WALKERCRIPS

Annual Report and Accounts 2015

From sharedealing on the London Stock Exchange in 1914 to a fully listed integrated investment and wealth management Group today

Walker Crips is proud of its long and rich history of more than a century. Through acquisitions, the Company can trace its origins as far back as the 18th century, making it one of the City of London's oldest independent companies.

1914
The stockbroking firm of Weddle Beck & Company was formed in June 1914, two months before the start of World War I.

1923
In the early days of the firm a brisk arbitrage business was conducted with Paris and there was a banking business with the joint stock banks consisting of Barclays, Lloyds, Midland and National Provincial Banks.

1933
In 1933 a department was established to deal with new issues. The shares of a number of established companies were brought to the stock exchange for quotation and the firm acted as official stockbrokers to these firms.

1966
By the 1960s Dudley Weddle considered it would make sense to amalgamate with another stockbroking firm of a similar size.

Nothing could be more natural, therefore, than a merger with Walker, Crips and Company, as the senior partners of both firms had been friends for some considerable years. The amalgamation of the two firms was effected on 28 November 1966 resulting in Walker, Crips, Weddle, Beck & Company.

1996
Admitted to the London Stock Exchange as a fully listed plc.

2001
Acquisition of Keith, Bayley, Rogers & Co stockbroking business.

2005
Acquisition of London York group providing financial planning and pension management services.

2015
Acquisition of Barker Poland Asset Management discretionary & advisory business.

Financial highlights

Consistently delivering on our objectives

- Group revenues increased by 11.1% to £23.0 million (2014: £20.7 million)
- Gross profit (net revenues) increased by 8.5% to £15.3 million (2014: £14.1 million)
- Operating profit, before exceptional expenses, up 14.9% to £0.54 million (2014: £0.47 million)
- Reported pre-tax profit of £0.44 million which includes Barker Poland Asset Management LLP (BPAM) acquisition (2014: £2.5 million which included investment disposal gains of £1.84 million)
- BPAM acquisition, together with branch openings and expansion, gives the Group a national footprint with 13 offices nationwide
- Non-broking income as a percentage of total income increased to 56.3% (2014: 52.7%), reflecting further reduction in reliance on transaction-driven commission revenue
- Discretionary and advisory assets under management increased by 50.3% to £2.0 billion (2014: £1.33 billion). Together with administered assets (AUMA), total assets increased by 26.7% to £3.8 billion (2014: £3.0 billion)
- Proposed final dividend increased by 10.4% to 1.17 pence per share (2014: 1.06 pence per share) bringing total dividends for the year to 1.70 pence per share (2014: 1.57 pence per share)

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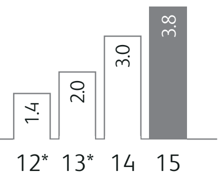
Assets under management and administration (£bn)

£3.8bn

(2014: £3.0bn)

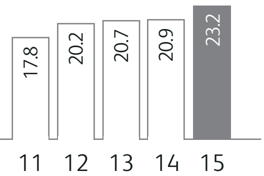


* Excludes SIPP & SSAS and client cash

Total income (£m)

£23.2m

(2014: £20.9m)



Walker Crips at a glance

Our clients are at the heart of our business. Each service is tailored to fit around what clients need to achieve their investment objectives.

We offer a range of services, each of which operates in the UK only. Our aim is to offer a full set of investment and wealth management services to both new and existing clients.

The Group is currently organised into two operating divisions.

Investment Management

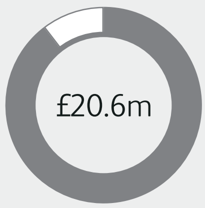
Investment Management

Stockbroking

Structured Investments

Alternative Investments

Revenue



Investment Management

Alongside Bespoke Discretionary and Advisory Management we offer Actively Managed Portfolio Service (AMPS) which provides suitable discretionary investment management in which investment decisions are made by our investment committee, the Investment Senate. AMPS offers diversified discretionary modelled portfolios through "Ready to Invest" (fully modelled) or "Bespoke" AMPS (partially tailored).

Structured Investments

The Structured Investments market has presented opportunities to individual investors and intermediaries to access pre-packaged (and bespoke) investment strategies that can allow tax-efficient investments for a variety of different risk and return profiles.

This is a business that Walker Crips entered over five years ago with a prudent and sensible approach to the arrangement and administration of structured investments and plans.

Stockbroking

- **Bespoke Discretionary** – we make the investment decisions according to an agreed tailored mandate.
- **Advisory Managed** – we provide clients with investment advice and oversight of their own investment decisions.
- **Advisory** – we advise clients as and when they wish to receive advice and they make their own investment decisions.
- **Execution-only Services** – we receive instructions from clients to execute transactions.

Alternative Investments

Our Alternative Investment team provides innovative services and products for limited groups of sophisticated clients with specific requirements and eligible investors.

Immigration Investment Portfolios (IIP) serves high net worth individuals from outside the UK.

Making Investment Rewarding

Our purpose

Our purpose is to serve our stakeholders:

- shareholders, by increasing share value and growing dividends;
- clients, through suitability of advice, fairness, service and performance;
- colleagues, through appropriate remuneration for loyalty, fine service and performance.

Our core values

- Integrity
- Courtesy
- Fairness
- Loyalty
- Responsibility
- Diligence

Wealth Management

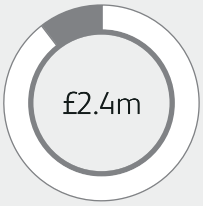
Holistic Financial Planning

Pension Services

SIPP Administration

SSAS & Corporate Trust Services

Revenue



Wealth Management

A truly integrated service with life stage planning to suit the needs of our clients.

As an enlightened firm within the private client industry, Walker Crips includes a holistic wealth management service within its offering.

Since 2005 Walker Crips has had this capability within its Wealth Management division offering genuine whole of market advice that includes advisory services on investments, pensions, protection and financial planning.

The Company offers holistic financial planning complemented by investment management solutions enabling clients to plan for their children's education, increase their tax efficiency, ensure they achieve the retirement they want and prepare for inheritance tax. Businesses and business owners also benefit from sound financial planning to encompass pension and employee benefit schemes, corporate protection and investments. A strategy can be developed with clients to help ensure future stability and financial wellbeing.

Pensions

As well as pension management, personal financial planning and advice, our clients, through our SIPP and SSAS services run by Ebor Trustees, have access to a wide choice of investments and retirement options. This provides individuals and companies with investment flexibility along with tax and business efficiencies.

- **Self Invested Personal Pension (SIPP)** – designed for individuals looking to control their pension fund investments.
- **Small Self Administered Scheme (SSAS)** – designed for company Directors to both build a pension fund for their retirement and also to help with the running of their business.

Read more about our services on our website: www.wcgplc.co.uk

Walker Crips at a glance *continued*

Our locations

– London (Group Head Office)
– Birmingham
– Bristol
– Inverness
– Lake District
– Lincoln
– Northampton
– Norwich
– Romford
– Swansea
– Truro
– Wymondham
– York (Wealth Management Head Office)

Chairman and Chief Executive statement

After three years of transformation, acquisition of revenue generators and disposals of non-core businesses, we are on course to benefit from the resultant increase in revenue.

David Gelber
Chairman

Rodney FitzGerald
Chief Executive Officer

Performance overview

This year's results build on the momentum of growth in our core businesses of investment and wealth management, flowing from the Group's adoption of a refocused strategy in mid-2012. Operating profit before exceptional expenses increased, for the second year running, by 14.9 % to £0.54 million (2014: £0.47 million). After net investment revenues and exceptional costs of £0.33 million, incurred through the acquisition of the investment management firm Barker Poland Asset Management LLP (BPAM), pre-tax profits were £0.44 million, compared to £2.5 million in 2014, when we benefited from investment disposal gains of £1.84 million.

We have continued to advance the delivery of our strategy for growth and have consolidated the progress we have made over the previous two years. We now look ahead to continuing our expansion and business transformation. A big step was made with the acquisition of BPAM, the Group's first corporate acquisition in ten years, which concluded at the end of a year in which regional expansion has also gathered pace. Further growth in numbers of fee-generating investment managers and advisers has continued with an additional 14 taken on during the year, bringing our total number of fee earning personnel to 120. Along with the opening of a branch in Truro, we expanded in Birmingham, London and York, giving us a truly national footprint, with 13 offices nationwide.

