Works), supporting individuals with common mental health challenges move towards employment or training.

Since its launch in 2017, IPS Works has supported 2,051 clients, well exceeding its original targets – and thanks to the support of its community-based referral partners Twining was especially successful in engaging people from ethnic minority groups (66%) and women (64%). This reflects the supreme effort the team made to engage with seldom-heard groups.

Data from an independent evaluation of IPS Works showed that of those exiting the programme, 53% found employment, 31% entered education or training, and 17% moved from being economically inactive to searching for work. Of the clients the evaluation surveyed who had found employment, a huge 96% said they were happy with what they had achieved, 73% reported improved confidence and 63% reported improved wellbeing.

Twining has also kick-started the next phase of its Developing Futures e-mentoring programme for 18–24-year-olds, from minority backgrounds, who are struggling with their mental health. Over the next two years Twining aims to support up to 240 young people using highly experienced volunteer mentors from some of the UK's top corporates.

Furthermore, Twining has just launched a significant new programme to support people with mental and physical health challenges find, and retain, positive employment. To do this, they have forged a strategic partnership with Shaw Trust, enabling them to provide these employment support services across North and West London. It looks forward to implementing similar projects and partnerships in the coming year, following the Government's initiative to get more people with disabilities into meaningful work.

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 **walkercrips.co.uk/Community**.

About Twining Enterprise

Twining has provided mental health and employment support across London for over 28 years and since 2008 has delivered 70 different projects to over 15,000 individuals. These projects have spanned a range of empirically tested employment support models, including IPS models, peer support and job retention. These projects also continue to innovate by adopting digital interventions to reach more in-need people. They have in-depth experience in London boroughs across North and West London with strong statutory, community and employer relationships built up over the years.

Twining's services

Twining supports individuals to become responsible for themselves, financially independent, have a sense of purpose and engage with others and their local communities. They achieve this through 1-2-1 and group interventions, individually tailored support, coaching and mentoring. Specific services offered include careers advice and guidance, support with CV writing and applications, mock job interview practice, skills-training in stress management, welfare benefits advice, in-work or return to work support and advocacy support.

Twining also engages with local and national employers to help business owners and managers to positively address mental health at work and recruit and retain staff with mental health conditions as effectively as possible, as well as identify and create job opportunities for its clients.

Years supporting the people of London

28 years

Individuals supported in 2022/23

2,000+ across our different programmes

Percentage of ethnic minority groups engaged on its flagship employment support programme (IPS Works)

66%

Percentage of clients exiting the IPS Works programme who found employment

53%

Percentage of clients who found employment who were happy with what they had achieved

96%

Percentage of clients who found employment who reported improved confidence

73%

Percentage of clients who found employment who reported improved wellbeing

63%

> We continue to be hugely grateful to Walker Crips for the invaluable support you provide us with! It's only with your continued and generous help that we can keep helping clients like Mehmet and Anita find and remain in work, creating brighter futures for themselves and their families.

Oliver Jacobs
CEO, Twining Enterprise

Spotlight case studies

Mehmet dreamt of fulfilling his dream to become a Chartered Accountant, but was beset by mental health challenges and spent considerable time under close psychiatric care. Despite significant periods of time away from work, which knocked his confidence, the unconditional support of his Twining Enterprise employment specialist meant that Mehmet applied for and secured his ideal accounting job!

Mental health complications take their toll on you in every aspect of life, especially maintaining a job, so if you have any doubt about trying to reach out or just wonder what services Twining provides, don't even think twice, reach out to them and you can see for yourself!

Twiningenterprise mental wellbeing through work

Mehmet

Anita had been working in hospitality but was feeling increasingly down and unhappy with how she was being treated by her managers. She wanted to change her career path to work in an office environment and found her way to Twining Enterprise and her dedicated employment specialist. With his support and guidance, she has managed to secure a temporary to permanent position in the property sector!

Your expertise and knowledge in the field have been instrumental in helping me navigate through the complexities of the job market.

Anita

Twiningenterprise mental wellbeing through work

Find out more

For more information about Twining Enterprise please go to **twiningenterprise.org.uk**.

Principal risks and uncertainties

Approach
The Board is ultimately responsible for establishing a risk management framework to control, mitigate and manage the various risks faced by the Group and allow it to achieve its strategic objectives. Our approach to risk management is continually evolving to meet the ever-present principal risks and new threats and opportunities that may arise in the short, medium and long term.

Our framework
The Group operates a three lines of defence model as set out opposite.

Risk management
Effective risk management is attained by:

- Promotion of a strong risk culture and tone from the top and within, based around our long-standing and core values of integrity, courtesy, fairness and loyalty.
- Horizon scanning to ensure any developments in the risk landscape are appropriately addressed by the business.
- Ensuring new initiatives are robustly challenged via the Group's New Initiative Risk Assessment ("NIRA") process, with the requisite controls embedded within any new activities.
- Establishment of risk appetites, tolerances and limits to allow business to be conducted within clear parameters and maintain an appropriate balance between risk and reward.
- Ongoing risk monitoring via quantitative and qualitative management information.
- Operation of a three lines of defence model.
- Comprehensive risk identification and assessment as part of the Group Risk Matrix and Risk of Harms Assessment.
- Articulation and annual assessment of the Group's overall approach to risk via the Group Internal Capital and Risk Assessment Process ("ICARA") document under FCA MIFIDPRU rules.

Framework

Board

- Responsible for establishing a sound and effective risk management framework.
- Sets risk appetite.
- Identification and robust assessment of principal and emerging risks.

Audit Committee

The Audit Committee assists the Board with the following risk management framework activities:

- Oversight of the adequacy and effectiveness of the risk management systems and internal control environment.
- Assessment of the effectiveness of internal audit.

Third line

Internal Audit

- Undertakes certain assurance procedures to enable reports into the Audit Committee on the Company's governance and risk control framework.
- Provides an independent and objective appraisal of Company activities, furnishing management with analyses and recommendations.

Second line

Risk Management Committee

- This executive committee assists the Group and subsidiary boards in fulfilling their corporate governance oversight responsibilities.
- Evaluates, reviews and reports on:
  - Risk appetite, strategy and tolerance, including integration with the Group's culture, values and behaviour.
  - The operation of risk management frameworks in the effective mitigation of strategic, operational and external risks.

Compliance Committee

- This executive committee has the following objectives:
  - To provide regulatory oversight to the Group, ensuring compliance with all regulatory obligations of the FCA, FOS, FSCS, LSE and other UK regulatory bodies relevant to the Group.
  - To provide challenge to all levels of leadership in the Group.
  - To cultivate a culture of compliance and ensure that the Company is delivering good customer outcomes.

Second line control teams

- Provide independent challenge and oversight of first line control activities.
- Monitoring and reporting of risks to the Board and senior management.
- Ensure first line risk owners adopt best practice in their risk management processes.
- Includes Group Risk, Group Compliance, CASS and Financial Crime teams.

First line

First line risk owners

- Perform quarterly assessment of risks within Group Risk Matrix.
- Ensure risks within their areas remain robustly identified, assessed, controlled and mitigated.
- Includes Client Onboarding & Suitability, Operations, Finance, HR, T&C and Technology teams.

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 ICARA. The Group's description of risk appetite against each category can be mapped to the maximum levels of MIFIDPRU Assessment A capital requirement as follows:

Risk appetite in each category	Maximum MIFIDPRU Assessment A capital requirement
Zero/Low	Less than £0.5m
Low/Medium	£0.5m – £3m
Medium	£3m – £5m
Medium/High	£5m – £7.5m
High	Greater than £7.5m

The Board has no appetite for any single unforeseen unmitigated risk exposure in excess of £250,000 or multiple unforeseen exposures which occur in any 12-month period in excess of £750,000.

As reported in the Chairman's statement and Finance Director's review, during the period there was one matter that exceeded these tolerances, being the identification of a historic under-recording and payment of Stamp Duty Reserve Tax ("SDRT") continuing over a number of years and in relation to a certain subset of client securities transactions. The matter is being investigated and assessed in conjunction with our external tax advisers, and communication already made with relevant tax authorities. Enhancements have been made to the internal control environment.

In recent years we have experienced a number of significant costs due to key controls not operating as they should such that issues have not been identified on a timely basis. Accordingly, we have concluded that a fresh and critical review of key transactions initiation, execution, processing and reporting controls, key risk indicators, use of systems and exception reporting is required. This will be completed over the coming months. In addition we have concluded that senior management bandwidth is too narrow and we will strengthen the management team.

Risk management developments

During the period there were the following key developments which will contribute to improvements in risk management within the Group:

- A Market Abuse Risk Assessment was conducted, leading to a de-risking exercise and driving improvements to trade surveillance and anti-market abuse systems and controls. Key changes include enhanced pre-trade controls and post-trade alerts, a revised personal account dealing policy and the rollout of Group-wide market abuse training.
- An enhanced Compliance Risk Assessment was conducted which is driving the development of a new and enhanced Compliance Monitoring Programme ("CMP").
- Customer Onboarding headcount within the first line of defence has been increased.
- A new horizon scanning reg-tech tool was implemented, driving efficiencies in this key area.
- Production of the first Group Internal Capital and Risk Assessment ("ICARA") process and document and submission of the MIF007 ICARA return to FCA.
- Consumer Duty related initiatives will drive improvements in the control framework surrounding our customer proposition in areas such as product governance, suitability and the treatment of vulnerable clients.

Principal risks and uncertainties

The tables below detail the principal risks and uncertainties we have identified. It is not an exhaustive list of all the risks and uncertainties faced by the Group, which are captured and assessed within the Group Risk Matrix.

Changes in risk status reflect developments identified as part of the Group Risk Matrix and Risk of Harms Assessment during the financial year ended 31 March 2023 and forward-looking assessment of the risk landscape in the financial year ending 31 March 2024, 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 ICARA.

Our approach to risk management is continually evolving to meet the ever-present principal risks and new threats and opportunities that may arise in the short, medium and long term.

Principal risks and uncertainties continued

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.	Challenging markets resulted in more muted trading activity which, coupled with robust exposure management policies and procedures, ensured lower overdue settlement obligations throughout the period.
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 and management 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.	The FCA's regulatory priority, the creation of a new Consumer Duty, represents a paradigm shift in its expectations of how we interact, support and achieve good customer outcomes for our customers. The Group has developed a comprehensive project plan to deliver on its obligations under the Consumer Duty and is on track to meet the key requirements for the 31 July 2023 implementation deadline.
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.	The compliance risk environment remains complex and continuously evolving with the FCA taking an increasingly tougher and more data-driven approach to ensure firms are appropriately identifying and mitigating risks of harm to clients, the firm's own viability and wider markets. The Group continues to adapt and enhance its approach to these challenges and is committed to investing in staff resources, technology, process change and targeted use of external regulatory consultants, to ensure we adopt good practice compliance and can demonstrate this. The overhaul of the Group's Financial Crime Control framework, which commenced in the prior year, is materially completed. Enhancement initiatives in relation to the control frameworks for the safeguarding of Client Money and Assets and Transaction Reporting commenced during the year, and are ongoing.
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.	The Group's liquidity position continued to improve with cash balances having increased year on year to 31 March 2023 by 18%, and budgetary projections forecasting cash balances at a similar level at the next financial year end.

Risk	How it arises	Mitigation	Status
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 trading book positions incur losses on negative price movement.	Trading book positions are tightly controlled by centrally imposed trading limits and are regularly monitored.	Increased proprietary trading book activity in the year, in relation to the Group's Structured Investments division, was offset by lower proprietary trading activity on the Arbitrage trading desk, meaning overall market risk remained unchanged. Both remained well managed, monitored and within risk tolerances.
Business model risk			
Risk appetite Medium/High **Status** Heightened	The Group's business is concentrated in the provision of investment management, financial planning and stockbroking to its client. The Group accepts and manages the market, liquidity, credit, operational, reputational and regulatory risks of participating in this business, as explained in other sections of this Risk Matrix. The scale and concentration of the business model does however expose the Group to economic cycles as follows: The Group's management fee revenues are highly correlated to the value of AUMA, which can be impacted by market levels and client attrition. The Group's commission income is driven by customer trading volumes which can be negatively impacted in times of consumer uncertainty and weakened confidence. The Group's revenues from managing clients' trading cash balances are correlated with the amounts of cash held and interest rate levels. Reducing interest rates and/or clients deciding to deploy trading cash balances elsewhere reduces this income source. Competitor action and people retention. For example, a material proportion of the Group's client base is through arrangements with self-employed investment managers, who may decide to move to competitors and influence their clients to move with them, leading to client attrition. Salaries and revenue share arrangements comprise a significant part of the cost base. A tight employment market, such as that presently persisting in the financial services market, applies significant upward pressures on costs, particularly in the higher inflationary environment.	The Group's business, although concentrated in financial services, has multiple sources of income that in part complement each other. For example, in the last financial year market conditions have favoured our continuing revenue streams arising from managing client trading cash balances and our structured products business at a time when the same market conditions have negatively impacted management fees and trading commissions. Also, a large part of the Group's Portfolio management fees are accrued on a daily basis which dampens the immediate downward impact on management fee income in declining/volatile markets. The Group is solely equity financed and seeks to maintain capital prudently more than economic and regulatory prudential requirements. This provides a buffer to absorb periods of weak financial performance through market cycles. Economic and regulatory capital requirements and headroom are regularly monitored based on actual performance and business projections. Regulatory capital requirements and capital adequacy are also reviewed through the Internal Capital and Risk Assessment Process and related stress testing. New business initiatives are examined and stress tested prior to implementation. Surplus cash balances are also maintained, and liquidity requirements carefully monitored. Executive Management remains focused on new business initiatives and cost management.	From a technical perspective the Group has improved its regulatory capital surplus over the year with the positive contributions from reported profits generated in the year, and a reduction in the capital deduction in relation to intangible assets, partially offset by the capital reduction resulting from dividend distributions and the SDRT provision on opening reserves. However, the Group continues to report exceptional items and, as explained in the Finance Director's review, underlying trading results have deteriorated with reductions in trading commissions and management fees. This has been significantly, but not fully, mitigated by higher revenues on administration of client trading cash balances in the increased interest rate environment. The Group is also experiencing inflationary pressures on its cost base. The Group remains focused on the need to grow its core investment and wealth planning businesses. Central infrastructure will continue to require enhancement to support this, incurring costs ahead of benefits, alongside investment in business development initiatives. Budgetary projections for the year ended 31 March 2024 forecast the continued positive impact of contribution to earnings from, and reliance upon, the higher interest rate environment and related revenues for managing clients' trading cash balances. Key interest rate and inflation assumptions are set out in the going concern and viability disclosures (see pages 39 and 68).

Principal risks and uncertainties continued

Risk	How it arises	Mitigation	Status
Operational risk			
Business disruption **Risk appetite** Medium **Status** Unchanged	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 if we fail to effectively control or administer the operating systems at the root of operations, fail to manage resource requirements properly, maintain inadequate security arrangements, or fail to operate effective business recovery plans.	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).	The Group has maintained its focus on building operational resilience during the period. The creation of a centralised outsourcing/supplier register, upgrade of ISP infrastructure, and development of virtual infrastructure for cloud PC roll out were amongst several initiatives undertaken to enhance our capabilities to deliver critical business services to customers.
Cyber security **Risk appetite** Zero/Low **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, failure to provide effective training and failure to maintain effective controls.	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).	The cyber threat landscape continues to generate risks, which we continually monitor, manage and mitigate through investment in our cyber defence capabilities, utilising our knowledge and experience as a technology-driven financial services business.
Personnel **Risk appetite** Zero/Low **Status** Increased	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.	The Group continues to manage the challenges of staff turnover resulting from highly competitive employment markets. A comprehensive remuneration benchmarking exercise was conducted in April 2023, with base salaries uplifted where assessed to be below market levels to improve employee retention. A new HR system, training management system and appraisal and performance management process were also implemented in the period, significantly upgrading our people management capabilities.

Section 172(1) Statement
year ended 31 March 2023

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 transaction 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, the wider public 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
Notwithstanding the short-term imperatives brought about by a rapidly changing economic and political environment, 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 36 of the Report by 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 final and interim dividends, 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 2023 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 investment managers, 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. Further information on the ways in which two-way communication with the workforce has been developed in the year can be found on pages 10 to 11.

In response to the FCA's Senior Managers and Certification Regime ("SM&CR"), which came into force in December 2019, we developed and implemented systems and processes to support the review and assessment of competencies of certified individuals throughout the organisation. This led to the establishment in 2020 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 continued to provide useful feedback on ways of improving our staff annual appraisal system, which is used for continual development of skills and to measure performance, receive feedback and to address two-way concerns. As a consequence, our continual training and development programmes include 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 with their line managers any concerns they may have, 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.