At a time when our peers have reported decreases in commission revenues, we have shown resilience by stabilising our own broking income levels at £10.2 million (2014: £9.9 million) through gathering clients who come with the increasing number of investment management personnel deciding to join us in this exciting phase of expansion. As well as commission from stockbroking, the higher level of fees generated from our rapidly increasing pool of clients' assets under management and administration (AUMA) has, in turn, led to a robust increase in revenue by 11.1 % to £23.0 million from £20.7 million in the prior year.

Earnings per share (EPS) for the year were 0.69 pence (2014: 5.5 pence). EPS in 2014 of course, included the effect of the one-off disposal of our investment in Liontrust Convertible Loan Stock.

Dividend

In recognition of this year's sound progress and the continued confidence in the Group's longer term prospects, the Board is recommending a 10.4 % increase in the final dividend to 1.17 pence per share (2014: 1.06 pence per share).

Combined with the interim dividend of 0.53 pence per share (2014: 0.51 pence per share excluding the special dividend), this makes a total dividend for the year of 1.70 pence per share (2014: 1.57 pence per share). This increase of 8.3 % reflects the further progress made during the year driven by the turnaround in operating profit before exceptionals over the past two years.

The final dividend will be paid on 7 August 2015 to shareholders on the register at the close of business on 17 July 2015.

Chairman and Chief Executive statement *continued*

Strategy for growth

Since the disposal of non-core subsidiaries in 2012 and 2013, our remaining businesses of investment management and wealth management have continued to target higher net worth and affluent clients. The strategic evolution, from traditional private client stockbroker to an integrated investment and wealth management group, continues to be reinforced by our commitment to a long established set of values, premium service, strong culture and integrity in all we do for clients; and this has continued to attract new business. We put clients first, a principle that has underpinned our longevity, sound reputation and independence, which are valued by clients. We operate within a framework of strong corporate governance and growing financial strength.

Acquisition

After assessing many prospective targets to identify suitable earnings-enhancing acquisitions, we completed the purchase of the membership interests in BPAM on 6 March 2015. BPAM is based in London and provides investment and wealth management services to a loyal and established base of private clients on a predominantly discretionary basis. They hold dear to the same values as we do and have a culture aimed at clients and suitable investments. The business fits well within the Walker Crips business philosophy. Apart from opportunities for cost synergies, the addition of capable investment managers and advisers, and their discretionary fee-based recurring revenue stream is a key step in achieving the additional scale needed to reach one of the Company's stated medium-term targets – to take our AUMA through the threshold of £5 billion.

Operations

As a result of our growing client base, gross profit increased by 8.5% to £15.3 million.

Administration expenses before exceptional costs for the period correspondingly increased by 8.1% and have been largely contained despite the expected increase in employment and regulatory costs associated with our current and proposed revenue generating initiatives. A lease for additional floor space at our London headquarters has recently been entered into in response to the stream of additional advisers we are welcoming, and to capitalise on a significant premises cost saving for our new subsidiary, BPAM.

One of our key performance indicators, non-broking income expressed as a proportion of total income, was higher at 56.3% (2014: 52.7%), further diminishing our reliance on transaction-driven commission revenue.

Investment Management

The Company's assets under management have grown substantially, and are set to continue to do so, as our pipeline of potential new recruits and their clients remains healthy.

Discretionary and advisory assets under management (AUM) at the year end were £2.0 billion (31 March 2014: £1.33 billion), reflecting the strategic emphasis and the longer term revenue benefits of asset gathering alongside transactional brokerage. Commission income from broking remained stable, whilst investment management fees increased by 23.8% to £10.4 million (2014: £8.4 million).

Gross revenues from the investment management division increased by 12.6% during the period to £20.6 million (2014: £18.3 million), another marked improvement and clear demonstration that the scope for additional expansion is a realistic prospect in a very competitive sector, where the reduction in the quality of service caused by increase in scale through mergers and acquisitions is repeatedly being evidenced amongst our peers. This has led to disenchantment amongst the affected advisers of competitors, who invariably seek stability and reliability of service for their clients in a more efficient, technologically competent and successful organisation such as ours.

After receiving another boost to the Individual Savings Account (ISA) regime in the last budget, investors now have much greater flexibility ensuring that subscriptions into our ISA stocks and shares products continued their dramatic growth by 48% this year (2014: 32%). Forthcoming additional tax-efficient transferability allowances will also encourage inherited funds to remain under our management.

The Structured Investments division produced another strong year, as it continued to strengthen its position with the professional adviser community. The current year is also promising, with a backdrop of global economic growth and the outlook for a sustained low interest rate environment, both of which serve to underpin demand for structured investment products.

In addition, our Alternative Investments management team delivered substantial growth in new clients and assets from the Investor Immigration Programme and the greater profitability generated by the Equity Arbitrage desk continues to be a welcome success.

Wealth Management
Our innovative Wealth Management division, run from York, continues to be driven by focused management and a competent team of advisers, who provide a committed, high-quality service to its widening client base.

In the year to 31 March 2015, our York operation benefited from the first full year's figures of the new Inverness office and delivered an improved operating profit. Since the advent of the Retail Distribution Review and pension freedoms, activity remains strong, boosted also by continued auto enrolment activity and a helpful Spring Budget, which bodes well for a productive year ahead.

The Pensions division, which is also based in York, administering SIPP and SSAS produced a resilient performance with SIPPs experiencing 8% net growth in funds under administration, ending the year at £105 million (2014: £97 million). SSAS assets under our care at the year end amounted to £200 million (2014: £206 million).

Regulation
Preparations are well under way to meet the challenges posed by the European Parliament's MiFID II initiative. We continue to fully support and reinforce FCA guidance on its drive to ensure advice given to clients by our account executives is suitable and properly recorded. Our culture of serving clients in their best interests is now well established in our DNA.

Statement of financial position
As at 31 March 2015, the Group maintained a steady level of net assets of £21.0 million (2014: £21.4 million), including net cash of £6.5 million (2014: £8.1 million), a decrease of £1.6 million mainly due to the initial cash consideration of £1.9 million for the recent acquisition of BPAM.

Going concern
The Group continues to maintain a robust financial position. Having conducted detailed cash flow and working capital forecasts and appropriate stress-testing on liquidity, profitability and regulatory capital, taking account of possible adverse changes in trading performance, the Board has more than sufficient grounds to believe the Group is well placed to manage its business risks adequately and that it will be able to operate within the level of its current financing arrangements and regulatory capital limits. Accordingly, the Board continues to adopt the going concern basis for the preparation of the financial statements.

Directors, account executives and staff
After another year of increasing numbers, of revenue generators and the absorption of investment business, through transfers of clients and their assets, we would like to thank all our fellow Directors, investment managers and advisers, and members of our operations team for their continuing hard work and diligence in shouldering this burden. The Walker Crips team remains true to the core values of your Company, and their integrity, courtesy, fairness, diligence, responsibility and loyalty make it an appealing firm for prospective clients and professionals to join.

Annual General Meeting
This year's Annual General Meeting will be held at the South Place Hotel, 3 South Place, London EC2M 2AF on 31 July 2015, at 11:00 a.m.

Outlook
Your Board is committed to continuing the execution of the Strategic Plan and the long term value for the Group it is creating. As the economy recovers, and with political stability largely assured after the recent decisive UK general election, we are confident that the Group is well positioned to continue making strides, which will ultimately produce higher dividends and added value for the benefit of shareholders.

Trading activity in the opening weeks of the new financial year has started strongly.

Despite increasing competition and significant demands from regulatory initiatives over the next 18 months, it is our emphasis on service and integrity which will drive our public profile and competitive positioning to deliver underlying growth in the next phase of the Group's development.

D. M. Gelber
Chairman
6 July 2015

R. A. FitzGerald FCA
Chief Executive Officer
6 July 2015

Strategic report

Taken together with the Statement by the Chairman and Chief Executive this report constitutes the Strategic Report (as articulated in Chapter 4A of the Companies Act 2006).

Group activities
The two principal activities of the Group are investment management, which includes stockbroking, and wealth management.

The Group strategy focuses upon the growth and enhancement of these two business streams.

The financial services underlying these activities are: discretionary and advisory investment management, fund management, administration of Individual Savings Accounts, managing clients' cash in the course of conducting investment business, pension management and advice, structured investments design and distribution, corporate trustee services and personal financial planning.

Provenance and culture
With its long and rich history, today Walker Crips has a consistently evolving presence in the financial services industry. It continues to expand on its established Investment Management business with the more recent launch of Structured Investments, the Investor Immigration Programme and the Equity Arbitrage desk.

Recent acquisitions of businesses, individuals and expertise have stabilised earnings and improved the revenue mix. The firm is better placed to withstand the fluctuations of markets and investment activity that affect the financial services community.

Business model, industry and market environment
This report looks first in summary at our business as it is now and then at our strategy and objectives for the next stage of the Company's development.

The UK industry ranges from small firms with less than £1 billion of assets under management to large companies with well over £20 billion. With our corporate independence and impartiality, we compete with our peers that aim to direct their clients into services that suit those firms' own corporate needs. Larger competitors are limiting the service that they offer to clients in order to simplify their offering at the expense of client choice.

Our business

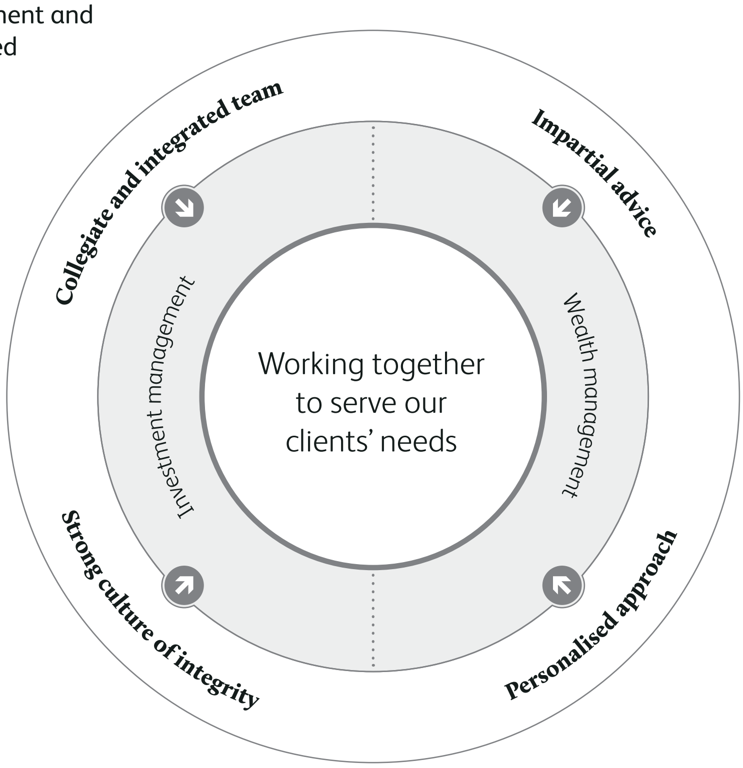
Walker Crips occupies a special place in the private client investment industry in the UK. We are a firm of highly skilled people dedicated to serving the full range of our clients' wealth management and investment management needs. The Company is defined by a strong culture based on traditional values that have been handed down over generations.

Collegiate and integrated team
We collaborate as a group of capable individuals to serve clients together.

Personalised approach
We offer a flexible broad range of services in order to remain free to act for our clients as they would wish us to act for them (suitably).

Strong culture of integrity
We attach great importance to our values of which integrity is pre-eminent. We strive to "do the right thing."

Impartial advice
We maintain a transparent and impartial service in order to sustain our Advisory capability and ensure our Discretionary service are supported by a robust investment process.



Our objectives and strategy

Our vision

To build on the historical private client business to create a broad financial services proposition and generate real shareholder value, by accelerating growth and profitability.

Our strategy

To achieve profitable growth using a compliant platform to provide a client-centred service that offers an attractive and compelling proposition incorporating a robust investment process.

Our objectives

1 Focused acquisition of Investment Management and Wealth Management teams, individuals or entities:	**Complement or strengthen our existing services in London, York and regions** **Attract new clients:** ■ High Net Worth ■ Mass Affluent ■ Affluent **To grow total assets**
2 Targeted investment in resources:	**Expand our range of flexible, transparent and impartial services using our capability in technology to develop:** ■ Client offering, services, documents, online access and communication ■ Compliance controls, tools and oversight ■ Efficiency through FOTA (our Finance, Operations, Technology & Administration team) **Maintain cash and liquid assets as the means of executing growth strategy**
3 Increased recurring revenues:	**Discretionary Investment Management** ■ Bespoke portfolios ■ Model portfolios **Fee based Advisory Services**

Our philosophy

To achieve our strategic objectives by embodying the Company's culture through:

- the Company's leadership and direction;
- those who have been with the Company for many years (already imbued with its core values); and
- recent joiners who share the Company's core values and bring further acumen and experience.

Key performance indicators

Our progress

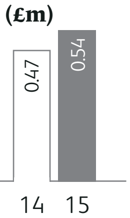
The Group’s strategy continues to deliver results and progress. Performance in 2015 is set out below together with prior year data. The performance indicators below are presented on a basis that is consistent with the previous year. The Board will continue to monitor these KPIs regularly.

Operating profit before exceptional items (£m)

£0.54m

(2014: £0.47m)

Target: increase

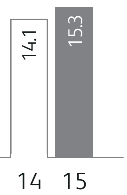


Gross profit (£m)

£15.3m

(2014: £14.1m)

Target: increase

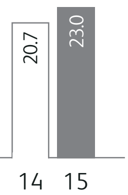


Revenue (£m)

£23.0m

(2014: £20.7m)

Target: increase

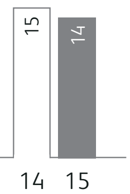


New revenue generators (number)

14

(2014: 15)

Target: Attract 5–10 pa



Non-broking income (proportion, %)

56.3 %

(2014: 52.7 %)

Target: increase

Transaction volume (number)

129,549

(2014: 126,113)

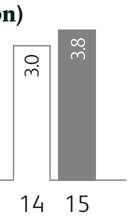
Target: increase

Growth in total assets (AUMA) (£bn)

£3.8bn

(2014: £3.0bn)

Target: £4.8bn 2018

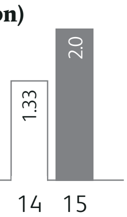


Discretionary/ Advisory AUM (£bn)

£2.0bn

(2014: £1.33bn)

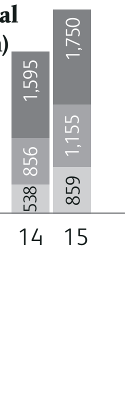
Target: increase



Breakdown of total assets (AUMA) (£bn)

£3.8bn

(2014: £3.0bn)



Total dividends (per share)

1.70p

(2014: 1.57p)

Target: stable growth

These key performance indicators are reviewed regularly and amended occasionally to correspond with the changing mix of the Group’s main business activities.

Principal risks and uncertainties

Principal risks and uncertainties

Risks to the business are reviewed monthly and monitored by the Board-appointed Business Risk Panel in conjunction with the internal process for management of capital risk (ICAAP). They are formally reviewed by the Board annually. The Group's risk management policies and procedures are also discussed in the report by the Directors on corporate governance matters. Financial risks and their risk management are explained more fully in Note 25.

▲ Risk increase

▼ Risk decrease

● No change in risk

Risk	Status	Mitigation
Credit risk	●	Credit risk assessments in respect of banks and custodians are carried out in conjunction with credit ratings set by external agencies.
Counterparty risk	▼	The majority of clients conduct low risk smaller trades. All institutional transactions are cash against delivery. External clearing brokers who hold clients' cash as collateral are limited to one and provide client money protection. Loans to clients are covered by securities controlled by the Company with excess value of 30%.
Conduct risk	●	Loss arising from any breach of FCA rules. A strong Board-led compliance culture and training is augmented by a sound control framework, experienced well-resourced compliance team and a commitment to invest in enhanced technology with the aim of always ensuring a positive client outcome.
Liquidity risk		
– Bank default and other systemic risk	▲	Several banks are used to hold both clients' and firm's money, with levels being constantly reviewed.
– Settlement failure	●	Experienced management team monitors settlement performance.
Capital adequacy	▼	Capital adequacy surplus is maintained well in excess of regulatory requirements. Material surplus cash balances are always carried.