Section 172(1) Statement continued

year ended 31 March 2023

We have also focused on enhancing the support provided to the workforce by our HR function and identifying any improvements needed to ensure it is fully fit for purpose. To this end, within the last year we have made substantial progress in improving the Group's people function and the Group's training developmental programmes. This has been achieved through the implementation of a Human Resources Information System ("HRIS") in which we track the end-to-end life-cycle of an employee. This has made our process more streamlined; we can clearly map out an employee's journey from talent attraction through to the recruitment and our Application Tracking System ("APS") then allows us to collaborate and communicate within one platform, easily capturing a candidate's journey from day one to onboarding, performance assessment, MI tracking, etc. within HRIS.

A positive and proactive approach has been taken 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 development. As other steps forward, we have individualised training for our workforce, established new relationships with learning providers, better utilised the apprenticeship levy and opened more opportunities for apprentices. We have also introduced a new graduate programme and implemented a new learning management system to track and upskill our workforce. More information on these developments can be found on pages 10 and 11.

With our employees at the forefront of our organisation, our goal is to become an employer of choice within the industry, where individuals are supported and given the best opportunity to succeed within their roles. We have placed great emphasis on wellbeing and although the COVID restrictions are no longer a feature of the working environment, hybrid working patterns have become the norm for the large part of our workforce, and the health, safety and wellbeing of staff has remained a primary concern for Management. Details of the ways in which we support our staff are also provided on page 10.

Another area of focus in the last year has been Diversity, Equity and Inclusion. We want a true representation of today's society within our workforce where each individual's differences are celebrated and welcomed. We have improved our recruitment practices and have been certified as a Disability Confident Committed employer (again, more details are available on page 11).

We operate within a competitive industry where there is high demand for skilled and experienced professionals. Consequently, we carried out a salary benchmarking exercise earlier this calendar year as it was clear that, in order to retain our staff and attract top talent, our reward package needed to be in line with market standards and any gaps addressed. In essence, we are on a journey towards making the Group an even better place in which to work and improving our employee value proposition.

Information on our implementation of the MIFIDPRU pay rules and the launch of the Deferred Bonus Plan for the payment of share-based incentives can be found in the Remuneration report on page 44.

Clients

Our clients lie at the heart of our business, and we strive to enhance their experience when dealing with us. Our investment professionals undergo continuous professional development in order to remain fit and proper to service and advise our clients to the highest standards. Following the deployment of our new Group website and several investment managers' microsites last year, this year we released an update to our Client Portal. The revamped Client Portal has been developed as a responsive platform, providing clients with easy and consistent access to their investment portfolios across desktop, tablet and mobile devices. We have also released a major update to the Walker Crips mobile phone app across both the iOS and Android platforms. The updated app now provides clients with all the functionality afforded within our web-based Client Portal.

We have continued to further digitise through the launch of our online onboarding process for services offered to retail clients by Walker Crips Investment Management Limited ("WCIM"). The online onboarding platform was initially launched to accept individual online applications for our execution-only share dealing service, but has since been enhanced to accommodate applications for discretionary, advisory and model portfolio service account types. Our development team is now working on further enhancements to incorporate Individual Savings Account ("ISA") and joint applications, as well as applications for other entities (e.g. trusts, companies, charities etc).

The online application process streamlines the entire onboarding journey, making it quicker and more efficient for clients to be successfully onboarded. Anti-Money Laundering ("AML") and identity verification checks are integrated into the online process, reducing the requirement for our Onboarding team to carry out the process manually for each applicant. The online onboarding process also allows for applicants to upload any requested AML or identity documentation as part of the process, greatly reducing the time it can take for an account to be established.

These new developments reflect our commitment to providing a modern, user-friendly experience for our clients, and align with our mission to leverage technology to deliver exceptional financial services while safeguarding against financial crime.

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 the increased level of activity and sophistication of those engaged in financial crime, and are taking 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, including compliance with the FCA's associated rules. 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 actively monitors and reports to the Executive Management Committee and Board on various aspects of our conduct to ensure the best outcomes for our clients. We have reviewed our client feedback channels and are making enhancements to provide clients with further opportunities to provide us with feedback, including the introduction of client surveys at different touchpoints during a client's life-cycle and encouraging clients to leave online reviews (e.g. Google Reviews). Client feedback is invaluable to us, and we use it to address any perceived shortcomings and implement improvements wherever possible.

Our wholehearted commitment to the protections for clients under the Consumer Duty initiative and in delivering fair and positive outcomes from their dealings with the Group are addressed in more detail in the Chairman's and Chief Executive's statements and elsewhere in this Annual Report.

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 89, the Group took an average of 11 days to settle supplier invoices in the year, down from 15 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. During the year we concluded the tender process for the supply of internal audit services to the Group.

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 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 £12.5 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.

We strive to maintain good relationships with the landlords of our office premises and have been successful in negotiating the best possible terms for the completion or renewal of our property leases and in the termination of our lease on the Romford offices in the year following our decision to relocate its operations to our London offices. We simply do our best to be regarded as good tenants.

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 it is meeting FCA regulatory expectations, and to assist the regulator in meeting its own statutory regulatory objectives.

Communities and environment

As shown on inside front cover, 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 on page 7 of the CEO's statement, and in more detail in the "Supporting our community" section on pages 18 to 19, 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, procedures and practices as set out on page 7 of the CEO's statement. We have also considered more widely the impact of our activities on the environment as well as our approach to climate change, details of which can be found in our Environmental strategy report, which includes our disclosures under the TCFD framework, on pages 28 to 31.

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 35 to 39.

Environmental strategy (including TCFD)
year ended 31 March 2023

The Board remains committed to addressing the urgent challenges posed by environmental sustainability, acknowledging the indisputable evidence that global temperatures are rising at an alarming rate, contributing to more frequent and severe weather events. The scientific consensus, as emphasised by the Intergovernmental Panel on Climate Change ("IPCC"), asserts that limiting global warming to 1.5°C above pre-industrial levels is essential.

As a responsible company, we recognise our fiduciary duty to act as custodians of the planet, safeguarding the interests of future generations. We understand that meaningful progress necessitates collective will and concerted efforts across all sectors of the global economy. Walker Crips is resolute in its determination to contribute to the transition towards a net-zero economy.

Central to our environmental approach is our commitment to aligning with the goals of the Paris Agreement, aiming to limit global warming to well below 2°C, and ideally to 1.5°C. To fulfil this commitment, we maintain the target set in the last financial year to become a net-zero emissions business by 2050, or sooner.

What is TCFD?
In response to the growing demand from investors, banks and stakeholders for consistent climate-related financial risk disclosures, the Financial Stability Board established the Task Force on Climate-related Financial Disclosures ("TCFD") in 2015. Recognising the importance of this framework, the Board of Directors continues to embrace the TCFD recommendations as a crucial tool for assessing and disclosing climate risks and opportunities across our operations.

The TCFD framework is structured around four fundamental operational elements: governance, strategy, risk management and metrics and targets. These pillars provide a comprehensive framework that enables us to evaluate and report on climate-related issues effectively. The TCFD's recommended disclosures further complement these core elements, providing specific guidance on the information that organisations should provide to assist stakeholders in evaluating climate-related risks and opportunities.

For more information about the Financial Stability Board and the Task Force on Climate-related Financial Disclosures, please visit the official TCFD website at **https://www.fsb-tcfd.org/**.

Walker Crips and TCFD
This is the second report outlining the Group's efforts towards implementing the recommendations of the TCFD, in accordance with Listing Rule 9.8.6R, which became effective for premium listed companies such as ours for financial periods beginning on or after 1 January 2021.

The following disclosures provide an overview of the Group's ongoing efforts in integrating climate risk and opportunity identification and management into our overarching business strategy. As with many companies, including Walker Crips, the analysis underpinning this process is a rapidly evolving field, and we anticipate continued advancements in methodologies and tools for conducting such assessments.

Governance
The Group recognises the importance of climate-related activities and has implemented a streamlined governance structure to address them effectively. This structure allows for escalation and resolution of any issues that arise, enabling the senior management team to take action.

Board of Directors
The Board is responsible for setting the Group's climate-related goals and targets and agreeing the strategy to achieve them, and has delegated oversight of climate-related activities to the Audit Committee. The Committee's remit includes:

- reviewing risks and opportunities facing the Group in relation to climate change;
- considering the materiality of climate-related risk and its financial implications;
- monitoring adherence to externally applicable sustainability codes and principles.

Further governance arrangements
During the year the Group has established further governance arrangements to support both the Board and the Audit Committee in discharging their responsibilities in relation to ESG matters.

A Corporate & Social Responsibility Action Group has been established to monitor and review emerging CSR trends and issues that may affect the Group, as well as to provide guidance on the development of our sustainability strategy whilst ensuring alignment with the Group's purpose, values and overall strategy. The Action Group meets quarterly and consists of voluntary members of staff (known as Staff Champions) who not only contribute ideas, but also positively promote any initiatives implemented and encourage behavioural change if necessary.

Role of management
The Group's senior management team is responsible for the day-to-day management of climate-related risks and opportunities facing the business. At the end of the 2022/23 financial year, a second annual Carbon Footprint Report was produced following the initial report produced at the end of the 2021/22 financial year which analysed and calculated the Group's carbon footprint across three years 2019-22 for all its UK offices.

The Group's net-zero target can only be achieved by significant reductions in direct (i.e. Scope 1 & 2) and indirect (i.e. Scope 3) carbon emissions and requires both Group-wide commitment and senior leadership. The key steps in the Group's transition journey remain:

- a reliable, robust and data-based carbon footprint providing a clear baseline;
- Board-level commitment;
- agreed metrics, monitoring and reporting against which to set targets;
- a clearly articulated ambition with associated targets, timeframe, expectations and actions;
- a focus on operational reductions in office premises, and on achieving sustainable emissions reduction through an energy management approach; and
- Group-wide engagement to ensure all staff and key stakeholders understand the ambition and the journey.

London office – projected implementation year savings

Carbon emissions	6 tCO_2e
Energy	23,515 kWhs
Energy cost saved	£4,703

York office – projected implementation year savings

Carbon emissions	7 tCO_2e
Energy	26,340 kWhs
Energy cost saved	£5,268

Strategy

Carbon reduction

The Group continues to develop a sustainability strategy and approach that is both in line with wider market trends and reflects the interests and concerns of stakeholders. For any organisation embarking on a net-zero transition, the first step is to calculate accurate, robust data regarding annual carbon emissions. Last year we calculated and analysed the Group's carbon footprint across the previous three financial years (2019/20, 2020/21 and 2021/22) for each of our UK offices. Using this data, we defined the financial year 2019/20 as our baseline for calculation, as this year was the last that best reflected a "normal" operating year before the COVID-19 pandemic led the Group to adapt to a hybrid working model from March 2020.

Methodology

The carbon footprint calculation we have carried out measures the seven greenhouse gases identified in the Greenhouse Gas Protocol and uses the appropriate year's Department for Environment, Food & Rural Affairs ("DEFRA") and Department for Business, Energy & Industrial Strategy ("DBEIS") emissions factors. These emissions are aggregated and reported as tonnes of CO_2 equivalent (tCO_2e). This method provides accurate, verifiable data that is both Science Based Targets initiative ("SBTi") and Streamlined Energy and Carbon Reporting ("SECR") compliant. The footprints include carbon associated with Scope 1 (direct), 2 (indirect – purchased electricity and heat) and 3 (indirect from supply chain) emission sources.

Variations in data collection and measurement

Available data was used to produce the Carbon Footprint Report for previous years at the end of the 2021/22 financial year. However, the data collection process has subsequently been enhanced for the 2022/23 financial year to provide more granular detail and include additional emission sources not included in last year's initial report. This has resulted in variations and, in some cases, increases in carbon emissions identified for the previous three financial years.

Full carbon accounting requires a significant amount of data collection, especially the data associated with Scope 3 carbon emissions – i.e. those which are related to indirect emissions from the organisation's supply (or, more accurately, value) chain – both upstream and downstream. These include, for example, the purchase of goods and services (such as paper, food & drink, data services, couriers etc.), business travel (e.g. flights, cars and taxis, rail), staff commuting and working from home, hotel stays, waste generated and water used. The data collection relating to these activities has, for the 2022/23 financial year, been more complete, resulting in a more accurate carbon footprint.

Carbon reduction activities

- Corporate & Social Responsibility Action Group established with carbon reduction initiatives as part of its remit;
- supplier/contractor questionnaire has been issued to main suppliers/contractors to establish their environmental policies and assist in more accurately recording the Group's Scope 3 emissions in future;
- LED lighting with motion sensors employed in most offices to reduce energy usage;
- more robust recycling process implemented in London office being rolled-out across the branches;
- air conditioning temperature in office comms rooms increased to reduce energy usage;
- reducing paper consumption across all offices, with staff encouraged not to print unless necessary;
- all used printer cartridges are recycled;
- recycling programme in place for all coffee pods used in meeting rooms for client meetings;
- timers have been installed on kitchen water heaters;
- IT equipment automatically set to go to standby mode when not in use;
- heating, ventilation and air conditioning systems in London and York offices only operate during office hours;
- glass/chinaware used in all offices and staff are encouraged to use reusable water bottles;
- dishwashers only operated by cleaning staff in the evenings;
- battery recycling now available in London office;
- all electronic equipment disposed of via WEEE regulations;
- Government cycle2work scheme promoted to all staff; and
- bicycle parking and shower facilities promoted to staff (where applicable).

Risk management

We are working to embed climate-related risks within our overall risk management framework, with any risks identified being subject to the same process and managed in line with all other risks.

The Audit Committee, under delegated authority from the Board, is responsible for overseeing the effectiveness of our risk management process, including identification of the principal and emerging risks.

We have considered the transitional and physical risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies. For the purposes of our assessment, the time horizons we have used are as follows:

- short term: 0-5 years;
- medium term: around 10 years; and
- long term: 20+ years.

When identifying climate-related risks, we consider both the risk posed to the Group as well as that posed to the climate by our operational activities. We also consider the potential impact of climate-related risks on our clients and how these risks could impact our ability to deliver good customer outcomes.

Environmental strategy (including TCFD) continued

year ended 31 March 2023

Climate-related risks

Type of risk	Risk	Potential impact	Management response
Transitional – Policy and legal	Adherence to additional legal and/or regulatory requirements in response to the climate crisis. **Time period:** Short/medium term	Increased operating costs (e.g. higher compliance overheads).	We take our legal and regulatory obligations seriously and comply with all applicable climate-related requirements. Our Audit Committee monitors emerging applicable sustainability codes and principles within our operating jurisdiction.
Transitional – Market	A transition to a lower-carbon economy could lead to investment performance risk within our discretionary managed services, potentially impacting client returns. **Time period:** Short/medium term	Reduced revenue as a result of diminished asset values and reduced demand for services.	In line with increasing client expectations, we continue to integrate ESG factors, including the consideration of climate-related risks, into our investment decision-making processes.
Transitional – Reputation	Perceived inadequate response by the Group to environmental/climate-related concerns by clients and other stakeholders. **Time period:** Short/medium/long term	Could result in existing/prospective clients choosing to take their business elsewhere, impacting on revenues.	Our carbon net-zero strategy is integral to our overall business strategy.
Physical – Acute/Chronic	Increased severity of extreme weather events such as storms, as well as chronic changes such as rising sea levels and mean temperatures. **Time period:** Medium/long term	Disruption to business operations and/or increased expenses.	Consideration of the Group's exposure to physical climate-related risks is included as part of our business continuity procedures.

Climate-related opportunities

Opportunity	Potential impact	Management response
Opportunity to exploit changing client preferences by developing an offering of low-emission products – such as ESG model portfolios. **Time period:** Short/medium/long term	Enhanced reputation and increased revenues.	We are working to embed the consideration of ESG factors, including climate-related opportunities, into our investment processes. We are updating our client profiling process to include further questions around ESG preferences.

Metrics and targets

Walker Crips Group carbon footprint

We measure our Scope 1 and 2 emissions in line with the GHG Reporting Protocol. Our Scope 3 emissions do not consider investments the Group makes on behalf of its clients.

			2019/20 (tCO_2e)	2020/21 (tCO_2e)	2021/22 (tCO_2e)	2022/23 (tCO_2e)
Scope 1	Refrigerants		0.02	0.02	0.01	0.01
Scope 1	Purchased electricity		114.83	85.33	78.47	65.51
	Purchased heat		50.78	54.40	52.08	36.73
Scope 3	Material use		12.94	0.18	3.34	7.24
	Business travel – flights		2.60	0.00	0.27	0.88
	Business travel – road		6.50	2.48	9.75	40.31
	Business travel – rail		2.97	2.04	2.30	6.07
	Employee commute	Road/rail	274.16*	93*	90*	91.96
	Employee WFH	Total equipment, lighting & heating consumption per year (kWh)	0.46	46.88	43.36	44.75
	Hotel stay		0.78	0.38	0.51	3.77
	Waste	Disposal and recycling	0.01	0.01	0.03	-1.56
	Water	Supply & treatment	8.37	4.30	1.87	0.46
	TOTAL (tCO_2e)		**474.42****	**289.02****	**281.99****	**296.14**

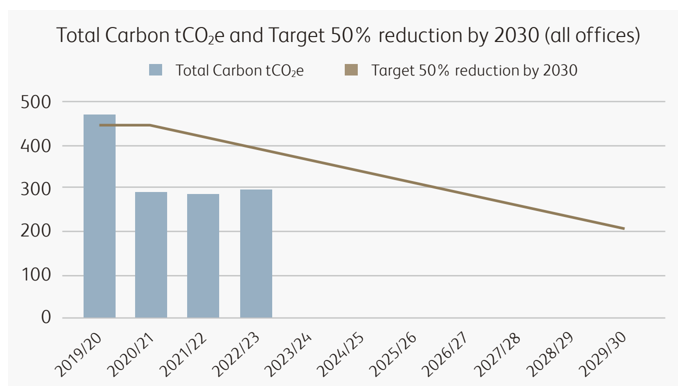
* Emission source not included in previously published Carbon Footprint Report.
** Adjusted total.

All offices	2019/20	2020/21	2021/22	2022/23
Total Carbon tCO_2e	474.42	289.02	281.99	296.14
Carbon per FTE	1.97	1.20	1.17	1.23
Carbon per m^2	0.21	0.13	0.12	0.13

The primary reason for the increase in carbon emissions in the year is the increase in travel, both commute to office and for business purposes where previous years were impacted by travel restrictions and partial lockdowns. Despite the 5% year-on-year increase in emissions in 2022/23, we remain on course to reach our target as set out below, having so far achieved a 37.6% reduction in annual carbon emissions from our pre-COVID baseline year of 2019/20.

Target

Adhering to the current best practice, the Group continues to work towards a net-zero target by 2050 of 90% carbon emission reductions against baseline (2019/20), with an interim target of 50% reduction by 2030. This reduction is consistent with the Global Goal of 45% reduction in global emissions by 2030 as recommended by the Intergovernmental Panel on Climate Change ("IPCC"). By adopting a 50% target by 2030 the Group is aligned to the Paris Agreement target (agreed in 2015 at COP21) of being on a trajectory to keep global heating at 1.5°C or below.



Board of Directors

Our Board of Directors deploys its extensive expertise and experience into managing the Walker Crips Group.

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, 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.

Membership

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, was 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.

Membership

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.

Membership

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 director of AA4+ PLC, a closed end aircraft leasing company, and DDCAP Ltd, a leading arranger of Sharia compliant financial transactions.

His previous directorships include a 15-year stint at IPGL Ltd, an investment holding company with a wide range of investee companies, many of which he served on the board. He retired from IPGL on 31 May 2022.

Membership

Clive Bouch

FCA

Senior Independent Director

Clive Bouch was appointed to the Board in March 2017 and chairs the Audit and Remuneration Committees. He is also a member of the Nomination Committee.

He is an experienced Non-Executive Director having served in this capacity for The Steamship Mutual London, Europe and Bermuda Protection & Indemnity Clubs; The Ardonagh Group Limited, and Invesco UK Limited. Previously he was a partner in leading accounting firms where he provided audit and advisory services to companies in the financial services industry.

Clive 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.

Membership

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.

Membership

Membership key

- A Audit Committee
- C Compliance Committee
- E Executive
- N Nomination Committee
- R Remuneration Committee
- RI Risk Management Committee
- Chair

Chairman's introduction to corporate governance report

Dear Shareholder

I am pleased to introduce our Corporate Governance Report for this reporting period.

The Group's governance structure is key to the formulation and implementation of a strategy for the development of the business. Having emerged from the pandemic relatively unscathed, the business over the last 12 months has had a number of other challenges to contend with, most notably the impact on the global economy of the Ukraine conflict, rampant inflation and interest rates at levels not seen in decades. Your Board fully recognises the considerable pressures that the resulting increase in the cost of living have placed on our clients, our staff and all other stakeholders.

Our culture, amplified in the following report, remains encapsulated in making investment rewarding for our clients, our shareholders and our staff and giving our customers a fair deal. Consequently, our continued resolve to deliver the most favourable outcomes for all of our stakeholders has remained the determining factor in our decision-making processes. This has included the implementation of the new Consumer Duty, which has given us the opportunity to look afresh at and to improve the manner in which we achieve the objective of delivering good outcomes.

In terms of compliance with the 2018 UK Corporate Governance Code, the Board continues to take a proportionate approach in applying the Code's provisions. The report explains where the Company complies and where and why alternative arrangements are adopted.

As far as our most important resource – our workforce – is concerned, this philosophy has manifested itself in enhancing our consultation and communication processes to ensure staff wellbeing is approached in a caring and effective way, encouraging employees to realise their potential through training and development programmes and providing reward structures that recognise their individual contributions to our success. More about these and other Human Resources initiatives can be found on pages 10 to 11.

In my commentary last year, I referred to the skills shortage in our industry which had led to heightened competition for quality staff. Another of the challenges alluded to in my opening remarks has been the recruitment and retention of employees with the skills and experience we need to maintain our high standards of customer service. This involves investment in our people. The Board is convinced that this investment is essential for both the immediate and longer-term future of the business, for the ultimate benefit of clients and shareholders, as well as the workforce as a whole.

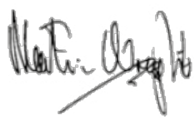
I have referred in my statement on pages 4 to 5 to more exceptional cost items. The Board has been and is determined to implement the required improvements in our regulatory and compliance framework. Linked to this is adherence to the letter and spirit of the wider regulatory framework, including the additional constraints imposed by the Consumer Duty. Here too we will support management where investment is necessary or difficult decisions are required.

These are some of the ways in which our commitment to good governance have been applied. Good governance is a cornerstone of the Consumer Duty. The objective of this regulation is to prevent consumer harm and to facilitate good consumer outcomes, an objective that has been long-established in the Group's culture and the behavioural standards we have strived to maintain.

We are keeping a close eye on developments in the area of corporate governance reform, in particular those arising from the BEIS and FRC consultations focused on reporting, audit and internal controls, which are due to be implemented for accounting periods on or after 1 January 2025.

I trust that the matters I have addressed above and the other information given elsewhere in this Annual Report continue to demonstrate that I and my fellow Directors are determined that the Group's governance is applied in a relevant, proportionate and meaningful way in line with our declared values.

That being so, in compliance with the current UK Corporate Governance Code, which provides that the Directors should be subject to annual re-election, I confirm that all current members of the Board will be putting themselves forward for re-election at the forthcoming Annual General Meeting.



Martin Wright
Chairman

31 July 2023

Report by the Directors – on corporate governance matters

year ended 31 March 2023

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 business of the Company and its operating subsidiaries, 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 and 9.

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 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 20 to 24;
- 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 39 and 67.

Particular attention was given during the year to reassessing the Group's principal risks and the effects upon them and the business model of the pandemic and, latterly, the impact of the Ukraine conflict on the global economy and capital markets.

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' and the HR department's regular engagement with the workforce as explained further on pages 10 and 11;
- regular discussion at Board meetings on culture and matters of concern to the workforce;
- promoting our speak up policies and reviewing the outcomes of whistleblowing reports and 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 and through our Group Head of HR, which the Board believes provides timely and relevant communication and awareness of key matters. Details of the methods used are also given in the "Our people and culture" section on pages 10 to 11 and the Section 172 Statement on pages 25 to 27, 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 2023

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 **walkercrips.co.uk**;
- the Annual General Meeting to communicate with private and institutional investors. All Directors are available at General Meetings 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 encouraging individual shareholders to raise any questions with the Chairman, Chief Executive Officer or Senior Independent Director and ensuring 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 25.

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.

The plan previously reported to consolidate the Group by merging certain regulated entities will allow a more holistic oversight of the business as a whole. This plan remains on the Company's forward-looking agenda.

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 **walkercrips.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 **walkercrips.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 scheduled 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	2	1
Martin Wright (Chairman)	10	7	2	1
Clive Bouch (Senior Independent Director)	10	7	2	1
David Gelber (Non-Executive Director)	10	7	2	1
Hua Min Lim (Non-Executive Director)[1]	0	n/a	0	0
Sean Lam (Chief Executive)	11	7	2	n/a
Sanath Dandeniya (Group Finance Director)	11	7	2	n/a

1 Hua Min Lim, who is based in Singapore, is provided with 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. It also convenes regularly 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. It is fully committed to promoting talented individuals as executives on merit, both internally and through recruitment, with the Board's 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 (who acts as its Chairman), Clive Bouch, David Gelber and Hua Min Lim.

The Committee will take full account of the Board's policy on diversity in considering any appointments within its remit, which encompasses gender, age, education, social and ethnic backgrounds, disability and cognitive and personal strengths, 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 Officer and Group Finance Director respectively, and four are non-executives, including the Board Chairman. 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 32 to 33 describe the range, depth and complementary nature of their individual skills and experience, the combination of which provides a balanced and effective Board.

Audit, risk and internal control

Audit Committee
Throughout the year, the Audit Committee comprised Clive Bouch, who acted as its Chairman, and David Gelber.

Further information about the Audit Committee, its responsibilities and activities during the year can be found in the Audit Committee report on pages 40 to 43.

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 22 to 24.

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 operating companies' boards, overseen by the main Board, 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.

Report by the Directors – on corporate governance matters continued

year ended 31 March 2023

Audit, risk and internal control continued

Risk management continued

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.

The Board assesses 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 as communicated through the RMC. 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 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.

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. In recent years we have experienced too many large costs that have arisen due to key procedures and controls not operating as they should and such failures persisting over time. The Board is determined to address this. Accordingly, in addition to the strengthening of our second and third lines of defence in recent years, we have decided that a fresh review of all key transaction reporting controls, key risk indicators, use of systems and exception reporting is required. This will be completed over the coming months. In addition we have concluded that senior management bandwidth is too narrow and we will strengthen the management team.

The Directors consider that the controls and risk management procedures established and to be implemented will be 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.

Compliance Committee

The Executive Compliance Committee provides regulatory oversight to the Group, monitors compliance with all regulatory matters and considers regulatory updates and guidance notes from the FCA, the Joint Money Laundering Steering Group, the Financial Ombudsman Service, the Financial Services Compensation Scheme, the London Stock Exchange and other UK regulatory and industry bodies.

The Committee's aim is to cultivate a culture of compliance, to ensure that the Group is delivering good customer outcomes and to provide challenges to all levels of leadership.

The Committee is responsible for considering law, regulation and guidance while determining how it should be disseminated, engaged with, and implemented across the Group.

In the current financial year, the Committee has been focused on Financial Crime Compliance framework enhancements and developing and strengthening its framework for the new Consumer Duty regulation.

The Committee also ensures all compliance policies, procedures, processes and guidance are properly implemented and regularly reviewed.

James Hiett, Head of Group Compliance, acts as the Committee's Chairman.

Prospects

The financial year 2022/23 saw the Group continuing to be profitable, but with a decline in pre-exceptional items operating results. Reported results were yet again hampered by the significant exceptional costs reported in the year. Nevertheless, Management remains committed to the Group strategy and has confidence in the longer-term prospects for the Group. Action is taken to remediate the causes of exceptional items when they have been due to control weaknesses.

The Group's strategy focuses on revenue growth, cost control and investment in staff and systems. Key areas of the Group's strategy are:

1. ***Nurture and promote our core business***
   This is our largest revenue generator, providing clients with investment, wealth, pensions and collectives advice and the creation of structured investments and structured deposits for clients, IFAs and counterparties. We aim to grow both organically by home-growing investment managers as well as attracting new investment managers with established client lists.
2. ***Companion services including higher margin alternative investment business***
   This subset of our core Investment Management business is where we create innovative and higher margin new business lines.
3. ***Software as a Service ("SaaS") that looks to identify and close the technology gap***
   Systems development is a 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 offerings have been taken up by external customers, and we continue to develop products to meet various needs in staff management.

The Group prepares five-year projections for business planning purposes, its Internal Capital Adequacy and Risk Assessment ("ICARA") and its stress testing. However, the Directors continue to consider a three-year period remains appropriate for the viability statement because it is aligned with the Group's planning horizon, and also takes into account the unpredictability inherent in the financial sector. The Directors do not currently plan to revise the three-year viability statement period in future but will keep it under review as income sources evolve and the related risks and rewards are assessed.

Viability statement

The Directors regularly consider the Group's financial position and projected liquidity and financing requirements. For the purposes of this viability statement they have assessed the outlook of the Group by reference to its current financial position, recent and historical trading performance, the principal risks and mitigating factors (see pages 20 to 24), and three-year projections (see above).

The Group's forecasting model, which forms part of the ICARA process, is subjected to stress tests. These stress tests are devised through discussions with senior management and consist of two alternative stress scenarios, both directly applied to the Group's "base" case budget and projections which assume normal operating conditions. Key assumptions underpinning the base case projections are set out in the going concern disclosure in note 2 on page 67. The stress tests seek to respond to the business model risks disclosed on page 23. A reverse stress test is also performed. The stress scenarios do not include any mitigating actions that would be taken by management were they to emerge.

The Group's base case projections and the two stress scenarios consider the Group's current financial position and the potential impact of principal risks and uncertainties facing the Group. The two alternative stress scenarios considered are: (i) a "bear stress scenario": representing a 10% reduction in management fees and trading commissions, with the consequent reduction in revenue sharing based costs, compared to the base case in the reporting periods ending 31 March 2025 and 31 March 2026, and (ii) a "severe stress scenario": representing a 15% fall in management fees and trading commissions and UK base rates 1% (absolute) lower compared to the base case in the reporting periods ending 31 March 2025 and 31 March 2026, together with an 80% deterioration in the SDRT obligation provision (see Chairman's statement on page 4 and Finance Director's review on page 14) assumed to be settled in December 2023.

Liquidity and regulatory capital resource requirements exceed the minimum thresholds in both the base case and bear scenarios. 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 June 2025. Were the interest rate stress also to be applied to the bear scenario a regulatory capital shortfall is projected to occur in September 2025. The Directors consider these scenarios to be remote in view of the prudence built into the base case projections and that further mitigations available to the Directors are not reflected therein. Such mitigating actions within Management 's control include reduction in proprietary risk positions, delayed capital expenditure, further reductions in discretionary spend, not paying planned dividends and reductions in employee headcount. Other mitigating actions may include disposal of businesses, stronger cost reductions and the potential to seek shareholder support.

The reverse stress scenario is performed to assess the resilience of the Group's business model and strategy. This indicates that the Group would be placed under significant stress if it were to lose 25% of gross income over the next 12 months. The Directors consider the severe stress scenario to be remote in view of the prudence built into the plans and the further mitigations available to the Directors that are not reflected therein.

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.

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 capital requirements imposed by 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 67.

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 executive 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. Accordingly, the Remuneration Committee will in due course undertake a broader review of remuneration arrangements for Directors and senior management. As explained in the Remuneration report on pages 44 to 51, a review of Executive Directors' base salaries was undertaken during the year.

Information on the Remuneration Policy, how it was implemented in the year and the work of the Remuneration Committee can be found in the Remuneration report on pages 44 to 51.

Audit Committee report

year ended 31 March 2023

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.

Composition and constitution
The Board is responsible for establishing and maintaining an Audit Committee and for appointing its members. The 2018 UK Corporate Governance Code ("the Code") provides that the Committee should comprise only independent Non-Executive Directors of the Company with a minimum of two members. The Committee comprises two members, albeit one member has been a Director for more than nine years and formerly chaired the Board. This reflects the size of the Board and scale of the business. The Board's emphasis is to ensure 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 providing effective guidance and challenge.

Clive Bouch, who is a Chartered Accountant with recent and relevant financial experience, served as the Committee Chairman throughout the year, and David Gelber served as the other Committee member. As authorised by its Terms of Reference, the Committee invited the Group Finance Director and the Heads of Group Compliance and Group Risk to attend and report at its meetings as well as representatives of both the Group's internal and external auditors. The Group Chairman and Group Chief Executive are also invited to attend meetings.

The Committee's current Terms of Reference are available for inspection on the Company's website at **walkercrips.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. 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;
i. determination of distributable reserves; and
j. 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 37. 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 members of the Group's workforce 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 Group Compliance and Group Risk, the external audit partner and members of the internal audit leadership team.

Committee activities
The work of the Committee during the year ended 31 March 2023 fell into three main areas:

1. Accounting, financial and non-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. viability statement prior to Board approval;
e. TCFD disclosures; and
f. Annual Report to consider whether, taken as a whole, it is fair, balanced and understandable, includes all required disclosures and provides information relevant to shareholders' assessment of the Group's position and performance, business model and strategy.