Corporate social responsibility

Corporate social responsibility

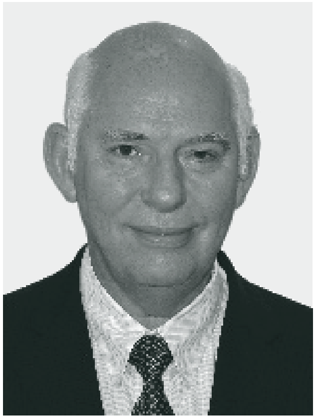
The Social Responsibility and Safety Committee consists of two subsidiary Company Directors and other senior managers, making recommendations to the Board on social, environmental and community issues. Whilst recognising that the Group is a financial services organisation whose primary responsibility is to maximise investment returns to clients in accordance with their contractual relationship and stated risk profile and investment objectives, there are non-financial considerations which may affect the long-term value of the subsidiary companies and close attention is paid to minimising their environmental impact.

General policies to improve the environment and staff welfare are:

- staff are encouraged to travel on public transport through the availability of interest-free season ticket loans;
- video and telephone conferencing facilities reduce the necessity of travelling to attend internal meetings;
- increasing electronic storage of documents rather than retention of paper versions;
- electronic distribution of reports, contract notes, etc., to reduce paper consumption;
- recycling of waste wherever possible;
- all portable electronic appliances are safety tested every two years;
- old fluorescent light tubes are disposed of in the appropriate manner, as is all computer and other electrical equipment;
- measures to increase security and staff safety have been implemented;
- a cycle to work scheme has been introduced making cycling more affordable and a healthy commuting option for staff;
- secure parking spaces are provided to employees for bicycles;
- a payroll giving scheme is in operation allowing staff to donate to their chosen registered charity direct from their earnings; and
- a childcare vouchers scheme is provided allowing staff to benefit from tax savings on childcare costs, recognising their work-life balance requirements.

R. A. FitzGerald FCA
Chief Executive Officer
6 July 2015

Introduction to governance



D. M. Gelber
Chairman

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Our hands-on Executive Board is well placed to oversee the Group's activities.

Dear shareholder,

Good corporate governance is critical to the delivery of value to the Group's stakeholders and this section of the report describes how Walker Crips is governed and managed in the context of the principles of the UK Corporate Governance Code. The Board is responsible to shareholders for the overall management and oversight of the Group and for its long-term success. In particular, the Board is responsible for agreeing the Group's strategy, monitoring financial performance, setting and monitoring the Group's risk appetite and maintaining an effective system of internal controls.

The Board of a financial services firm needs to be strong in relevant expertise and our hands-on Executive Board together with an experienced and talented senior management team ensures that it is well placed to oversee the Group's activities.

The Board has spent some time looking at the roles and responsibilities of its Committees, to ensure that each is operating efficiently and so providing an effective framework for the Board to operate within. The composition of each Committee was reviewed with a view to ensuring that a broad skill set is maintained so that undue reliance was not placed on any particular individual.

D. M. Gelber
Chairman
6 July 2015

Board of Directors

Executive Directors

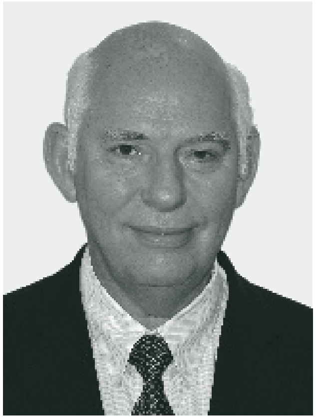
Rodney FitzGerald FCA
Chief Executive Officer
Mr. Rodney FitzGerald serves as Chief Executive Officer of Walker Crips Group plc. He is a mathematics graduate of Leeds University and qualified as a Chartered Accountant in 1979 with Hays Allan & Co. After holding senior financial positions outside the financial services sector, he joined independent stockbrokers T C Coombs & Co. in 1987 and was appointed to the Board in 1989. More recently, he was Finance Director of MeesPierson ICS Limited, now ABN AMRO Clearing, before joining Walker Crips Group as Finance Director in 1999. He was appointed Chief Executive Officer in January 2007.

Sean Lam FCPA (Aust.)
Chartered FCSI
Group Managing Director
Mr. Sean Lam graduated in 1991 with a Bachelor of Commerce degree from the University of Western Australia majoring in accounting and finance. He commenced his career as an internal auditor with Phillip Securities in Singapore and progressed to become the Head of Internal Audit. In 1995, he was appointed Head of Operations and in the same year he attained his professional qualification as a CPA. In 1999, Walker Crips Group appointed Sean to the Board as Development Director, with overall responsibility for systems development and information technology. In 2004, he was made Chief Operating Officer, and in 2007, Group Managing Director. Sean is a Fellow of CPA Australia, has sat on its European Council since 2010 and was President of its European Region in 2012 and 2013. He is also a Chartered Fellow of the Chartered Institute for Securities & Investment.

Mark Rushton
Chief Investment Officer
Mr. Mark Rushton graduated in 1984 with an MA in Law from Downing College, Cambridge University. Mark's most recent previous role was at BNP Paribas where he was Head of Offering for UK Wealth Management before which he lead corporate development at Fortis having previously held senior roles at Cazenove Capital Management, UBS and Mitsubishi UFJ Trust International.

David Hetherton
Wealth Management Director
Mr. David Hetherton serves as Wealth Management Director of Walker Crips Group plc. David began his financial services career in 1982 as a consultant with Denison Investments Ltd. Upon this company's takeover by Minet Consultancy Services in 1990 David was appointed a Divisional Director and was instrumental in developing the business from loss-making into a profitable entity.
In January 1998, he took up the post of Group Managing Director of the London York Group, which was subsequently acquired by Walker Crips Group plc in 2005. Since then, he has integrated the Wealth Management and Pension Product Divisions, bringing diversity of revenue to the Group, including the launch of an in-house SIPP.

Non-Executive Directors



David Gelber
Chairman
Mr. David Gelber serves as Non-Executive Independent Chairman of the Board of Walker Crips Group plc.
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 J P Morgan.
He currently serves as a Non-Executive Director of IPGL Ltd, an investment holding company, DDCAP Ltd, an arranger of Islamic compliant financial transactions, Extoix LLP, a Frontier Market investment boutique and Amadeo Air Four PLC, a closed end fund investing in aircraft leasing.
His previous directorships include Globeop Financial Services and eSeclending LLC in Boston.

Martin Wright
Senior independent Director, Non-Executive
Mr. Martin Wright was appointed to the Board in July 1996 as a Non-Executive Director. He is a Partner of Charles Russell Speechlys LLP (Solicitors) where he is a member of the Partnership Council. Martin is a member of the Law Society.
He is also a Non-Executive Director of a number of private companies.

Robert Elliott FCA. Cert PFS
Non-Executive Director
Mr. Robert Elliott is a retired Chartered Accountant, having joined Garbutt & Elliott in 1957, qualifying in 1963. After being appointed as Partner in 1964, he developed specialist skills in negotiating corporate finance acquisitions, disposals and mergers. He co-founded both G&E Investment Services Ltd and the London York group of companies in 1980. In May 2008 he was appointed Chairman of the Audit Committee.

Hua Min Lim
Non-Executive Director
Mr. Hua Min Lim is the Executive Chairman of 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 (SES) and the Securities Research Institute.
He has served on a number of Committees and sub-Committees of the SES. In 1997, he was appointed Chairman of the 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. He served as a Board Member in the Inland Revenue Authority Singapore from 2004 to 2010.

Mr 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.

Directors' report

for the year ended 31 March 2015

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 2015.

Results and dividends

Results, distributions and retained profits are as follows:

	2015 £'000	2014 £'000
Retained earnings at 1 April	**11,955**	10,430
Profit for the year after taxation	**257**	2,034
Dividends paid	**(958)**	(522)
Long Term Incentive Plan credit to equity	**—**	13
Retained earnings at 31 March	**11,254**	11,955

The Directors recommend a final dividend of 1.17 pence per ordinary share to be paid on 7 August 2015 to ordinary shareholders on the register on 17 July 2015.