2. Internal controls

The Committee:

1. 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 Group Compliance and Group Risk;
2. agreed with the internal audit service providers the programme of internal audit reviews and any modifications thereto;
3. reviewed actions taken, and challenged the appropriateness of deadlines for implementation, in response to reports on internal controls in order to address matters identified; and
4. considered the effectiveness of the systems established to identify, manage and monitor financial and non-financial risk. In respect of this matter and the failure of controls giving rise to the Stamp Duty Reserve Tax obligation, as reported in the Chairman's statement (page 4), the Finance Director's review (page 14), and elsewhere in the Annual Report and Accounts, in addition to the continuing strengthening of our second and third lines of defence, the Board has decided that a fresh review of all key transactions reporting controls, risk indicators, use of systems and exceptions reporting is required. This will be completed over the coming months. The Board has also concluded that senior management bandwidth is too narrow and the management team should be strengthened.

3. External audit

The Committee:

1. assessed the qualifications, expertise and resources of PKF Littlejohn LLP ("PKF") as the Company's and Group's auditor and the effectiveness and quality of the external audit process;
2. reviewed PKF's audit plan, audit approach, scope of work to be carried out and audit findings;
3. reviewed the auditor's independence and objectivity, including compliance with the Group's non-audit services policy;
4. approved PKF's audit and non-audit fees;
5. reviewed PKF's recommendations in respect of the internal control environment and management's responses thereto; and
6. reported to the Board on the audit process, the effectiveness of the external auditor, the results of the external audit, and made a recommendation to the Board on the re-appointment of the external auditor.

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 key matters raised by the FRC for 2022/23 reports.

External auditor

PKF was reappointed as the Group's external auditor by shareholders' resolution at the 2022 AGM to serve until the conclusion of the next meeting at which accounts are laid. Accordingly, a resolution to reappoint PKF as auditor will be put to shareholders at the forthcoming AGM.

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 **walkercrips.co.uk**. PKF also carried out a desktop review of the Group's Interim Report and reports to the FCA on CASS compliance for relevant Group companies, as well as providing assurance services under AAF 01/20 in respect of the Group's service organisation controls report. No other services have been provided by the auditor during the year. Details of external audit and non-audit fees are disclosed in note 9 to the financial statements on page 79.

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. Attention is drawn to the Auditor's report on pages 56 to 61 and, in particular, the emphasis of matter highlighting the uncertainty regarding the provision for stamp duty.

Internal audit

The internal audit tender process reported last year as having been initiated at that time involved a rigorous evaluation of potentially suitable internal audit service providers, presentations from short-listed candidates to the Committee, Board and members of senior management and rigorous interrogation of their submitted proposals. This concluded with unanimous support for the appointment of Grant Thornton UK LLP (Grant Thornton) as the Group's internal auditors with effect from 1 December 2022. The previous incumbent, Evelyn Partners LLP (formerly Smith & Williamson LLP) was retained beyond that date to complete its agreed programme and submitted its closing report to the Committee in January 2023 to bring its engagement to an end.

The internal audit function reports directly to the Committee. The internal audit plan and scope of work is reviewed and approved by the Committee as a matter of course each year and is modified, as necessary, during the course of the year in the event of changed priorities. 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, Evelyn Partners completed its reviews of the Group's approach to and controls over market abuse, the Tier 1 Investor Visa Service (since discontinued), the Finance Department and debtor management procedures and, to conclude its engagement, reviewed and reported on the implementation by Management of the consequent recommendations it had made. Grant Thornton then carried out its first review and reported to the Committee on the implementation of the fraud and financial crime controls enhancement project. Since the year end, Grant Thornton has also reviewed and reported on regulatory transaction reporting by and the cyber security controls of the Group's main operating company, Walker Crips Investment Management Limited.

The Committee monitors the effectiveness of the internal audit service provided by the external providers, with particular focus on competence and capabilities, timely reporting and the quality of communication and recommendations. The Committee also monitors any other services that the internal auditors may provide to ensure the integrity and independence of the Group's third line of defence is not compromised. The Committee is pleased with the level of engagement, insight and quality of reporting in respect of Grant Thornton's work to date.

Audit Committee report continued

year ended 31 March 2023

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 page 39. 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 continuing effects of the Ukraine conflict, current financial resources and capital expenditure plans, together with ongoing compliance with regulatory prudential requirements. 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, market outlook, financial plans and projections, and budgets;
- the actions management are taking to strengthen the control environment and mitigate instances of control failings resulting in significant liabilities that have occurred in recent years and are described elsewhere in this and prior reports;
- dividend proposals and policy;
- Group liquidity, noting that 90% of the Group's regulatory financial resources at 31 March 2023 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 2023 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 intra-day 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, key assumptions 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:

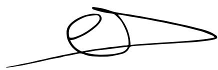
Matter considered	Action
Carrying value of Walker Crips Group plc's investment in subsidiaries	
The carrying value of the Parent Company's investment in subsidiaries, including the value attributed to client lists arising from these acquisitions, amounts to £21.9 million. This significantly exceeds the market value of the Group as determined by reference to the quoted share price. This situation has persisted for several years.	As part of the impairment review work the discrepancy in values was again considered and the conclusion reached that the carrying value remains 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 auditor 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, client lists of £4.5 million and software licences of £0.3 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 is no impairment, with particular challenge regarding the assumptions used and the proposed disclosures (see note 17). The Committee also considered the procedures performed by the external auditor (see the independent auditor's report on pages 56 to 61). 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 investment managers, the loss rate of clients, and other causes of possible outflows. The Group has taken an exceptional charge of £0.4 million (see note 10) to write down client list intangibles associated with departing self-employed investment managers. Estimated useful economic lives have also been reviewed by Management, with changes resulting in an additional amortisation charge of £0.6 million compared with the prior year. The Committee reviewed Management's supporting papers in respect of indicators of impairment, reasonableness of amortisation periods and appropriateness of the impairment charges (exceptional and non-exceptional), challenging underlying assumptions. The Committee also considered the procedures performed by the external auditors (see the independent auditor report on page 59).

Matter considered	Action
Provisions	
The financial statements include provisions in respect of dilapidations (£0.65 million) and estimated obligations in respect of Stamp Duty Reserve Tax ("SDRT") (£0.9 million). These amounts are estimated with varying degrees of certainty. In view of the materiality of the SDRT obligation and the fact it arose over several years, prior year reported results have been restated to correct this fundamental error.	The Committee considered and challenged Management's determination of the amounts provided, accounting treatment and related disclosures (see Chairman's statement on page 4, Finance Director's review on page 14, note 27 on pages 89 and 90, and note 38 on page 94), concluding they were appropriate based upon the information presently available. As noted previously, the auditor's report contains an emphasis of matter in respect of the uncertainty regarding the SDRT provision.
Exceptional items and alternative performance measures	
The Group classifies certain material items as exceptional and presents alternative performance measures ("APMs") to provide a clearer understanding of the underlying trading performance of the business. In 2022/23, the Group has reported exceptional charges totalling £554,000 (2021/22: £1,555,000 - restated). The exceptional items reported this year therefore continue to be significant and relate to write down of values attributable to client list intangible assets and provision for estimated SDRT due to HMRC. Related to this latter provision, prior period reported results have been restated to correct the fundamental error and, as noted earlier, the auditor's report contains an emphasis of matter paragraph. APMs presented are operating profit before exceptional items, profit before tax and exceptional items, adjusted EBITDA and underlying cash generation from operations.	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 80), the reasons therefor and the proposed disclosures, including the reconciliations provided in the Finance Director's review on page 15 between the IFRS reported results and the APMs. The Committee challenged Management regarding (i) the prominence and equal presentation of the IFRS results and APMs, (ii) the nature of the exceptional items and their consistency with the Group's accounting policy, and (iii) the disclosure of and references to the exceptional items in note 10, the Financial highlights, the Chairman's statement, the CEO's statement, the Finance Director's review and elsewhere in the Annual Report and Accounts, including the restatement of prior years' reported results. The Committee also considered the external auditor's findings in respect of these matters. Based on its deliberations the Committee is satisfied with the presentation and explanations of the exceptional items and APMs. The Committee in particular noted the uncertainty surrounding the estimated SDRT provision and its impact on the going concern and viability statement considerations (see page 39 and notes 10 and 38).

Performance evaluation
A formal evaluation of the Committee's performance will be undertaken before the current year end based on feedback to a questionnaire distributed to Committee members and others who regularly attend Audit Committee meetings and any areas identified for improvement.

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 or other provider modules.

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



Clive Bouch
Audit Committee Chairman

31 July 2023

Remuneration report

year ended 31 March 2023

Introduction

This report details the Directors' remuneration for the year ended 31 March 2023 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 two parts:

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

The Remuneration Policy approved by shareholders at the 2020 Annual General Meeting and effective from 1 April 2021 was replaced by an updated Remuneration Policy approved by shareholders at the 2021 AGM with immediate effect (28 September 2021). Both the 2020 and 2021 approved Policies are available for inspection on the Group's website at **walkercrips.co.uk** where the former can be found on pages 39 to 42 of the 2020 Annual Report and the latter on pages 49 to 53 of the 2021 Annual Report.

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

As explained in the Chairman's and CEO's statements and the Finance Director's review, this year has been difficult given the challenging and uncertain external environment, and the resulting reduced market confidence and operating results. It is also disappointing that again the Group reports exceptional charges, including one related to a legacy issue caused by procedures and controls failings resulting in a material obligation in respect of underpaid Stamp Duty Reserve Tax. However, the Board and Management have taken and continue to take action to improve our regulatory and compliance functions and strengthen our framework of systems and internal controls, and are focused on improving our operating model through ceasing certain higher risk service offerings and investing in our people. On the latter point, I reported last year that we were experiencing inflationary pressures, particularly regarding the competitive employment market in the financial services sector. This pressure has continued, exacerbated by current higher levels of inflation, and therefore investing in our people and ensuring they are fairly rewarded has been a priority. The Committee is responsible for determining the reward practices on a Group-wide basis and continues to review the overall remuneration for all levels of employees across the Group. Whether it relates to the war in Ukraine, the cost-of-living crisis or the volatile stock market, this financial year has been a turbulent time for many and our workforce has dealt with these pressures admirably. These factors and the Group's results have impacted the Remuneration Committee's decisions, and I would highlight the following:

1. The Committee has not awarded discretionary bonuses to the Executive Directors, also noting that the formulaic bonus pool does not crystallise as profits are insufficient. This decision was influenced by the downturn in operating results, a continued high level of exceptional charges, control failings and lower year-on-year dividends to shareholders.
2. The Committee is highly supportive of the work our new Head of Group HR is spearheading on behalf of the Group as outlined in the section on "Our people and culture" on pages 10 and 11 and in the Section 172 (1) Statement on pages 25 and 26. A key task completed during the year was a comprehensive benchmarking review of the employed workforce's (including Executive Directors') remuneration and rewards. The review confirmed our concern that we were behind market and informed our decision to award increases, taking effect from 1 April 2023, averaging 9% across the workforce. We continue to pay all employees at or above the national living wage, which is in excess of the national minimum wage. Base salary increases of 10% were awarded to the two Executive Directors.
3. The Committee considered and approved the bonus pools recommended by Management in respect of those employees eligible to receive such awards, taking into account input from our Risk and Compliance functions as to whether any reductions were necessary for poor conduct or other relevant reasons. For higher performing employees, a proportion of their awards have been made in shares under the Deferred Bonus Plan approved by shareholders at the last AGM.

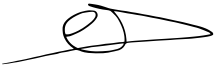
The Committee will continue to keep pay levels under review, taking into account workforce pay and policies as required by the UK Corporate Governance Code, the Group's performance and the interests of shareholders. In conducting any review of Executive Directors' fixed pay levels the Committee will take into account the continued development of remuneration arrangements for other firms in the sector of similar size and complexity.

I reported last year that consultations had been conducted with members of the workforce, and in particular our self-employed associates, on proposed modifications to their reward arrangements to align with the new MIFIDPRU Remuneration Code. These were fully implemented. For our employed workforce, although we are not subject to imposed maximum ratios of variable to fixed reward, as required by the rules we have specified a maximum ratio in respect of such rewards. It should be noted that our shareholder approved Directors' Remuneration Policy restricts Executive Directors' variable pay to not more than 100% of fixed pay.

The Committee is aware that stakeholders are increasingly expecting environmental, social and governance measures ("ESG") to be embedded within remuneration frameworks for senior management. As reported last year, your Board believes that addressing ESG challenges is an integral part of Management's day job rather than an additional area to be incentivised. As part of the review of annual bonuses, the Committee considered the Group's progress, particularly in laying the foundations to achieving our net-zero targets. As noted in the TCFD report on page 28, the Group's carbon emissions have increased year on year reflecting the increase in travel, both commute to office and for business purposes where previous years were impacted by travel restrictions and partial lockdowns. The Audit Committee has challenged Management on the Group's plans, noting Management's assertion that the Group remains on course to reach its target.

As we look forward to the coming year, the Committee will continue to support executive management and our Head of Group HR in improving our levels of employee engagement and ensuring the Group remains an attractive place to work. Reward levels will be kept under review, including whether the existing formulaic profit share arrangements remain appropriate. The current Directors' Remuneration Policy is due to expire at the 2024 AGM and the Committee will review the current policy to ensure it remains aligned with the Group's strategy, emerging market practice, regulatory developments, the expectations of the UK's Corporate Governance Code and of our shareholders. Any proposed changes to the policy, including to the formulaic profit share arrangements, will be presented for shareholder consideration at the 2024 AGM.

I hope that you find the information in this annual statement and the Directors' Remuneration report clear and useful.



Clive Bouch
Remuneration Committee Chairman

31 July 2023

Remuneration report continued

year ended 31 March 2023

Part B – Annual Remuneration Report

The Remuneration Committee presents its Annual Remuneration Report, which will be put to an advisory shareholder vote at the 2023 AGM. Sections which have been subject to audit are noted accordingly.

Summary of Remuneration Policy and implementation in the year ended 31 March 2023

The table below summarises the Remuneration Policy which was approved by shareholders at the 2021 AGM on 28 September 2021 with effect from that date.

Element	Policy	How implemented in 2022/23
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 in respect of the 2022/23 salaries/fees. The impact of the review conducted in the year on 2023/24 salaries and fees is disclosed later in this report.
Annual Profit Share (discretionary allocation from annual bonus pool)	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 2022/23 bonus pool thresholds were 5% of Group profit before tax in excess of £559,000 and 15% of Group profit before tax in excess of £1,397,000. These profit pool thresholds were not triggered, and consequently no annual profit share awards made in the year.
Discretionary Bonus	The Remuneration Committee may make a discretionary award to the Executive Directors in addition to any allocation, or where no award is made, from the Annual Profit Share to reflect exceptional individual performance and contribution to the Group.	No discretionary bonuses were awarded 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 £6,000 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, which had been suspended with effect from 1 April 2020, was reinstated from 1 April 2021 at the rate of half a Matching Share for every share purchased by the employee. On review, the matching rate was increased to one-to-one from 1 April 2023.
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.

Part B – Annual Remuneration Report continued

Remuneration for the year ended 31 March 2023 (audited information)

The table below sets out the remuneration received by the Directors in the year ended 31 March 2023 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	**2023**	**220,000**	**2,124**	**22,000**	**244,124**	**–**	**900**	**900**	**245,024**
	2022	220,000	1,924	22,000	243,924	–	900	900	244,824
Sanath Dandeniya	**2023**	**150,000**	**1,950**	**10,500**	**162,450**	**–**	**900**	**900**	**163,350**
	2022	150,000	1,768	10,500	162,268	–	900	900	163,168
Non-Executive									
Hua Min Lim	**2023**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2022	–	–	–	–	–	–	–	–
Clive Bouch	**2023**	**38,570**	**–**	**–**	**38,570**	**_**	**900**	**900**	**39,470**
	2022	38,570	–	–	38,570	–	900	900	39,470
Martin Wright*	**2023**	**42,559**	**–**	**–**	**42,559**	**–**	**–**	**_**	**42,559**
	2022	42,559	–	–	42,559	–	–	–	42,559
David Gelber	**2023**	**42,559**	**–**	**–**	**42,559**	**–**	**900**	**900**	**43,459**
	2022	42,559	–	–	42,559	–	900	900	43,459
Total	**2023**	**493,688**	**4,074**	**32,500**	**530,262**	**–**	**3,600**	**3,600**	**533,862**
	2022	493,688	3,692	32,500	529,879	–	3,600	3,600	533,479

* Charles Russell Speechlys LLP received fees of £42,559 (2022: £42,559) for the services of Martin Wright who is a partner in that firm.

Note 1: Basic salary/Fees
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 2023

Based on the Group's results and profitability, the Committee has not awarded any discretionary annual bonuses for 2022/23, whether payable in cash or equity, to the Executive Directors.