Capital structure

Details of the Company's share capital are shown in Note 27. The Company 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 Company.

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 Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Voting rights of shares held by the trustees of the Company's Share Incentive Plan (SIP) are not exercised unless the trustee is directed to vote by the employee SIP participant.

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

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Combined Code, the Companies Acts and related legislation. The articles themselves may be amended by 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 14 and 15.

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

It is the Group's policy to give appropriate consideration to applications for employment from disabled persons, having proper regard to their particular aptitudes. For the purposes of training, career development and promotion, disabled staff, including any who become disabled in the course of their employment, are treated on equal terms with other employees.

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 Company'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.

Ordinary and special business

Resolutions will be placed before the Annual General Meeting to confer authority on the Company to allot equity securities of up to an aggregate nominal amount of £834,054 and to authorise and empower the Company to allot equity securities.

The Companies Act 2006 permits a public company to purchase its own shares in accordance with powers contained in its Articles of Association and with the authority of a resolution of shareholders. The Directors believe that the Company should be authorised to take advantage of these provisions and therefore, pursuant to the power contained in the Company's Articles of Association, it is intended to propose a special resolution at the forthcoming Annual General Meeting to confer authority on the Company to purchase up to a maximum in aggregate of 10% of the Ordinary Shares of 6⅔ pence each in the share capital of the Company at a price or prices which will not be less than 6⅔ pence and not be more than 5% above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the ten business days before the relevant purchase is made.

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

Carbon emission reporting

GHG emissions data for the year ended 31 March 2015:

	2014 tCO_2e	**2015 tCO_2e**
Scope 1 – combustion of fuel	9	**16**
Scope 2 – purchased electricity	265	**248**
Total	274	**264**
Total emissions per employee	1.64	**1.43**

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

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

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

- vehicle use; and
- air conditioning.

They may further note that the total number of warrants and options to subscribe for equity shares in the Company that are outstanding as at 31 March 2015 is 611,250 share options (for further information refer to Note 28 of the financial statements). The proportion of issued share capital of the Company that this represents as at 31 March 2015 is 1.6%. If the Company used the full authority to buy back the shares under resolution 12 they would then represent 2.1% of the issued share capital of the Company.

Substantial shareholdings

As at 31 March 2015, the following interests, excluding those of Directors, in excess of 3% of the ordinary share capital of the Company were held:

	Number	Percentage
Oryx International Growth Fund Limited	3,250,000	8.7
L. W. S. Lim	2,512,176	6.7
L. W. Y. Lim	2,512,176	6.7
L. W. J. Lim	2,512,173	6.7
M. J. Sunderland	1,421,100	3.8

Pillar 3 disclosures

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

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

Auditor

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 Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor of the Company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

R. A. FitzGerald FCA
Director
6 July 2015

Report by the Directors on corporate governance matters

year ended 31 March 2015

The Company is committed to the Principles of Good Governance set out in Section 1 of the June 2006 FRC Combined Code on Corporate Governance by complying with the Code of Best Practice. Further explanation of how the principles have been applied is also set out below and, in connection with Directors' remuneration, in the Remuneration Committee Report.

Compliance

With one exception, the Company has been in compliance with the code provisions set out in the Combined Code on Corporate Governance issued by the Financial Conduct Authority. The exception is in regard to the period of appointment within Non-Executive Directors' service contracts which are not for fixed periods as stated in code A7.2.

The Board of Directors

The Board of Directors currently consists of four Executive and four Non-Executive Directors. The Full Board meets regularly and at least every alternate month throughout the year.

The Board is provided with appropriate information on a timely basis to enable it to discharge its duties. It 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 risk reviews, budgets and borrowings and monitoring the Group's progress. Decisions delegated to management are not specifically listed but limited to £50,000 in value where financial commitments are necessary in the daily course of business and £100,000 in value for investment and capital projects. All subsidiary Boards of Directors include at least one Main Board Executive Director who serves as the link between operational decision making by both the Board Directors and management.

The roles of Chairman and Chief Executive, occupied by D. M. Gelber and R. A. FitzGerald FCA respectively, are separated and the Board includes Non-Executive Directors, of whom D. M. Gelber, R. A. Elliott FCA and M. J. Wright are regarded as independent and the remaining Directors believe they provide an objective viewpoint.

The Board has three established Committees: the Audit Committee, the Nomination Committee and the Remuneration Committee, all comprised entirely of Non-Executive Directors.

Non-Executive Directors of the plc Company are also Directors of the Boards of the main operating subsidiary companies which conduct regulated investment business.

During the year, the Directors, in their capacity as members of the Board/appropriate Committee, attended the following number of meetings:

	Board	Remuneration Committee	Audit Committee	Nomination Committee
Number of meetings	7	2	3	1
D. M. Gelber (Non-Executive Chairman)	7	2	3	1
R. A. FitzGerald (Chief Executive)	7	n/a	n/a	n/a
S. K. W. Lam	6	n/a	n/a	n/a
H. M. Lim	—	2	n/a	1
M. J. Wright	7	2	3	1
R. A. Elliott	7	n/a	3	1
D. Hetherton	7	n/a	n/a	n/a
M. J. W. Rushton	7	n/a	n/a	n/a

The Non-Executive Directors also serve and attend Board meetings as Directors of the main regulated subsidiary companies, thereby playing an active part in decision-making and control at an operating level.

The Company's procedures for "whistleblowing", whereby colleagues may confidentially raise concerns about possible improprieties in matters of financial reporting or other issues, has been reviewed by the Board and made available to approved persons and staff.

A satisfactory evaluation of the effectiveness of the Board, its Directors and Committees has been conducted and reviewed. This entailed an evaluation of the summarised results of a widely used questionnaire being benchmarked against the published results of a cross-section of quoted companies.

M. J. Wright, the Senior Independent Director, has served on the Board for 18 years since the Company's full listing on the London Stock Exchange. The firm of solicitors, Charles Russell Speechlys, of which he is a Partner, provided legal services to the Group during the year totalling £274,000 (2014: £93,000). The Board values his continuing contribution, particularly on legal matters, and has also determined that he is independent and would like him to continue. He will, therefore, be put forward for re-election to the Board at each Annual General Meeting henceforth, in accordance with the recommendations of the Higgs Report.

Nomination Committee

The Committee consists of D. M. Gelber, M. J. Wright, R. A. Elliott and H. M. Lim. It considers and makes recommendations to the Board for the appointment of Directors. When considering possible candidates, the Committee evaluates their skill, knowledge, experience and in the case of Non-Executives, their independence and other commitments. The structure of the Board and its collective experience and skill set are assessed on the appointment or departure of any Director.

A Nomination Committee meeting was held during the year to discuss succession planning for the Main Board and key senior positions at operating subsidiary level.

Audit Committee

During the year, the Audit Committee consisted of M. J. Wright, D. M. Gelber and R. A. Elliott FCA who is the Committee Chairman. The Committee's terms of reference include reviewing the scope and findings of the external audit, reviewing the plan and findings of the Internal Audit function, assessing the effectiveness of the Company's internal control procedures and the reporting of results.

The Company's internal and external auditors and the Executive Directors may attend Committee meetings by invitation. The Committee has a discussion with the external auditor at least once a year without Executive Directors being present, to ensure that there are no unresolved issues of concern. The Audit Committee met three times during the course of the year and was fully attended. The auditor disclosed the level of fees received in respect of the various services provided by their firm in addition to the audit during the year. They confirmed to the Audit Committee that they did not believe that the level of non-audit fees had affected their independence. The Audit Committee's policy is to use the most appropriate advisers for non-audit work, taking account of the need to maintain independence.

In August 2010, the Audit Committee approved the outsourcing of the Internal Audit function to a leading firm of auditors, Smith & Williamson, whose experience in the financial services sector provides the Board with additional assurance that an adequate control framework is in place.

Remuneration Committee

The Remuneration Committee consists of M. J. Wright, H. M. Lim and its Chairman, D. M. Gelber. The Committee is responsible for agreeing the remuneration of the Executive Directors and other key personnel of the Company. The Full Board is responsible for agreeing the remuneration of the Non-Executive Directors. The Chief Executive attends certain parts of meetings of the Remuneration Committee by invitation. Further details of the Company's policies on Directors' remuneration, service contracts and share options are given in the Remuneration Committee report.

A staff profit share scheme which enables all employees to share directly in the future prosperity of the Group has been in operation for several years. Profit before tax for the current year eligible for this bonus calculation has fallen below the minimum threshold and accordingly, an amount of £nil (2014: £nil) has been allocated to the scheme for the year being reported. An employee Share Incentive Plan incentivises employees to join with the Company in making regular joint purchases of shares in the Company to be held in trust for a minimum of three years. The Share Incentive Plan replaces the employee share option schemes previously in operation. Existing share options will remain exercisable over their life, up to ten years from the date of grant.

Non-Executive Directors

Contrary to the recommendations of the Combined Code, Non-Executive Directors' contracts do not cover their appointment for a specified period, because under the Articles of Association all Directors are required to retire by rotation and one third of the Board is required to seek re-election each year. Re-election is subject to shareholders' approval. The terms and conditions of appointment of Non-Executive Directors, as well as the Audit, Remuneration and Nomination Committees, are available for inspection by any person at the Company's registered office during normal business hours and at the Annual General Meeting.

Executive Directors

Executive Directors have service contracts of varying lengths, but maximum compensation for loss of office is limited to twelve months' salary in all instances.

Directors' emoluments are disclosed in the Remuneration Committee Report.

The Management Committee and Business Risk Panel

The Board has appointed a Management Committee to assist in the day-to-day management of the Group. The Committee is, inter alia, responsible for developing plans for implementing the strategy of the Group, advising on the allocation of personnel and capital resources. The Business Risk Panel 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 so enabling risk strategies of elimination, mitigation or avoidance to be formulated.

Relations with shareholders

The Board recognises the importance of communications with shareholders. The Chairman and Chief Executive statement in this report and accounts includes a detailed review of the business and future developments.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Chairman aims to ensure that all of the Directors are available at Annual General Meetings to answer questions. The proxy votes cast on each resolution proposed at general meetings are disclosed at those meetings.

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 Company and Group. This process has been in operation throughout the year ended 31 March 2015 and up to the date of approval of the annual report and accounts and is regularly reviewed by the Board and the Board is satisfied it accords with the Turnbull guidance. Due to the size of the Company and Group there is a simple organisational and reporting structure. Financial results and other information are regularly reported to the Board throughout the year. Operations are monitored closely.

The Directors have reviewed the effectiveness of the Company's system of internal control and consider that the controls and procedures established are appropriate for the Company and Group. However, any system of internal control can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Group operates under a system of internal financial controls which have been developed and refined to meet its current and future needs. These include but are not limited to:

- the organisational structure and the delegation of authorities to operational management;
- procedures for the review and authorisation of capital investments;
- 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 organisation and monitored through various means including routine and special reviews by the internal auditor.

Statement of Directors' responsibilities

year ended 31 March 2015

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the Board confirms that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance, strategy and business model of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

R. A. FitzGerald FCA
Director
6 July 2015

Remuneration Committee report

year ended 31 March 2015

Remuneration report – introduction

This is the Remuneration Committee report for the year ended 31 March 2015. It sets out the remuneration policy and remuneration details for both the Executive and Non-Executive Directors of the Company. It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013 (referred to below as Schedule 8).

The report is split into three main areas:

- the statement by the Chairman of the Remuneration Committee set out below;
- the Annual Report; and
- the Policy Report.

The Annual Report of Remuneration provides details on remuneration in the period. The Policy Report was approved by the shareholders at the 2014 Annual General Meeting for a period of three years and is therefore not being put to the shareholders at the 2015 AGM.

A resolution to approve the Annual Report on Remuneration will be put to this year's Annual General Meeting to be held on 31 July 2015.

The Companies Act 2006 requires the auditors to report to the shareholders on certain parts of the Directors' Remuneration Report and to state whether, in their opinion, those parts of the report to be audited have been properly prepared in accordance with Schedule 8. The parts of the Annual Report on Remuneration that are subject to audit are indicated in that report. The statement by the chairman of the Remuneration Committee and the Policy Report are not subject to audit.

Annual statement from the Chairman of the Remuneration Committee

After the fundamental changes for Walker Crips that followed the disposal of Walker Crips Asset Managers, this has been another year of consolidation for the Group, with our focus upon the implementation of the strategy to create a full service investment and wealth management group. Our senior management team has remained stable and basic salaries were increased marginally. Directors' bonuses have been paid to certain Directors based on divisional profitability, as set out below.

Although various existing practices have been codified, no material remuneration policy changes were made in the year to 31 March 2015. Now that significant progress has been made in implementing Group strategy to restore profitability and refocus the Group, the Remuneration Committee has recently reviewed the Company's remuneration arrangements to ensure that it maintains appropriate measures and processes for annual and long-term incentives.

As a result a new Directors' Remuneration Policy has been developed by the Remuneration Committee. The key change to the Directors' Remuneration Policy approved at the 2014 AGM will be the introduction of a Long Term Incentive Plan ("LTIP") for certain members of the Executive team.

Under the new LTIP the Remuneration Committee intend to provide certain members of the Executive team with the opportunity to earn shares subject to the achievement of stretching performance targets. The Remuneration Committee believes that the LTIP will ensure that participant's interests are aligned with shareholders and pay-out will only occur if the new long-term business strategy is executed.

Before seeking approval for a new Directors' Remuneration Policy and the LTIP, the Remuneration Committee intend to discuss the proposals with the Company's largest shareholders. We remain committed to hearing, and take an active interest in, the views of our shareholders and we look forward to consulting with our key shareholders over the coming months.

D. M. Gelber
Remuneration Committee Chairman
6 July 2015

Annual report on remuneration – subject to advisory vote by shareholders at the 2015 AGM

This part of the report has been prepared in accordance with Part 3 of Schedule 8 and Listing Rule 9.8.6. In accordance with the regulations, the annual remuneration report will be put to an advisory shareholder vote at the 2015 AGM.

Remuneration for the year ended 31 March 2015 (audited information)

The table below sets out the remuneration received by the Directors in relation to performance in the year to 31 March 2015 together with prior year comparisons. To aid transparency to our shareholders, a single figure for the total remuneration due, or which will become due, to each Director is disclosed.

Name of Director		Fees/ basic salary £	Taxable benefits £	Personal pension contributions £	Bonus £	Bonus taken as pension contribution £	Total bonus £	Long Term Incentive Plan £	Share incentive plan matching share contribution £	Total £
Executive										
R. A. FitzGerald	**2015**	**166,129**	**2,634**	**16,613**	**—**	**—**	**—**	**—**	**1,800**	**187,176**
	2014	162,872	3,110	16,287	3,000	—	3,000	—	1,500	186,769
S. K. W. Lam	**2015**	**152,285**	**1,916**	**27,384**	**—**	**—**	**—**	**—**	**1,800**	**183,385**
	2014	150,872	1,931	25,057	3,000	—	3,000	—	1,500	182,360
D. Hetherton	**2015**	**112,448**	**1,515**	**33,852**	**12,365**	**—**	**12,365**	**—**	**1,800**	**161,980**
	2014	98,496	1,718	46,556	4,800	2,070	6,870	—	1,500	155,140
M. J. W. Rushton	**2015**	**153,000**	**2,691**	**10,710**	**75,189**	**—**	**75,189**	**13,500**	**1,800**	**256,890**
	2014	150,000	2,792	10,500	40,769	—	40,769	—	1,500	205,561
Non-Executive										
H. M. Lim	**2015**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	2014	—	—	—	—	—	—	—	—	—
M. J. Wright	**2015**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	2014	—	—	—	—	—	—	—	—	—
D. M. Gelber	**2015**	**40,800**	**—**	**—**	**—**	**—**	**—**	**—**	**1,800**	**42,600**
	2014	39,193	—	—	—	—	—	—	1,500	40,693
R. A. Elliott	**2015**	**27,030**	**—**	**—**	**—**	**—**	**—**	**—**	**1,800**	**28,830**
	2014	25,128	—	—	—	—	—	—	1,500	26,628
Total	**2015**	**651,692**	**8,756**	**88,559**	**87,554**	**—**	**87,554**	**13,500**	**10,800**	**860,861**
	2014	626,561	9,551	98,400	51,569	2,070	53,639	—	9,000	797,151

Executives can elect to sacrifice fixed or variable remuneration into a pension scheme of their choice.