Outstanding share awards

There were no share options outstanding at 31 March 2023 or 31 March 2022. There are no share option schemes or Long-Term Incentive Plans in place for the Directors. However, as referenced in the Remuneration Committee Chairman's Annual Statement on page 44, shareholders' approval was obtained at the 2022 AGM to the introduction of the Walker Crips Group Deferred Bonus Plan 2022, an employee share scheme to facilitate the payment of bonus awards partly in shares.

Remuneration report continued

year ended 31 March 2023

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 2022	**Beneficially owned at 31 March 2023**	**Beneficially owned at 30 June 2023**
Hua Min Lim	12,359,803	**12,359,803**	**12,359,803**
Sean Lam	636,460	**660,133**	**671,748**
Sanath Dandeniya	45,838	**57,874**	**69,910**
David Gelber	210,088	**227,715**	**245,342**
Clive Bouch	59,684	**71,898**	**84,112**
Martin Wright	16,129	**16,129**	**16,129**

The Remuneration Policy approved by shareholders 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 base 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. On further review, the matching rate has been increased to its pre-pandemic level of one-to-one from 1 April 2023.

A total of 587,948 (2022: 508,978) new Ordinary Shares were issued to the 92 employees who participated in the SIP during the year. At 31 March 2023, 3,864,027 (2022: 4,007,724) 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 2022**	31 March 2023
Sean Lam	**19,409**	22,203
Sanath Dandeniya	**17,011**	20,132
David Gelber	**57,561**	60,686
Clive Bouch	**18,272**	21,393

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.

Part B – Annual Remuneration Report continued

Chief Executive remuneration

Percentage change in the remuneration of the Chief Executive

	2022		**2023**	
Chief Executive	£	Change	**£**	**Change**
Salary	220,000	5.3%	**220,000**	**0%**
Bonus	–	–	**–**	
Benefits	1,924	9.9%	**2,124**	**10.40%**
Average per employee (£)				
Salary	45,961	9.93%	**48,441**	**5.40%**
Bonus	8,051	56.32%	**7,109**	**-11.70%**

The table above shows the movement in salary and annual bonus for the Chief Executive in the current and previous financial years compared to that of the average Group employee. The Committee has chosen this comparator as it provides a better reflection of the earnings of the average Group employee than the movement in the Group's total wage bill, since the latter is subject to distortion by movements in the number of employees. It should be noted that the reported year-on-year increase in the Chief Executive's salary in 2022 reflects the fact he, together with other Executive Directors, voluntarily took a 20% salary reduction for the three months commencing 1 April 2021 in light of the uncertainties caused by the pandemic.

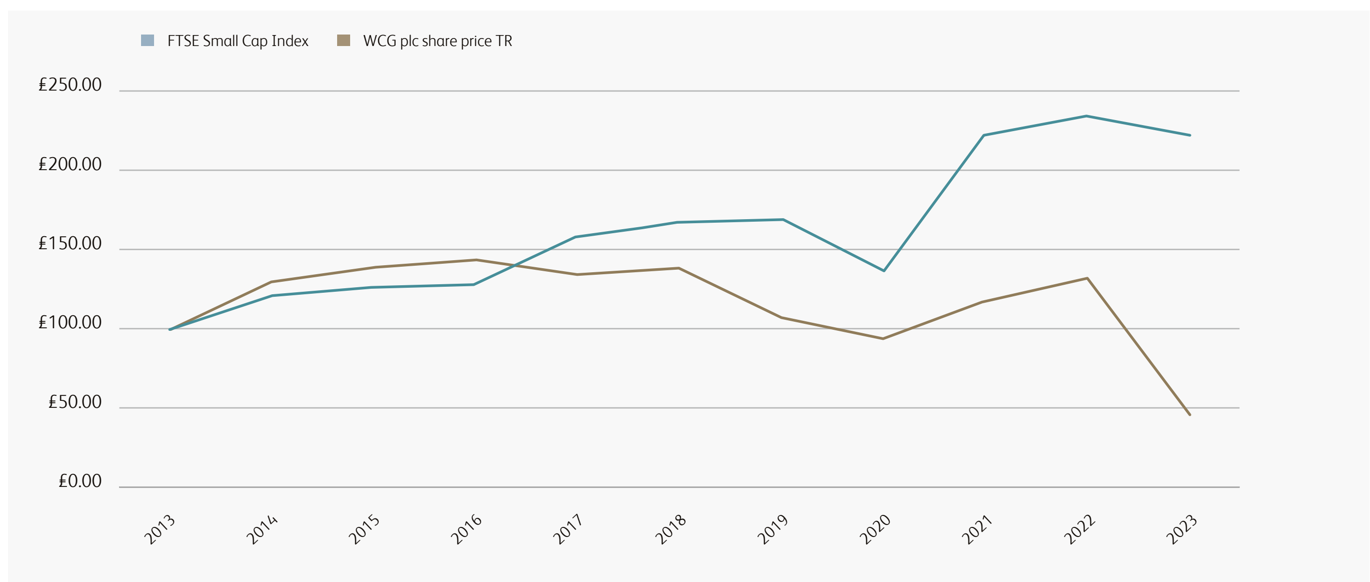
The table below shows the total remuneration for each of the individuals who has performed the role of Chief Executive during each of the past 10 financial years. The total remuneration figure includes any bonuses awarded based on performance in those years, such bonuses being discretionary within the terms of the applicable Remuneration Policy and not based on any maximum opportunity. No long-term incentive awards were made to any of the Executive Directors.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	**Year ended 31 March 2023**
Sean Lam	–	–	–	–	–	£133,610	£245,517	£245,504	£231,650	244,824	**245,025**
Rodney FitzGerald	£267,934	£186,769	£187,176	£189,264	£196,119	£69,843	–	–	–	–	
Total remuneration	£267,934	£186,769	£187,176	£189,264	£196,119	£203,453	£245,517	£245,504	£231,650	244,824	**245,025**

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 2023, of £100 invested in Walker Crips Group plc on 31 March 2013 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



Remuneration report continued

year ended 31 March 2023

Relative importance of the spend on pay

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

	2022 £'000	**2023 £'000**	Change
Staff costs	14,475	**13,462**	4.37%
Dividends paid	383	**617**	61.10%

The total dividends paid in 2022/23 consisted of a final dividend for 2021/22 of 1.20 pence per share (2020/21: 0.60 pence per share) and an interim dividend for 2022/23 of 0.25 pence per share (2021/22: 0.30 pence per share) As explained on page 5, the Directors are recommending a final dividend for 2022/23 of 0.25 pence per share, which equates to a total amount payable for the year of £106,000.

Remuneration Committee governance

The Committee is governed by formal terms of reference agreed by the Board. The terms of reference were reviewed during the year and revised 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 approved by the Board on 20 July 2021 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 (Committee Chair and also Chairman of the Audit Committee and Senior Independent Director), David Gelber, Hua Min Lim and Martin Wright.

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 twice in the year. Matters that were considered and discussed included but were not limited to:

- Review of information on wider workforce pay including salaries, budgets and incentive outcomes
- Review and discussion of the remuneration benchmarking survey
- Determination of the remuneration of the Chairman and Executive Directors
- Annual review of remuneration for material risk takers across the Group
- Review of annual risk and compliance reports on variable pay awards to ensure alignment with the firm's risk appetite
- Review of the general principles of the regulatory Remuneration Policy
- Review and approve the Directors' Remuneration report for shareholder approval
- 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 2023 onwards

As stated earlier in this report, a revised Remuneration Policy was approved by shareholders at the 2021 AGM for a period of three years from 28 September 2021.

No increases having been made to the salaries of the Executive Directors for the year from 1 April 2023, in exercise of its discretionary powers, the Committee approved the award of a basic salary increase of 10% to each of the Executive Directors from 1 April 2023. There are no plans to review the Executive Directors' salaries before 1 April 2024.

The formulaic bonus pool in which the Executive Directors may participate under the revised policy will be based on 5% of Group profit before tax in excess of £600,000 and 15% of Group profit before tax in excess of £1,500,000. The Committee may also award in-year discretionary bonuses for the Executive Directors under the existing policy to reflect exceptional performance and contribution to the Group. Any such awards made, when combined with any allocation from the foregoing bonus pool, may not exceed 100% of the Director's annual base salary and will be predominantly in shares subject to minimum shareholding restrictions.

Part B – Annual Remuneration Report continued

Fees for the Chairman and Non-Executive Directors

The Group's approach to setting Non-Executive Directors' fees is summarised on page 46. These fees are reviewed periodically by the Board and revisions have been made that take effect from 1 April 2023. A summary of fees for Non-Executive Directors in respect of the year ended 31 March 2023 is as follows:

	Directors' fees as at 31 March 2023 £
Martin Wright (Board Chairman)	**42,559**
Clive Bouch (Audit Committee and Remuneration Committee Chairman and Senior Independent Director)	**38,570**
David Gelber	**42,559**

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 were increased to £42,559 per annum with effect from his appointment as Chairman on 9 September 2020 and remained at that level until increased by the Board to £55,000 per annum from 1 April 2023. 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 and are subject to VAT.

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 fees, which were set from 1 April 2021 at £42,559 per annum, remained at that level until increased to £50,000 per annum from 1 April 2023. He is also reimbursed for expenses incurred on behalf of the Group and receives a contribution by the Group to the SIP.

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 fees of £38,570 per annum for the year remained unchanged from 2021/22 but have been increased to £50,000 per annum from 1 April 2023. He is also reimbursed for expenses incurred on behalf of the Group and receives a contribution by the Group to the SIP.

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 2023 or proposed.

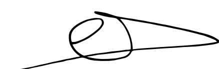
Statement of shareholder voting at General Meetings

At the 2022 and 2021 Annual General Meetings, the Directors' Remuneration report and the Remuneration Policy, at the 2021 Annual General Meeting only, received the following proxy votes from shareholders:

	Directors' Remuneration report		Remuneration Policy	
	Number	Percentage	Number	Percentage
2022 AGM				
Votes in favour	15,483,543	99.9%	n/a	n/a
Votes cast against	8,424	0.1%	n/a	n/a
Abstentions	Nil	0.0%	n/a	n/a
2021 AGM				
Votes in favour	21,332,880	99.8%	21,307,364	99.6%
Votes cast against	51,900	0.2%	77,416	0.4%
Abstentions	1,077	<0.1%	1,077	<0.1%

Approval

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



Clive Bouch
Remuneration Committee Chairman

31 July 2023

Directors' report
for the year ended 31 March 2023

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 2023.

Results and dividends
Results, distributions and retained profits are as follows:

	2023 £'000	As restated 2022 £'000
Retained earnings at 1 April	**10,303**	10,631
Profit/(loss) for the year after taxation	**418**	55*
Dividends paid	**(617)**	(383)
Retained earnings at 31 March	**10,104**	10,303

* The restatement of the 2022 figures is explained in note 38.

The Directors, having considered the impact of the pandemic and Group's liquidity requirements, recommend the payment of a final dividend of 0.25 pence per share (2022: 1.20 pence). The proposed final dividend is subject to shareholder approval at the AGM on 27 September 2023. If approved by shareholders, this will be paid 06 October 2023 to shareholders on the Company's shareholder register at the close of business on 22 September 2023. The total dividend paid and proposed in the year was 0.50 pence per share (2022: 1.50 pence).

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 to new investment advisers in return for the rights to or purchase of a client list 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 32 and 33.

Directors' interests
Directors' emoluments and beneficial interests in the shares of the Company are disclosed in the Directors' Remuneration report on pages 47 and 48. Other than noted on page 55, 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 31 March 2023: No Directors of the Group's Parent Company were women (2022: nil); 24% of senior managers, being individuals with responsibility for planning, directing or controlling, were women (2022: 24%); and 38% of the Group's employees were women (2022: 42%).

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 10 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.

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 2023, 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 2023, 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

MIFIDPRU 8 disclosures

The Group's disclosures are published annually on our website and provide further details about our Remuneration Policy and practices and regulatory capital resources and requirements.

Directors' report continued
for the year ended 31 March 2023

Carbon emission reporting
The Board recognises its responsibility to help protect the planet. We are committed to minimising the Group's environmental impact and to support those working to improve global environmental sustainability. The Group's environmental strategy and carbon emissions are reported within the Environmental strategy report on page 28.

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 27 September 2023.

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 67 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

31 July 2023

Statement of Directors' responsibilities

for the year ended 31 March 2023

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 UK-adopted 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 UK-adopted 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 UK-adopted 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

31 July 2023

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 2023 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 UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the 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 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- 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.

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 directors planned to approve the financial statements. 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 director's 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.

Emphasis of matter – Uncertainty regarding provision for Stamp Duty Reserves Tax

We draw attention to note 38 of the financial statements, which describes the uncertainty surrounding the provision established by management in respect of the group's liability in connection with unpaid Stamp Duty Reserves Tax.

Our opinion is not modified in this respect.

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 £158,000 (2022: £161,000) for the consolidated financial statements using 0.5% of group revenue based on the 31 March 2023 financial statements. 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 £110,600 (2022: £112,700).

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of 5% of overall materiality at £7,900 (2022: £8,050) 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.

The materiality for the parent company was set at £112,000. Each significant component of the group was audited to an overall materiality ranging between £7,000 and £137,000. Performance materiality was set at 70% of overall materiality for the group, parent company and each significant component. We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement.

We reassessed materiality at the end of the audit and did not find it necessary to revise our planning materiality.

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 and the impairment of intangible assets.

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

Independent auditor's report continued

to the members of Walker Crips Group plc

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 £31,612,000 (2022: £32,820,000) consists of broking income and non-broking income from the following activities: - Stockbroking; - Investment management; - Financial planning; - 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 gained reliance on IT controls being operating effectively on the group's systems. In addition, we tested key manual controls in WCIM's revenue business cycle to ensure they were operating effectively. We also performed the following tests of detailed procedures tailored to each revenue stream: **Broking income** - We used data analytics to verify the commission balances in the underlying system. The commissions revenue data was extracted and reconciled to the figures in the final accounts providing assurance over completeness of the balance. - For a sample of trade commissions, compliance charges and other commissions, we traced revenue recorded to contract notes and deductions from client accounts. - We tested a sample of controls to ensure these were being implemented appropriately including monthly reconciliations, approval of client fees by the Investment Manager, approval of client fee changes on the IT system and approval of manual adjustments. **Non-broking income** - We 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. - 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. **Key observations:** Based on the procedures performed, we are satisfied that revenue is appropriately recognised and classified.

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 (2022: £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/ Asset 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 cash generating units. We challenged management on the appropriateness of the impairment models and reasonableness of the assumptions used through performing the following: - Benchmarked 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; - Assessed the reliability of any forecasts through a review of actual past performance and compared to previous forecasts; - Tested the mathematical accuracy and performed sensitivity analyses of the models; - Understood the commercial prospects of the assets, and where possible compared assumptions with external data sources; - Assessed management's sensitivity analysis showing the impact of a reasonably possible change in underlying assumptions; - Performed our own sensitivity analysis using a range of acceptable assumptions; - Assessed the adequacy of the disclosures within the financial statements; and Where appropriate, challenged the assumptions used by management. **Key observations:** 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 £4,507,000 (2022: £5,497,000) 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.	We obtained an understanding and tested the design and implementation of the group's controls over the impairment assessment process. For intangible assets (client lists), we performed the following: - Verified amounts capitalised in the year against supporting agreements; - Challenged management's assessment that any additions met the required capitalisation criteria; - Performed an assessment on the appropriateness of the useful life; - Reviewed management's assessment of impairment indicators, considering both internal and external sources of information; - Assessed the sufficiency of the sensitivity analyses performed by management, focusing on what we considered to be reasonably possible changes in key assumptions; and Where appropriate, challenged the assumptions used by management. **Key observations:** Based on the procedures performed, the carrying value of intangible assets (client lists) is appropriately stated.

Independent auditor's report continued

to the members of Walker Crips Group plc

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

We have reviewed 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 Code specified for our review by the Listing Rules.

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 39;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate on page 38;
- Directors' statement on whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities set out on page 55;
- 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 55;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 37;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 38; and
- The section describing the work of the audit committee set out on page 40.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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.

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 those arising from the 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. We addressed this by challenging the assumptions and judgements made by management when auditing that 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 3 years, covering the periods ending 31 March 2021 and 31 March 2023.

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 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.

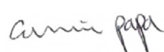
We do not consider there to be any other threats that may impair our objectivity and independence.

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.