Annual bonus for the year ended 31 March 2015

The Group operates a profit sharing pool from which the Executive Directors may receive a discretionary bonus linked to performance. In addition, the Chief Investment Officer, Mark Rushton, and the Wealth Management Director, David Hetherton, each receive a performance bonus linked to the profitability of the divisions under their responsibility. All bonuses are paid in cash with no deferred component.

Based on the Group's results and divisional profitability the Committee has awarded the following annual bonuses payable in cash to Executive Directors, as indicated in the table below:

Name	Role	Total £
Rodney FitzGerald	Chief Executive	—
Sean Lam	Group Managing Director	—
Mark Rushton	Chief Investment Officer	**75,189**
David Hetherton	Wealth Management Director	**12,365**

Outstanding share awards

There were no share options outstanding and not vested at 31 March 2015.

Deferred bonus

There are no deferred bonus arrangements in place.

Share incentive plan (SIP)

All employees of the Group are eligible to participate in the SIP following six months of service. Employees may use funds from their gross salary up to 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 Company (Partnership Shares). Partnership Shares are acquired monthly. For every Partnership Share purchased, the employee receives one matching share. All shares to date awarded under this scheme have been purchased in the market by the Trustees and it is the intention of the Board to continue this policy in the year to March 2016.

Share schemes under which no awards were made in 2015

Awards under the 2006 Share Option Scheme have been historically granted to Directors but the scheme has expired and no awards are outstanding for future vesting. Awards have not been made under the Scheme since 2006.

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 2014	**Beneficially owned at 31 March 2015**
R. A. FitzGerald	240,610	**275,235**
S. K. W. Lam	168,309	**422,996**
M. J. W. Rushton	68,182	**99,734**
R. A. Elliott	398,185	**455,704**
D. Hetherton	675,512	**713,544**
D. M. Gelber	88,084	**122,502**
M. J. Wright	4,500	**16,129**

Share Incentive Plan
The Company also operates the Walker Crips Group Plc Share Incentive Plan ("the SIP"). Participants in the SIP are entitled to purchase up to a prescribed number of new Ordinary Shares in the Company at the end of each month. A total of 642,975 (2014: 507,861) new Ordinary Shares were issued to the 106 employees who participated in the SIP during the year. At 31 March 2015, 2,329,807 shares were held in the SIP on their behalf. There were no forfeited shares not allocated to any specific employee.

Matching shares awarded to Directors under the Share Incentive Plan are as follows:

Director	31 March 2014	**31 March 2015**
R. A. FitzGerald	27,871	**31,389**
S. K. W. Lam	26,535	**29,947**
M. J. W. Rushton	8,866	**12,277**
D. Hetherton	24,842	**21,515**
D. M. Gelber	26,237	**30,206**
M. J. Wright	—	**—**
R. A. Elliott	24,638	**28,606**

Material contracts with Directors
Other related parties include Charles Russell Speechlys, in which M. J. Wright, Non-Executive Director, 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 was £274,000.

In addition, commission of £2,600 (2014: £2,000) was earned by the Group from Phillip Securities (HK) Limited (a Phillip Brokerage Pte Limited company, where H. M. Lim is a shareholder) having dealt on standard commercial terms. Additionally, some custody services are provided by Phillip Securities Pte Ltd (in Singapore where H. M. Lim is a Director) again all on standard commercial terms.

Total pension entitlements
There are no defined benefit company pension schemes in operation. The Company contributes a percentage of the Executive Directors' basic salaries into personal pension arrangements of their choice. In addition, salary sacrifice may be exercised in favour of additional pension contributions.

Death-in-service benefits
Executive Directors are eligible for death-in-service benefit cover which is equal to four times the Director's fixed remuneration.

Payments within the year to past Directors
There have been no disclosable payments made to Directors after they have left office during the year.

Loss of office payments
There were no loss-of-office payments made in the years ended 31 March 2015 and 31 March 2014.

Percentage increase in the remuneration of the Chief Executive

	2014 £	**2015 £**	Change
Chief Executive			
– salary	162,872	**166,129**	2.00%
– bonus	3,000	**—**	(100.0%)
Average per employee (£)			
– salary	36,429	**34,285**	(5.90)%
– bonus	4,818	**5,723**	18.80%

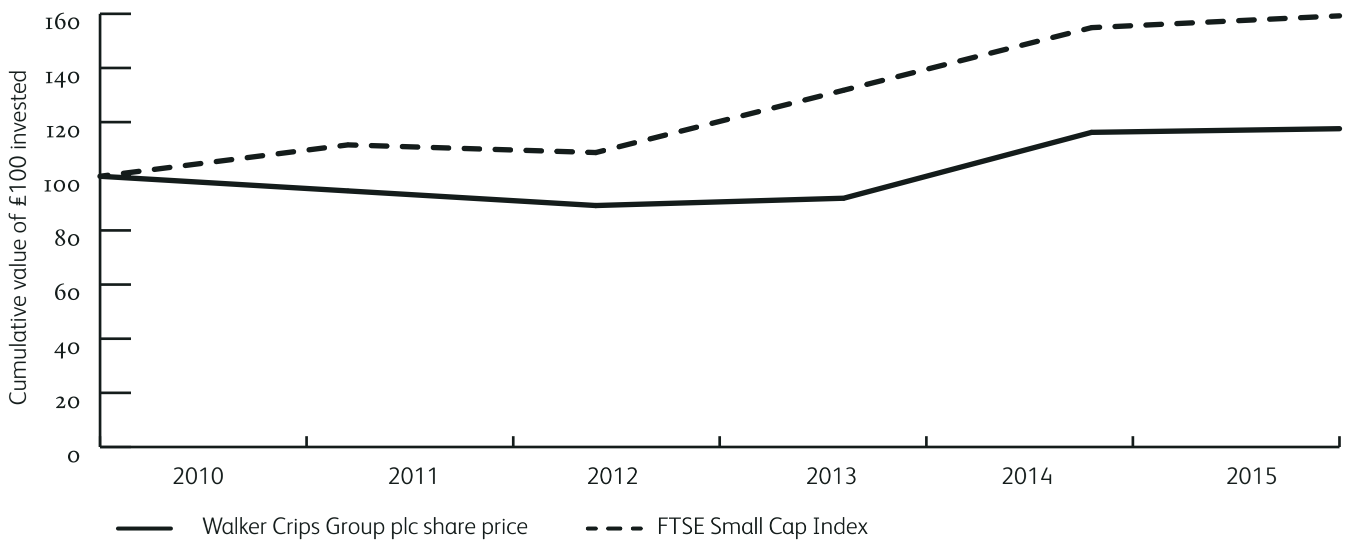
The table above shows the movement in salary and annual bonus for the Chief Executive between the current and previous financial year compared to that of the average employee. The Committee has chosen this comparator and it feels that the comparison of basic salary provides a more appropriate reflection of the earnings of the average worker than the movement in the Group's total wage bill, which is distorted by movements in the number of employees. More junior staff receive a base salary and, in some cases, pension contributions. As such a comparison of the movement in benefits for the Chief Executive and the average employee was not considered to be meaningful and has not been included.

Performance graph

The graph below shows a comparison between the Company's total shareholder return (TSR) performance compared with the companies in the FTSE Small Cap Index. The graph compares the value, at 31 March 2015, of £100 invested in Walker Crips Group plc on 31 March 2010 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.

After the sale of our asset management and corporate finance subsidiaries, the Group has gradually expanded and has reshaped the business model into a more profitable one. The lack of liquidity in the Company's shares has previously had a disproportionate impact on the share price but this has been addressed during the year and recent large volumes of trading reflect this.

Total shareholder return compared to FTSE Small Cap Index



The table below shows the total remuneration figure for the Chief Executive during each of those financial years. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. No long-term incentive awards were made to the highest paid Executive Director during the period.