For and on behalf of PKF Littlejohn LLP



Carmine Papa
Senior Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

31 July 2023

Consolidated income statement

year ended 31 March 2023

	Note	**2023 £'000**	As restated 2022 £'000
Revenue	5	**31,612**	32,820
Commissions and fees paid	7	**(7,264)**	(9,110)
Share of associate after tax profit	8	**–**	57
Gross profit		**24,348**	23,767
Administrative expenses	9	**(23,169)**	(21,901)
Exceptional items	10	**(554)**	(1,658)*
Operating profit		**625**	208
Investment revenue	11	**95**	9
Finance costs	12	**(88)**	(114)
Exceptional item – Profit on disposal of associate investment	10	**–**	103
Profit before tax		**632**	206
Taxation	14	**(214)**	(151)
Profit for the year attributable to equity holders of the Parent Company		**418**	55
Earnings per share			
Basic and diluted	16	**0.98p**	0.13p*

* The restatement of the 2022 figures is explained in note 38.

The following Accounting Policies and Notes form part of these financial statements.

Consolidated statement of comprehensive income

year ended 31 March 2023

	2023 £'000	As restated 2022 £'000
Profit for the year	**418**	55*
Total comprehensive income/(loss) for the year attributable to equity holders of the Parent Company	**418**	55*

* The restatement of the 2022 figures is explained in note 38.

The following Accounting Policies and Notes form part of these financial statements.

Consolidated statement of financial position

as at 31 March 2023

	Note	2023 £'000	As restated 2022 £'000	As restated 2021 £'000
Non-current assets				
Goodwill	17	**4,388**	4,388	4,388
Other intangible assets	18	**4,648**	5,752	6,566
Property, plant and equipment	19	**989**	1,169	1,477
Right-of-use asset	20	**2,340**	2,597	3,612
Investment in associate		**–**	–	2
Investments – fair value through profit or loss		**–**	–	37
Total non-current assets		**12,365**	13,906	16,082
Current assets				
Trade and other receivables	22	**36,301**	50,003	49,098
Investments – fair value through profit or loss	21	**1,276**	1,647	920
Cash and cash equivalents	23	**13,138**	11,113	8,855
Total current assets		**50,715**	62,763	58,873
Total assets		**63,080**	76,669	74,955
Current liabilities				
Trade and other payables	26	**(36,849)**	(49,625)	(47,395)
Current tax liabilities		**(269)**	(132)	(123)
Deferred tax liabilities	24	**(371)**	(414)	(400)
Provisions	27	**(878)**	(1,884)*	(834)*
Lease liabilities	28	**(341)**	(245)	(946)
Deferred cash consideration	36	**(94)**	(89)	–
		(38,802)	(52,389)	(49,698)
Net current assets		**11,913**	10,374	9,175
Long-term liabilities				
Deferred cash consideration	36	**(71)**	(29)	(33)
Lease liabilities	28	**(2,389)**	(2,300)	(2,856)
Provision	27	**(652)**	(586)	(675)
		(3,112)	(2,915)	(3,564)
Net assets		**21,166**	21,365	21,693
Equity				
Share capital	29	**2,888**	2,888	2,888
Share premium account	29	**3,763**	3,763	3,763
Own shares	30	**(312)**	(312)	(312)
Retained earnings	30	**10,104**	10,303*	10,631*
Other reserves	30	**4,723**	4,723	4,723
Equity attributable to equity holders of the Parent Company		**21,166**	21,365	21,693

* The restatement of the 2022 figures is explained in note 38.

The following Accounting Policies and Notes 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 31 July 2023.

Signed on behalf of the Board of Directors

Sanath Dandeniya FCCA
Director

31 July 2023

Consolidated statement of cash flows

year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Operating activities			
Cash generated from operations	31	**3,539**	4,217
Tax paid		**(120)**	(120)
Net cash generated from operating activities		**3,419**	4,097
Investing activities			
Purchase of property, plant and equipment		**(150)**	(119)
Purchase of investments held for trading		**(205)**	(342)
Consideration paid on acquisition of intangibles		**(183)**	(93)
Consideration paid on acquisition of client lists		**–**	–
Consideration received on sale of associate		**–**	105
Dividends received	11	**47**	9
Dividends received from associate investment	8	**–**	57
Interest received	11	**48**	–
Net cash used in investing activities		**(443)**	(383)
Financing activities			
Dividends paid	15	**(617)**	(383)
Interest paid	12	**(2)**	(21)
Repayment of lease liabilities**		**(246)**	(959)
Repayment of lease interest**		**(86)**	(93)
Net cash used in financing activities		**(951)**	(1,456)
Net increase in cash and cash equivalents		**2,025**	2,258
Net cash and cash equivalents at beginning of period		**11,113**	8,855
Net cash and cash equivalents at end of period		**13,138**	11,113

** Total repayment of lease liabilities under IFRS 16 in the period was £332,000 (2022: £1,052,000).

The following Accounting Policies and Notes form part of these financial statements.

Consolidated statement of changes in equity

year ended 31 March 2023

	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 2020	2,888	3,763	(312)	111	4,612	11,110*	22,172
Comprehensive loss for the year – as restated	–	–	–	–	–	(415)*	(415)
Total comprehensive loss for the year – as restated	–	–	–	–	–	(415)*	(415)
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**	**10,631**	**21,693**
Comprehensive income for the year – as restated	–	–	–	–	–	55*	55
Total comprehensive income for the year – as restated	–	–	–	–	–	55*	55
Contributions by and distributions to owners							
Dividends paid	–	–	–	–	–	(383)	(383)
Total contributions by and distributions to owners	–	–	–	–	–	(383)	(383)
Equity as at 31 March 2022	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**10,303**	**21,365**
Comprehensive income for the year	–	–	–	–	–	418	418
Total comprehensive income for the year	–	–	–	–	–	418	418
Contributions by and distributions to owners							
Dividends paid	–	–	–	–	–	(617)	(617)
Total contributions by and distributions to owners	–	–	–	–	–	(617)	(617)
Equity as at 31 March 2023	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**10,104**	**21,166**

* The restatement of the 2022 and 2021 figures is explained in note 38.

The following Accounting Policies and Notes form part of these financial statements.

Notes to the accounts

year ended 31 March 2023

1. General information

Walker Crips Group plc ("the Company") is the Parent Company of the Walker Crips group of companies ("the Group"). 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 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 UK-adopted 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 62 to 66.

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.

As explained in note 38, the Group has identified an obligation in respect of Stamp Duty Reserve Tax which has arisen over a number of years and was not identified due to a procedures and controls failure. In view of the significance of this amount, prior year results have been restated to correct this error.

There are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning on or after 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as it does not have convertible debt instruments.

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

Going concern

The financial statements of the Group have been prepared on a going concern basis. At 31 March 2023, the Group had net assets of £21.2 million (2022: £21.4 million – as restated), net current assets of £11.9 million (2022: £10.4 million – as restated) and cash and cash equivalents of £13.1 million (2022: £11.1 million). The Group reported an operating profit of £625,000 for the year ended 31 March 2023 (2022: £208,000 – as restated), inclusive of operating exceptional expense of £554,000 (2022: £1,658,000 – as restated), and net cash inflows from operating activities of £3.4 million (2022: £4.1 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 considered:

- The Group's three-year base case projections based on current strategy, trading performance, expected future profitability, liquidity, capital solvency and dividend policy.
- The 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 2023 and projected future cash flows.

Notes to the accounts continued

year ended 31 March 2023

2. Basis of preparation continued

Going concern continued

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

- Management fees and trading commissions growth of 2% having adjusted for expected client attrition in respect of the recent self-employed investment manager departures (see Finance Director's review on page 14).
- UK base rates increasing to 6% over the next remainder of 2023 and then reducing over the next 24 months to 3%.
- Inflation embedded into the first year based on known salary awards and latest experience regarding payroll costs, then running at 5% thereafter.

Key stress scenarios that the Directors have then considered include:

- A "bear stress scenario": representing a 10% reduction in management fees and trading commissions, with the consequent reduction in revenue sharing based costs, compared to the base case in the reporting periods ending 31 March 2025 and 31 March 2026.
- A "severe stress scenario": representing a 15% fall in management fees and trading commissions and UK base rates 1% (absolute) lower compared to the base case in the reporting periods ending 31 March 2025 and 31 March 2026, together with an 80% deterioration in the SDRT obligation provision with an estimated expectation to settled in December 2023.

Liquidity and regulatory capital resource requirements exceed the minimum thresholds in both the base case and bear scenarios. 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 June 2025. Were the interest rate stress also to be applied to the bear scenario a regulatory capital shortfall is projected to occur in September 2025. The Directors consider these scenarios to be remote in view of the prudence built into the base case projections and that further mitigations available to the Directors are not reflected therein. Such mitigating actions within Management's control include reduction in proprietary risk positions, delayed capital expenditure, further reductions in discretionary spend, not paying planned dividends and reductions in employee headcount. Other mitigating actions may include disposal of businesses, stronger cost reductions and potential to seek shareholder support.

Based on the assessment of the Group's financial position and its ability to meet its obligations as and when they fall due , the Directors do not consider there are material uncertainties that cast significant doubt on the Group's ability to continue as a going concern in the 12-month period from the date of approval of the Annual Report and Accounts. However, set out in note 38 are the uncertainties related to the provision made to settle unpaid stamp duty.

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 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. At the reporting date there were no entities where the Group had an interest below 49%.

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 remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement 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 remeasured to fair value, with changes in fair value recognised in profit or loss.

3. Significant accounting policies continued

Interests in associate

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 no associate investments. The Group's 33% associate investment in Walker Crips Property Income Limited ("WCPIL") was disposed of in the previous year (see note 8).

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 cash-generating units ("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 risks 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, when separate payments are made to acquire clients' assets by adding teams of investment managers, or when acquiring the ownership of client relationships from retiring in-house self-employed investment managers.

Some client list acquisitions are linked to business combination acquisitions such as those related to the historical acquisition of Barker Poland Asset Management LLP and others are related to the purchase of client lists related to individual investment manager or investment management team recruitment-related costs.

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.

In the current financial year, the estimated useful economic lives of all client lists associated with self-employed investment managers were revised so that no client list was amortised for periods longer than six years from 1 April 2022.

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.

Notes to the accounts continued

year ended 31 March 2023

3. Significant accounting policies continued

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 Financial Planning 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;
  - the amount of the dividend can be reliably measured; and
- 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 or closure of businesses;
2. corporate transaction and restructuring costs;
3. changes in the fair value of contingent non-cash 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.

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 retranslated at the rates prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items, and on the retranslation 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.

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	33¹/₃% per annum on cost
Computer software	between 20% and 33¹/₃% per annum on cost
Leasehold improvements	over the term of the lease
Furniture and equipment	33¹/₃% 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.

Notes to the accounts continued

year ended 31 March 2023

3. Significant accounting policies continued

(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 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 expected credit loss ("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, and 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.

Derecognition

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.

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.

The matching option was reinstated to one-to-one from 1 April 2023 from the previous one-half for every Partnership Share purchased. 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 an 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.

Notes to the accounts continued

year ended 31 March 2023

3. Significant accounting policies continued

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 maximum 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, adjusted 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
- makes 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.

3. Significant accounting policies continued

Financial assets and liabilities continued

***b) Financial liabilities** continued*

Share-based payments

Share-based payments are remuneration payments to selected employees that take the form of an award of shares in Walker Crips Group plc. Employees are not able to exercise such awards in full until a period of two to five years, based on the terms of each individual award (the vesting period).

Equity-settled share-based payments to employees are measured at fair value of the equity instruments at the date of grant. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 37.

As the share-based payment awards are for fully paid free shares, fair value is measured as the market value of the shares at each grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. At each reporting date, the Group revises its estimate of the shares expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate.

4. Key sources of estimation uncertainty and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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 (2022: £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, two intangible asset client lists were purchased by subsidiary Walker Crips Investment 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.

Key assumptions in this regard consist of the following:

1. The continuing going concern of the Company;
2. Life expectancy of clients based on the Office for National Statistics;
3. Succession plans in place for staff and investment managers;
4. Amounts of AUMA are consistent on average;
5. A growth rate of client list AUMA of a conservative 2%; and
6. A discount rate of 12%.

Provisions – estimation and judgement

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

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 but allowed the lapse of two existing lease agreements. 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 obligations 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.

Notes to the accounts continued

year ended 31 March 2023

4. Key sources of estimation uncertainty and judgements continued

Provision for stamp duty liability – estimation and judgement

The Group has identified an obligation in respect of Stamp Duty Reserve Tax which has arisen over a number of years and was not identified due to a procedures and controls failure. In view of the significance of this amount, prior year results have been restated (see notes 10, 27 and 38).

5. Revenue

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

			2023			2022
	Broking income £'000	**Non-broking income £'000**	**Total £'000**	Broking income £'000	Non-broking income £'000	Total £'000
Stockbroking commission	**6,008**	**–**	**6,008**	8,044	–	8,044
Fees and other revenue*	**–**	**23,665**	**23,665**	–	22,931	22,931
Investment Management	**6,008**	**23,665**	**29,673**	8,044	22,931	30,975
Wealth Management, Financial Planning & Pensions	**–**	**1,939**	**1,939**	15	1,830	1,845
Revenue	**6,008**	**25,604**	**31,612**	8,059	24,761	32,820
Investment revenue (see note 11)	**–**	**95**	**95**	–	9	9
Total income	**6,008**	**25,699**	**31,707**	8,059	24,770	32,829
% of total income	**18.9%**	**81.1%**	**100.0%**	24.5%	75.5%	100.0%

* Includes £3.2 million (2022: 0.8 million) of interest income from managing client trading cash funds.

Timing of revenue recognition

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

2023	**Investment Management £'000**	**Financial Planning & Wealth Management £'000**	**SaaS £'000**	**Consolidated year ended 31 March 2023 £'000**
Revenue from contracts with customers				
Products and services transferred at a point in time	**10,104**	**272**	**16**	**10,392**
Products and services transferred over time	**16,295**	**1,666**	**–**	**17,961**
Other revenue				
Products and services transferred at a point in time	**75**	**1**	**–**	**76**
Products and services transferred over time	**3,183**	**–**	**–**	**3,183**
	29,657	**1,939**	**16**	**31,612**

2022	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2022 £'000
Revenue from contracts with customers				
Products and services transferred at a point in time	11,894	260	38	12,192
Products and services transferred over time	17,917	1,585	–	19,502
Other revenue				
Products and services transferred at a point in time	404	–	–	404
Products and services transferred over time	722	–	–	722
	30,937	1,845	38	32,820

6. Segmental analysis

For segmental reporting purposes, the Group currently has three operating segments; Investment Management, being portfolio-based transaction execution and investment advice; Financial Planning, being financial planning, wealth management and pensions administration; and Software as a Service ("SaaS"), comprising provision of regulatory and admin software and bespoke cloud software to 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 Financial Planning provides advisory and administrative services to clients in relation to their wealth management, financial planning, life insurance, inheritance tax and pension arrangements.

EnOC Technologies Limited ("EnOC") provides the regulatory and admin software, Software as a Service ("SaaS"), to their business partners, 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.

2023	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2023 £'000
Revenue				
Revenue from contracts with customers	26,339	1,938	16	28,353
Other revenue	3,258	1	–	3,259
Total revenue	29,657	1,939	16	31,612
Results				
Segment result	1,553	(310)	(128)	1,115
Unallocated corporate expenses				(490)
				625
Investment revenue				95
Finance costs				(88)
Profit before tax				632
Tax				(214)
Profit after tax				418

2023	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2023 £'000
Other information				
Capital additions	368	10	–	378
Depreciation	273	58	–	331
Statement of financial positions				
Assets				
Segment assets	57,255	1,163	406	58,824
Unallocated corporate assets				4,256
Consolidated total assets				63,080
Liabilities				
Segment liabilities	39,546	247	329	40,122
Unallocated corporate liabilities				1,792
Consolidated total liabilities				41,914

Notes to the accounts continued

year ended 31 March 2023

6. Segmental analysis continued

2022 – as restated	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2022 £'000
Revenue				
Revenue from contracts with customers	29,811	1,845	38	31,694
Other revenue	1,126	–	–	1,126
Total revenue	30,937	1,845	38	32,820
Results				
Segment result	1,042*	(258)	(102)	682
Unallocated corporate expenses				(474)
				208
Investment revenue				9
Finance costs				(114)
Profit on disposal of associate investment				103
Profit before tax				206
Tax				(151)
Profit after tax				55

2022 – as restated	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2022 £'000
Other information				
Capital additions	466	5	–	471
Depreciation	260	43	–	303
Statement of financial positions				
Assets				
Segment assets	71,823	1,180**	390**	73,393
Unallocated corporate assets				3,276
Consolidated total assets				76,669
Liabilities				
Segment liabilities	52,936*	248**	237	53,421
Unallocated corporate liabilities				1,883
Consolidated total liabilities				55,304

* The restatement of the 2022 figures is explained in note 38.

** The prior year disclosed amounts for these segments have been corrected. The correction is a disclosure matter only, and is not an adjustment that relates to an accounting error affecting the income statement or balance sheet in the prior year of the Group or any of its subsidiaries.

7. Commissions and fees paid

Commissions and fees paid comprises:

	2023 £'000	2022 £'000
To authorised external agents	**3**	61
To self-employed certified persons	**7,261**	9,049
	7,264	9,110

8. Investment in associate

	2023 £'000	2022 £'000
Brought forward	–	2
Share of after-tax profit	–	57
Dividends	–	(57)
Disposals	–	(2)
Carried forward	–	–

The Group disposed of its 33.33% interest in its associate, Walker Crips Property Income Limited ("WCPIL"), in the prior year.

9. Profit for the year

Profit for the year on continuing operations has been arrived at after charging:

	2023 £'000	2022 £'000
Depreciation of property, plant and equipment (see note 19)	331	303
Depreciation of right-of-use assets (see note 20)	771	873
Amortisation of intangibles (see note 18)	970	862
Staff costs (see note 13)	14,475	13,862
Recharge of staff costs	(248)	(725)
Settlement costs	994	1,143
Communications	1,387	1,260
Computer expenses	831	790
Other expenses	3,442	3,310
Auditor's remuneration	216	223
	23,169	21,901

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

	2023 £'000	2023 %	2022 £'000	2022 %
Audit services				
Fees payable to the Company's auditor for the audit of its annual accounts	84	39	51	23
The audit of the Company's subsidiaries pursuant to legislation – current year	119	55	119	53
Non-audit services				
FCA client assets reporting	13	6	13	6
AAF Review	–	–	40	18
	216	100	223	100

Notes to the accounts continued

year ended 31 March 2023

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.

	2023 £'000	As restated 2022 £'000
Exceptional items included within operating profit		
Restructuring, redundancy and other costs	**–**	516
Net compensation income	**–**	(221)
Financial Crime Control framework review and remediation	**–**	595
Client redress and associated costs	**–**	650
SDRT liability to HMRC	**131**	118*
Accelerated amortisation	**423**	–
Operating exceptional items	**554**	1,658
Other		
Profit on disposal of associate investment	**–**	(103)
Total exceptional items	**554**	1,555

* The restatement of the 2022 figures is explained in note 38.

In the current year, the following items have been classified as exceptional items due to their materiality and non-recurring nature. These are:

a) SDRT liability to HMRC resulting from a system monitoring error where stamp duty was omitted from certain client contracts. A voluntary disclosure to HMRC will be made and we presently estimate the cost of repayment, potential penalties and related costs, net of tax, to be £878,000. This has been allocated to the years ending 31 March 2023, 31 March 2022 and prior period. As the error spans several years and is regarded as fundamental, prior reported results have been restated. Further details of the provision and estimation uncertainty are included further in note 27. Customers were not adversely impacted by this error.

b) As explained in the Chairman's statement and the Finance Director's review, during the year, a number of self-employed investment managers with intangible assets linked to client lists advised their intention to leave the Group which resulted in the Group changing the useful economic life of each asset to align with the revised expected timeline of future benefits. This resulted in an additional £423,000 of amortisation expensed in the current year.

In the prior year, the Group classified the costs relating to restructuring, redundancy, enhancing the Group's Financial Crime Control framework, customer redress and related costs as exceptional items. Compensation income received under a confidential settlement agreement and the proceeds from the disposal of the Group's 33.33% interest in its former associate, Walker Crips Property Income Limited, were also classified as exceptional items.

11. Investment revenue

Investment revenue comprises:

	2023 £'000	2022 £'000
Interest on bank deposits	**48**	–
Dividends from equity investment	**47**	9
	95	9

12. Finance costs

Finance costs comprises:

	2023 £'000	2022 £'000
Interest on lease liabilities	**(86)**	(93)
Interest on dilapidation provisions	**3**	(11)
Interest on overdue liabilities	**(5)**	(10)
	(88)	(114)

13. Staff costs

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

	2023 £'000	2022 £'000
Wages and salaries	**11,943**	11,561
Social security costs	**1,262**	1,197
Share Incentive Plan	**60**	57
Other employment costs	**1,210**	1,047
	14,475	13,862

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 32 certified self-employed account executives (2022: 39).

The average number of staff employed during the year was:

	2023 Number	2022 Number
Executive Directors	**2**	2
Certification and approved staff	**49**	54
Other staff	**155**	152
	206	208

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

14. Taxation

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

	2023 £'000	2022 £'000
UK corporation tax at 19% (2022: 19%)	**228**	131
Prior year adjustments	**(7)**	(66)
Origination and reversal of timing differences during the current period	**(46)**	86
	175	151

Corporation tax is calculated at 19% (2022: 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:

	2023 £'000	As restated 2022 £'000
Profit before tax	**632**	206*
Tax on profit on ordinary activities at the standard rate UK corporation tax rate of 19% (2022: 19%)	**120**	39*
Effects of:		
Tax rate changes for deferred tax	**(8)**	108
Expenses not deductible for tax purposes	**64**	21
Prior year adjustment	**(14)**	(66)
Fixed asset differences	**65**	26
Other	**(13)**	23*
	214	151

* The restatement of the 2022 figures is explained in note 38. The above reconciliation has been updated to present the reconciling items between 19% of profit before tax to the actual tax charge, based on the prior year adjustment.

Current tax has been provided at the rate of 19%. Deferred tax has been provided at 25% (2022: 25%).

The exceptional charge of £554,000 (2022: £1,555,000 – as restated), disclosed separately on the consolidated income statement, is tax deductible to the value of £105,000 (2022: £296,000 – as restated) 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.

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year ended 31 March 2023

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:

2022	**2023 £'000**	2022 £'000
Final dividend for the year ended 31 March 2022 of 1.20p (2021: 0.60p) per share	**511**	255
Interim dividend for the year ended 31 March 2023 of 0.25p (2021: 0.30p) per share	**106**	128
	617	383
Proposed final dividend for the year ended 31 March 2023 of 0.25p (2022: 1.20p) per share	**106**	511

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. Earnings per share

The calculation of basic earnings per share for continuing operations is based on the post-tax profit for the financial year of £418,000 (2022: £55,000 – as restated) and divided by 42,577,328 (2022: 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 earnings per share in the current year or in the prior year.

The calculation of the basic earnings per share is based on the following data:

	2023 £'000	As restated 2022 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Parent Company	**418**	55*

* The restatement of the 2022 figures is explained in note 38.

Number of shares

	2023 Number	2022 Number
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**42,577,328**	42,577,328

This produced basic earnings per share of 0.98 pence (2022: 0.13 pence – as restated).

17. Goodwill

	£'000
Cost	
At 1 April 2021	7,056
At 1 April 2022	7,056
At 31 March 2023	**7,056**
Accumulated impairment	
At 1 April 2021	2,668
At 1 April 2022	2,668
Impaired during the year	–
At 31 March 2023	**2,668**
Carrying amount	
At 31 March 2023	**4,388**
At 31 March 2022	4,388

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:

	2023 £'000	2022 £'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 above 17% for the London York CGU value-in-use to equal the respective carrying values. Revenues would need to fall by 37.4% 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 £10 million (2022: £7.8 million) with headroom, after selling costs, of £6.7 million (2022: £4.2 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 having used valuation techniques not based on directly observable market data. A 27% decrease in BPAM's profit after tax across five years would result in reducing the headroom to a negligible value.

18. Other intangible assets

	Software licences £'000	Client lists £'000	Total £'000
Cost			
At 1 April 2021	2,883	10,665	13,548
Reclassification of assets relating to IFRS 16	(45)	–	(45)
Additions in the year	61	32	93
At 1 April 2022	2,899	10,697	13,596
Reclassification of assets relating to IFRS 16	(22)	–	(22)
Additions in the year	45	266	311
At 31 March 2023	**2,922**	**10,963**	**13,885**
Amortisation			
At 1 April 2021	2,459	4,523	6,982
Charge for the year	185	677	862
At 1 April 2022	2,644	5,200	7,844
Charge for the year	137	833	970
Charge for the year – exceptional cost (note 10)*	–	423	423
At 31 March 2023	**2,781**	**6,456**	**9,237**
Carrying amount			
At 31 March 2023	**141**	**4,507**	**4,648**
At 31 March 2022	255	5,497	5,752

The intangible assets are amortised over their estimated useful lives in order to determine amortisation rates. "Client lists" are assessed on an asset-by-asset basis and are amortised over periods of three to twenty years and "Software licences" are amortised over five years. During the year an exercise was undertaken which resulted in modifications to the estimated useful lives of certain client assets associated with self-employed investment managers. The result of this exercise is an increased amortisation charge of £423,000 compared to the prior year.

There are no indications that the value attributable to client lists or software licences should be further impaired.

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year ended 31 March 2023

19. Property, plant and equipment

Owned fixed assets	Leasehold improvement, furniture and equipment £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
1 April 2021	2,766	–	1,582	4,348
Reclassification of assets*	(73)	–	–	(73)
Dilapidation asset reassessment	(50)	–	–	(50)
Additions in the year	110	–	8	118
At 1 April 2022	2,753	–	1,590	4,343
Additions in the year	99	–	52	151
At 31 March 2023	**2,852**	**–**	**1,642**	**4,494**
Accumulated depreciation				
1 April 2021	1,380	–	1,491	2,871
Charge for the year	253	–	50	303
1 April 2022	1,633	–	1,541	3,174
Charge for the year	297	–	34	331
At 31 March 2023	**1,930**	**–**	**1,575**	**3,505**
Carrying amount				
At 31 March 2023	**922**	**–**	**67**	**989**
At 31 March 2022	1,120	–	49	1,169

* Adjustments were made in the prior 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.

20. Right-of-use assets

	Offices £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
1 April 2022	4,304	899	95	5,298
Additions	346	168	–	514
At 31 March 2023	**4,650**	**1,067**	**95**	**5,812**
Accumulated depreciation				
1 April 2022	1,968	673	60	2,701
Charge for the year	518	233	20	771
At 31 March 2023	**2,486**	**906**	**80**	**3,472**
Carrying amount				
At 31 March 2023	**2,164**	**161**	**15**	**2,340**
At 31 March 2022	2,336	226	35	2,597

21. Investments – fair value through profit or loss

Non-current asset investments

The Group did not hold any non-current asset investments at the reporting date.

Current asset investments

	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Trading investments		
Investments – fair value through profit or loss	**1,276**	1,647

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 and the Group is able to liquidate these assets at short notice.

The following provides an analysis of financial instruments that are measured after 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 2023				
Financial assets held at fair value through profit and loss	**1,276**	**–**	**–**	**1,276**
At 31 March 2022				
Financial assets held at fair value through profit and loss	1,647	–	–	1,647

Further IFRS 13 disclosures have not been presented here as the balance represents 2.022% (2022: 2.148%) of total assets. There were no transfers of investments between any of the levels of hierarchy during the year.

22. Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Due from clients, brokers and recognised stock exchanges at amortised cost	**28,554**	42,898
Other debtors at amortised cost	**2,148**	1,522
Prepayments and accrued income	**5,599**	5,583
	36,301	50,003

Notes to the accounts continued

year ended 31 March 2023

23. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash deposits held at bank, repayable on demand without penalty	**13,138**	11,113
	13,138	11,113

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 2023 was £267,258,000 (2022: £314,424,000).

The credit quality of banks holding the Group's cash at 31 March 2023 is analysed below with reference to credit ratings awarded by Fitch.

	2023 £'000	2022 £'000
A+	**5,400**	7,837
AA-	**7,738**	2,959
A-	**–**	45
Unrated or held in cash	**–**	272
	13,138	11,113

24. Deferred tax liability

	Capital allowances £'000	Short-term temporary differences and other £'000	Total £'000
At 1 April 2021	**(124)**	**(276)**	**(400)**
Use of loss brought forward	119	(170)	(51)
Debit to the income statement	–	37	37
At 1 April 2022	**(5)**	**(409)**	**(414)**
Use of loss brought forward	–	2	2
Debit to the income statement	–	41	41
At 31 March 2023	**(5)**	**(366)**	**(371)**

Deferred income tax assets are recognised for tax loss carried forward 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 £12,362 (2022: £152) in respect of losses amounting to £65,063 (2022: £800) that can be carried forward against future taxable income. Losses amounting to £nil (2022: £nil) and £nil (2022: £nil) expire in 2023 and 2024, respectively.

25. Financial instruments and risk profile

Financial risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Risk function. The Board receives period reports from the Group Risk team through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

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, operating systems, management information and 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 and Risk Assessment ("ICARA").

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 overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. 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 is 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:

	2023 **£'000**	2022 £'000
Cash	**13,138**	11,113
Trade receivables	**28,554**	42,898
Other debtors	**2,148**	1,522
Accrued interest income	**591**	108
	44,431	55,641

Notes to the accounts continued

year ended 31 March 2023

25. Financial instruments and risk profile continued

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

At 31 March 2023	Current £'000	0-1 month £'000	2-3 months £'000	Over 3 months £'000	Carrying value £'000
Trade receivables	27,910	555	58	31	28,554
Cash and cash equivalent	13,138	–	–	–	13,138
Other debtors	2,141	2	–	5	2,148
Accrued interest income	591	–	–	–	591
	43,780	557	58	36	44,431

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.

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 2023, 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 12 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 arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to maintain sufficient cash to allow it to meet its liabilities when they become 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 significant 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 also commits in advance to product providers to purchase future structured product issues at the future market price. The Group then markets such products in advance of the issue, which under normal business conditions means there is limited liquidity and market risk at the time of product launch.

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.

The Group and its subsidiaries Walker Crips Investment Management Limited and Barker Poland Asset Management LLP are in scope of the FCA's basic liquid assets requirements and these are monitored by management on a daily basis.

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

2023	Less than 1 year £'000	Total £'000
Trade and other payables	36,849	36,849
	36,849	36,849
2022		
Trade and other payables	49,625*	49,625*
	49,625*	49,625*

* The restatement of the 2022 figures is explained in note 38.

As at 31 March 2023 the Group had commitments in respect of future structured product issues of £10 million.

(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.

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 2023 using closing market prices.

A 10% fall in the value of trading financial instruments would, in isolation, result in a pre-tax decrease to net assets of £127,600 (2022: £164,700). 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

	2023 £'000	2022 £'000
Amounts owed to clients, brokers and recognised stock exchanges	**28,012**	42,325
Other creditors	**4,028**	2,537
Contract liability	**9**	14
Accrued expenses	**4,800**	4,749
	36,849	49,625

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 11 days (2022: 15 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:

	Professional fees £'000	**Client payments £'000**	**Dilapidations £'000**	**Stamp Duty liability and related costs £'000**	**Total £'000**
Provisions falling due within one year					
At 1 April 2020	**–**	**178**	**–**	**472***	**650**
Additions	–	55	–	157*	212
Utilisation of provisions	–	(28)	–	–	(28)
At 1 April 2021	**–**	**205**	**–**	**629**	**834**
Additions	595	650	16	118*	1,379
Dilapidation provision transferred from more than one year	–	–	16	–	16
Utilisation of provision	(140)	(205)	–	–	(345)
At 1 April 2022	**455**	**650**	**32**	**747**	**1,884**
Additions	–	96	–	131	227
Reclassification to trade and other payables	(90)	(746)	–	–	(836)
Release of provisions	(20)				(20)
Utilisation of provisions	(345)	–	(32)	–	(377)
	–	**–**	**–**	**878**	**878**

Notes to the accounts continued

year ended 31 March 2023

27. Provisions continued

	Professional fees £'000	Client payments £'000	Dilapidations £'000	Stamp Duty liability and related costs £'000	Total £'000
Provisions falling due after one year					
At 1 April 2020	**–**	**–**	**659**	**–**	**659**
Additions	–	–	16	–	16
At 1 April 2021	**–**	**–**	**675**	**–**	**675**
Dilapidation provision transferred from more than one year	–	–	(16)	–	(16)
Utilisation of provisions	–	–	(77)	–	(77)
Interest	–	–	4	–	4
At 1 April 2022	**–**	**–**	**586**	**–**	**586**
Additions	–	–	61	–	61
Dilapidation provision transferred to less than one year	–	–	–	–	–
Utilisation or release of provisions	–	–	–	–	–
Interest	–	–	5	–	5
	–	–	652	–	652
Total as at 31 March 2023	**–**	**–**	**652**	**878**	**1,530**

* The restatement of the 2022 figures is explained in note 38.

The Group, based on revised estimates, made an additional provision of £66,000 (including interest) for dilapidations in connection with acquired leasehold premises (2022: total additional provision of £16,000). These costs are expected to arise at the end of each respective lease.

The Group had five 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 £12,000 to £557,000 per lease.

As explained in the Chairman's statement and Finance Director's review, the Group identified a control failing which has resulted in a liability to HMRC in respect of Stamp Duty Reserve Tax. The matter has been voluntarily disclosed to HMRC. The scale of the matter only became apparent subsequent to the year end and the exercise to fully quantify the liability remains ongoing. Management have therefore estimated the liability based upon preliminary review of historic transactions records, categorisation of transactions as subject to Stamp Duty Reserve Tax or not and sample checks of transactions within those categories. Assumptions have also been applied regarding potential penalties, interest and costs to complete the exercise. Management has sought independent professional advice in respect of these matters. Estimation uncertainty therefore exists in respect of these assumptions and early stage of the work, and until full sample checks are complete and discussions concluded with HMRC. Whilst it is therefore not possible to conclude on the exact range of estimation uncertainty error, a deterioration in the provision of 80% has been included in the going concern and viability stress tests pending full resolution of the matter.

Provisions made at year end 31 March 2022 and adjustments in the current year in relation to customer redress (client payments) and associated costs were transferred to trade and other payables as the outcome of both are nearing completion and there is certainty over the cost outlay. The customer redress obligations were settled in full post year end.

28. Lease liabilities

Lease liabilities	Offices £'000	Computer software £'000	Computer hardware £'000	Total £'000
At 1 April 2022	2,337	173	35	2,545
Additions	345	168	–	513
Lease reassessments	–	–	–	–
Interest	80	5	1	86
Lease payments	(200)	(198)	(16)	(414)
At 31 March 2023	**2,562**	**148**	**20**	**2,730**

Lease liabilities profile (statement of financial position)	2023 £'000	2022 £'000
Amounts due within one year	**341**	245
Amounts due after more than one year	**2,389**	2,300
	2,730	2,545

Undiscounted lease maturity analysis	2023 £'000	2022 £'000
Within one year	**426**	340
Between one and two years	**958**	491
Between two and five years	**1,549**	2,058
Over five years	**–**	54
Total undiscounted lease liabilities	**2,933**	2,943

29. Called-up share capital

	2023 £'000	2022 £'000
Called-up, allotted and fully paid		
43,327,328 (2021: 43,327,328) Ordinary Shares of 6 $^{2}/_{3}$ p 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 2022	43,327,328	2,888	3,763	6,651
At 31 March 2023	**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 2023, this totalled £21,166,000 (2022: £21,365,000 – as restated; 2021: £21,693,000 – as restated).

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.

The Group has been assessed as constituting a MIFIDPRU Investment Firm group and has been classified as a non-small non-interconnected (non-SNI) Investment Firm group and performs an Internal Capital Adequacy and Risk Assessment process ("ICARA"), which is presented to the FCA on request.

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year ended 31 March 2023

29. Called-up share capital continued

The Group's capital, for accounting purposes, is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital at 31 March 2023 was £21.2 million (2022: £21.4 million – as restated). Regulatory capital is derived from the Group's Internal Capital Adequacy and Risk Assessment ("ICARA"), which is a requirement of the Investment Firm Prudential Regime ("IFPR"). The ICARA draws on the Group's risk management process that is embedded within all areas of the Group. The Group's objectives when managing capital are to comply with the capital requirements set by the Financial Conduct Authority, to safeguard the Group's ability to continue as a going concern.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management. In addition to a variety of stress tests performed as part of the ICARA process, and daily reporting in respect of treasury activity, capital levels are monitored and forecast to ensure that dividends and investment requirements are managed and appropriate buffers are held against potential adverse business conditions.

Regulatory capital
No breaches were reported to the FCA during the financial years ended 31 March 2023 and 2022.

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 2023 under the following categories:

Own shares held	(£312,000) (2022: (£312,000))	the negative balance of the Group's own shares, which have been bought back and held in treasury.
Retained earnings	£10,104,000 (2022: £10,303,000 – as restated; 2021: £10,631,000 – as restated)	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 (2022: £4,723,000)	the cumulative premium on the issue of shares as deferred consideration for corporate acquisitions £4,612,000 (2022: £4,612,000) and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares.

31. Cash generated by operations

	2023 £'000	As restated 2022 £'000
Operating profit for the year	**625**	208*
Adjustments for:		
Amortisation of intangibles	**1,393**	862
Changes in the fair value of deferred consideration	**–**	–
Net change in fair value of financial instruments at fair value through profit or loss****	**575**	(347)
Share of associate after tax result	**–**	(57)
Depreciation of property, plant and equipment	**331**	303
Depreciation of right-of-use assets**	**771**	873
Decrease/(increase) in debtors***	**13,662**	(915)
(Decrease)/increase in creditors***	**(13,818)***	3,290*
Net cash inflow	**3,539**	4,217

* The restatement of the 2022 figures is explained in note 38.
** Lease liability payments associated with RoU assets were £332,000 (2022: £1,052,000).
*** Cash outflow from working capital movement of £156,000 (2022: £2,375,000 inflow – as restated)
**** Revaluation loss/(profit) on proprietary positions.

32. Financial commitments

Capital commitments
At the end of the year, there were capital commitments of £nil (2022: £nil) contracted but not provided for and £nil (2022: £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:

	2023 £'000	2022 £'000
Commission and fees received from Directors and their close family members	20	15

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 £280,000 (2022: £268,000).

Fees of £9,000 (2022: £30,000) were received by EnOC Technologies Ltd from CyberQuote Pte Ltd (a company, where Hua Min Lim is a shareholder) for the service provided on normal commercial terms.

Commission of £7,043 (2022: £4,245) 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 is disclosed in the table below.

	2023 £'000	2022 £'000
Key management personnel compensation		
Short-term employee benefits	459	458
Post-employment benefits	32	33
Share-based payment	–	–
	491	491

34. Contingent liabilities

In 2021 a former associate brought a claim against Walker Crips Investment Management Limited in the Employment Tribunal. A hearing of a preliminary issue took place in 2022 and the Tribunal found in favour of the company. The former associate appealed that decision and in 2023, whilst many of the appeal grounds were not upheld, certain points were referred back to the Employment Tribunal to reconsider. The company does not consider that the claims are justified and intends to continue to defend them robustly.

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 any cases where a financial obligation is deemed to be probable and thus provision is made, the Directors presently consider a negative outcome to be remote. As a result, no further disclosure has been made in these financial statements. Provisions made remain subject to estimation uncertainty, which may result in material variations in such estimates as matters are finalised.

35. Subsequent events

There are no material events arising after 31 March 2023, which have an impact on these financial statements.

36. Deferred cash consideration

	2023 £'000	2022 £'000
Due within one year		
Amounts due to personnel under recruitment contracts/acquisition agreements	94	89
Due after one year		
Amounts due to personnel under recruitment contracts/acquisition agreements	71	29

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.

37. Share-based payments

The Group recognised total expenses in the year of £nil (2022: £19,431) related to equity-settled share-based payment transactions.

No award was made in the financial year and the prior year award was forfeited due to termination of employment.

Share Incentive Plan ("SIP")

Employees who have been employed for longer than three months and are subject to PAYE are invited to join the SIP. Employees may use funds from their gross monthly salary (being not less than £10 and not greater than £150) to purchase Ordinary Shares in the Group ("Partnership Shares"). In the current year, for every Partnership Share purchased, the employee received matching shares at a rate of 50%. The matching option was increased to 100% on 1 April 2023 and will remain at this rate to 31 March 2024. Employees are offered an annual opportunity to top up contributions to the maximum annual limit of £1,800 (or 10% of salary, if lower). All shares to date awarded under this scheme have been purchased in the market at the prevailing share price on a monthly basis.

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year ended 31 March 2023

38. Prior period adjustments

During the year, the Group discovered errors in how it accounted for Stamp Duty Reserve Tax ("SDRT") on certain transactions undertaken on behalf of clients. Following the discovery of this error, the Group undertook an investigation of the various transactions impacted by the error. This investigation is ongoing, but based on the latest available information, management's current estimate of the liability due and payable by the Group is £878,000, including professional support costs. This amount also includes an estimate of interest and penalties that HMRC may charge on any amounts due and is net of taxation.

The error has been corrected by restating each of the affected financial statement line items for the prior periods.

As the investigation is ongoing, there remains uncertainty surrounding both the quantum of the liability in respect of the SDRT due, as well as the interest and penalties that HMRC may charge.

The amounts of the error for the current year and the two preceding financial years ending 31 March on the following bases:

	Current year 2023 £	Prior year 2022 £	Prior year 2021 £	2020 and prior £
SDRT liability to HMRC (see notes 10 and 28)	**131,000**	118,000	157,000	472,000

The provision arising in respect of 2022 has been accounted for as a prior year adjustment and increases the exceptional costs as previously reported in that year by £118,000 to £1,658,000, with a similar reduction in that year's previously reported profit and total comprehensive income for the year to £55,000.

The cumulative provision arising before 1st April 2020 of £472,000 has been treated as a prior period reduction in previously reported reserves as at 31 March 2020, and together with £157,000 in 2021 and £118,000 attributable to 2022, a reduction of the previously reported reserves as at 31 March 2022 is shown in the table below.

On page 3, the restated operating loss for the year ended 31 March 2021 of £0.14 million is disclosed. This represents the previously reported operating profit of £22,000 reduced by the estimated SDRT provision of £157,000 relating specifically to that year.

Consolidated statement of financial position extract	**2021 £'000**	**Change £'000**	**Restated 2021 £'000**	**2022 £'000**	**Change £'000**	**Restated 2022 £'000**
Provisions	(205)	(629)	(834)	(1,137)	(747)	(1,884)
Net assets	**22,322**	**(629)**	**21,693**	**22,112**	**(747)**	**21,365**
Retained earnings	11,260	(629)	10,631	11,050	(747)	10,303
Total equity	**22,322**	**(629)**	**21,693**	**22,112**	**(747)**	**21,365**

Company balance sheet
as at 31 March 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Investments measured at cost less impairment	42	**21,907**	21,757
		21,907	21,757
Current assets			
Trade and other receivables	43	**801**	758
Deferred tax asset	44	**1**	–
Cash and cash equivalents		**95**	335
		897	1,093
Total assets		**22,804**	22,850
Current liabilities			
Trade and other payables	45	**(3,889)**	(3,407)
		(3,889)	(3,407)
Net current liabilities		**(2,992)**	(2,314)
Net assets		**18,915**	19,443
Equity			
Share capital	47	**2,888**	2,888
Share premium account	47	**3,763**	3,763
Own shares	47	**(312)**	(312)
Retained earnings	47	**7,853**	8,381
Other reserves	47	**4,723**	4,723
Equity attributable to equity holders of the Company		**18,915**	19,443

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 profit for the financial year of £89,000 (2022: after-tax profit of £285,000).

The financial statements of Walker Crips Group plc (Company registration no. 01432059) were approved by the Board of Directors and authorised for issue on 31 July 2023.

Signed on behalf of the Board of Directors:

Sanath Dandeniya FCCA
Director

31 July 2023

Company statement of changes in equity

year ended 31 March 2023

	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 2021	2,888	3,763	(312)	4,723	8,479	19,541
Total comprehensive income for the period	–	–	–	–	285	285
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(383)	(383)
Total contributions by and distributions to owners	–	–	–	–	(383)	(383)
Equity as at 31 March 2022	2,888	3,763	(312)	4,723	8,381	19,443
Total comprehensive income for the period	–	–	–	–	89	89
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(617)	(617)
Total contributions by and distributions to owners	–	–	–	–	(617)	(617)
Equity as at 31 March 2023	**2,888**	**3,763**	**(312)**	**4,723**	**7,853**	**18,915**

The following Accounting Policies and Notes form part of these financial statements.

Notes to the Company accounts

year ended 31 March 2023

39. 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 40).

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 GBP 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, have been 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.

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 profits distribution from Barker Poland Asset Management LLP, 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.

Notes to the Company accounts continued

year ended 31 March 2023

39. Significant accounting policies continued

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.

40. 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.

41. Profit for the year

Profit for the financial year of £89,000 (2022: profit of £285,000) is after an amount of £23,000 (2022: £57,000) 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:

	2023 £'000	2022 £'000
Employee costs during the year amounted to:		
Wages and salaries	**186**	175
Social security costs	**14**	25
Other costs	**3**	–
	203	200

In the current year, employee costs include the costs of the Non-Executive Directors and a proportion of Executive Directors. 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:

	2023 Number	2022 Number
Executive Directors	**2**	2
Non-Executive Directors	**4**	4
	6	6

42. Investments measured at cost less impairment

	2023 £'000	2022 £'000
Subsidiary undertakings	**21,907**	21,757

During the year, the Company made an investment of £150,000 in Walker Crips Financial Planning Limited, an indirect 100% owned subsidiary of the Group.

A complete list of subsidiary undertakings can be found in note 52.

43. Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by Group undertakings	**799**	758
Prepayments and accrued income	**–**	–
Taxation and social security	**2**	–
	801	758

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.

44. Deferred taxation

	2023 £'000	2022 £'000
At 1 April	**–**	74
Use of Group Relief	**(29)**	(14)
Credit/(charge) to the income statement	**30**	(60)
At 31 March	**1**	–

Deferred tax has been provided at 25% (2022: 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

	2023 £'000	2022 £'000
Accruals and deferred income	**99**	61
Amounts due to subsidiary undertakings	**3,744**	3,270
Other creditors	**46**	76
	3,889	3,407

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 and Risk Assessment ("ICARA").

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 marketplace 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 is given in note 25 of the consolidated financial statements.

Notes to the Company accounts continued

year ended 31 March 2023

46. Risk management policies continued

(i) Credit risk

Maximum exposure to credit risk:

	2023 £'000	2022 £'000
Cash	95	335
Other debtors	799	758
As at 31 March	894	1,093

The credit quality of banks holding the Company's cash at 31 March 2023 is analysed below with reference to credit ratings awarded by Fitch.

	2023 £'000	2022 £'000
A	–	–
A+	95	335
AA-	–	–
As at 31 March	95	335

Analysis of other debtors due from financial institutions:

		2023 £'000	2022 £'000
Neither past due, nor impaired		799	758
Amounts past due, but not impaired	< 30 days	–	–
	> 30 days	–	–
	> 3 months	–	–
		–	–

(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:

	2023 £'000	2022 £'000
Creditors due within one year	3,889	3,407
Creditors due after more than one year	–	–
As at 31 March	3,889	3,407

	2023 £'000	2022 £'000
Within one year	3,889	3,407
Within two to five years	–	–
After more than five years	–	–
As at 31 March	3,889	3,407

The Company is in a net liability position, but this is primarily driven by an intercompany creditor balance with its subsidiary. This is deemed to not affect liquidity as the subsidiary is 100% owned and controlled by the Company.

(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

	2023 £'000	2022 £'000
Called-up, allotted and fully paid		
43,327,328 (2021: 43,327,328) Ordinary Shares of 6 $^{2}/_{3}$ p each	**2,888**	2,888

No new shares were issued in the year to 31 March 2023 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 2022	43,327,328	2,888	3,763	6,651
At 31 March 2023	**43,327,328**	**2,888**	**3,763**	**6,651**

Apart from share capital and share premium, the Parent Company holds reserves at 31 March 2023 under the following categories:

Own shares held	(£312,000) (2022: (£312,000))	the negative balance of the Parent Company's own shares that have been bought back and held in treasury.
Retained earnings	£7,853,000 (2022: £8,381,000)	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 (2022: £4,723,000)	the cumulative premium on the issue of shares as deferred consideration for corporate acquisitions £4,612,000 (2022: £4,612,000) and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares.

48. Financial commitments

Capital commitments

At the end of the year, there were capital commitments of £nil (2022: £nil) contracted but not provided for and £nil (2022: £nil) capital commitments authorised but not contracted for.

49. 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 £491,000 (2022: £491,000).

50. 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.

51. Subsequent events

There are no material events arising after 31 March 2023 which have an impact on these financial statements.

Notes to the Company accounts continued

year ended 31 March 2023

52. 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[2]	United Kingdom	Management services	Ordinary Shares 100%
Walker Crips Financial Planning Limited (formerly Walker Crips Financial Planning Limited)[2]	United Kingdom	Financial services advice	Ordinary Shares 100%
Ebor Trustees Limited[2]	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[2]	United Kingdom	Holding company	Ordinary Shares 100%
Ebor Pensions Management Limited[2]	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[1]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB (PEP) Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB (ISA) Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
Walker Crips Consultants Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
Walker Crips Ventures Limited[1]	United Kingdom	Financial services advice	Ordinary Shares 100%

The registered office for companies and associated undertakings is:
1 Old Change House, 128 Queen Victoria Street, London, England, EC4V 4BJ.
2 Apollo House, Eboracum Way, York, England, YO31 7RE.

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 & Remuneration Committee Chairman & Senior Independent Director
David Gelber
Hua Min Lim

Secretary
Rod Goddard

Registered office
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Bankers
HSBC Bank plc
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Solicitors
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