	Year ended 31 March				
	2011	2012	2013	2014	**2015**
Total remuneration	£199,592	£174,512	£267,934	£186,769	**£187,176**

Relative importance of the spend on pay

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

	2014 £'000	**2015 £'000**	Increase
Staff costs	8,539	**8,841**	3.54%
Dividends paid*	522	**958**	8.35%

* Excludes special dividends.

Remuneration Committee governance

The Remuneration Committee is governed by formal terms of reference agreed by the Board. The terms of reference were reviewed during the year to ensure they continued to accurately reflect the remit of the Committee. The terms of reference of the Remuneration Committee can be viewed on the Company's website. All of the Committee members are independent Non-Executive Directors.

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.

None of the Remuneration Committee 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 Remuneration Committee determines the individual remuneration packages of each Executive Director. The Chief Executive attends meetings by invitation and assists the Committee in its deliberations, except when issues relating to his own remuneration are discussed. No Directors are involved in deciding their own remuneration. The Committee can call for external reports and assistance. Independent legal advice may be sought by the Committee as required.

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

During the period the Committee met twice and a number of issues were considered and discussed, including but not limited to:

- remuneration policy for Executive Directors, including structure and performance criteria for the annual divisional and bonus pool arrangements and the introduction of new LTIP for the Chief Executive and the Group Managing Director;
- determination of remuneration;
- approval of compensation arrangements;
- determination of annual incentive payable to Executive Directors in respect of the year to 31 March 2015;
- oversight of remuneration arrangements for senior Executives;
- review of the Company's Pillar 3 remuneration disclosures; and
- review of the Committee's terms of reference.

Remuneration Committee report *continued*

year ended 31 March 2015

External directorships

None of the Executive Directors held external directorships in respect of their services during the current and prior year.

How the remuneration policy will be applied for the year from 1 April 2015 onwards

The base salary review in 2015 resulted in a decision to award an increase of 1.5% to all the salaries of the Executives.

	Salary as at 31 March 2014	**Salary as at 31 March 2015**
R. A. FitzGerald	£162,872	**£166,129**
S. K. W. Lam*	£150,872	**£152,285**
M. J. W. Rushton	£150,000	**£153,000**
D. Hetherton*	£98,496	**£112,448**

* Excludes salary taken as pension.

Fees for the Chairman and Non-Executive Directors

The Company's approach to setting Non-Executive Directors' fees is detailed in the Policy Report. These fees are reviewed periodically by the Board. A summary of current fees for Non-Executive Directors is as follows:

	Year ended 31 March 2015
Chairman	**£40,800**
Senior Independent Director	**£26,520**
Audit Committee Chairman	**£27,030**

D. M. Gelber was appointed as Non-Executive Chairman of the Company by a letter 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 Company's Articles of Association. His remuneration is now a fee of £40,800 per annum plus reimbursement of other specific expenses incurred on behalf of the Company.

M. J. Wright, Senior Independent Director, has a letter of appointment 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 Company's Articles of Association. His fees are now £26,520 plus VAT per annum plus expenses. His fees are payable to Charles Russell Speechlys quarterly in arrears.

H. M. Lim has no formal service agreement with and receives no remuneration from the Company.

R. A. Elliott, Chairman of the Audit Committee, was appointed as a Non-Executive Director on 11 April 2005 by a letter agreement with a right for him to resign immediately in accordance with the Company's Articles of Association. The agreement also provides for Mr Elliott's re-election each year at the Company's Annual General Meeting. His remuneration is now £27,030 per annum plus reimbursement of other specific expenses incurred on behalf of the Company.

LTIP for the Chief Investment Officer
The Company has presented details of the LTIP arrangements for the Chief Investment Officer. These were set out in the financial statements for the year to 31 March 2012. They are summarised briefly in the Policy Report below.

Statement of shareholder voting
At last year's AGM, the Directors' Remuneration Report received the following votes from shareholders:

2014 AGM		
Votes in favour	13,732,333	37.1%
Votes cast against	1,757,100	4.7%
Abstentions	2,500	—

Policy Report – approved by shareholders at the 2014 AGM

Overview/scope
The Remuneration Committee determines the Group's policy on remuneration of the Executive Directors and provides an independent view on the remuneration decisions and recommendations for Executive management within the Group. The Committee's terms of reference are available on the Group's website.

The Committee takes into account the following objectives in determining the Directors' remuneration policy:

- fundamentally, to support the delivery of Walker Crips Group business objectives and corporate values, by attracting, retaining and motivating talented Directors and senior Executives of the calibre to manage the business successfully;
- accordingly, to reward and motivate good performance consistent with those objectives; and
- to meet the requirements of the FCA Remuneration Code.

The Committee accordingly is guided by the following key principles. Directors' remuneration should:

- avoid creating incentives for excessive risk taking, i.e. that exceed tolerated risk levels of Walker Crips Group or its risk appetite; and
- align all incentive plans with achievement of the adopted business strategy.

The Remuneration Committee will ensure that all types of remuneration arrangement operated by Walker Crips Group for Walker Crips Group Directors and Executive management are regularly reviewed and consistent with the general remuneration culture prevalent throughout the Group.

How the views of shareholders are taken into account
The Committee will regularly compare the Group's Directors' remuneration policy with shareholder guidelines and takes account of the results of shareholder votes on remuneration. If any material changes to the remuneration policy are contemplated, the Chairman will consult with major shareholders about these in advance.

Consideration of employment conditions elsewhere in the Group
The Group applies a consistent remuneration philosophy for employees at all levels.

The Committee takes account of the aggregate rate of base salary increase for all employees when determining increases in fixed pay for Directors.

All employees are eligible for performance-related annual bonus.

Future policy table

The following table summarises the key aspects of the Group's remuneration policy for Executive Directors:

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Total fixed pay	Provides a level of fixed remuneration sufficient and appropriate to recruit and retain necessary talent and (with the balance of the remuneration package) properly to reward the Executive.	Rather than having separate base salary, pension and benefits components. Executive Directors receive a total fixed pay sum, which they can receive all in cash, or may choose to "sacrifice" part of the cash and instead receive part as a pension contribution and/or fringe benefits such as a car benefit, private medical insurance, or long-term illness/disability insurance. Executive Directors can also benefit from life insurance at a level of four times annual salary. Individual levels of total fixed pay are reviewed annually, with any increases normally taking from April, unless there are exceptional reasons for an increase at another time of the year. Any increases are generally targeted at around the general level of salary inflation of the Group, but may vary from this for exceptional reasons such as a change in the individual's role or responsibilities, or a need to bring an individual's remuneration to a market competitive level.	Total fixed pay is benchmarked against relevant market levels of aggregate fixed pay and is targeted to be at or below the median of comparable competitors.
Annual variable pay (Discretionary)	Rewards annual Group and personal performance.	Executive Directors are considered each year for a discretionary annual variable pay award, which takes into account of both Group and personal performance. The main weighting is on Group financial performance. Group performance is assessed primarily by reference to audited profit before tax after adjusting for one off items for which credit cannot be allocated to a Director.	No maximum has been set but the Committee will exercise its discretion responsibly having regard to the interests of shareholders.
Long Term Incentive Plan (LTIP)	Agreed as part of the recruitment of the CIO. Rewards achievement of the long-term performance objectives.	Under the terms agreed with him as part of his recruitment, the Group's Chief Investment Officer Mark Rushton (MR) was given the right to participate in a Long Term Incentive Plan (LTIP). The terms of the LTIP, under which MR holds shares representing 5 % of the growth in the value of certain core businesses of Walker Crips Stockbrokers Limited, were disclosed in the annual accounts for the years to 31 March 2012 and thereafter.	

Differences in remuneration for Executive Directors compared to other employees

The approach to remuneration for the Executive Directors is generally consistent with that for employees across the Company as a whole. However, there are some differences which the Committee believes are necessary to reflect the different responsibilities of employees across the Company, and the need to recruit, retain and motivate employees in a variety of roles.

Approach to remuneration for new Executive Director appointments

The remuneration package for a new Executive Director would be set in accordance with the terms and any maximum levels of the Group's approved remuneration policy in force at the time of appointment.

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

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

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

Service contracts, letters of appointment and loss of office payments

Service contracts normally continue until the Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination.

A summary of contractual commitments in Directors' service contracts is as follows:

Provision	Detailed terms
Notice period	Six months or twelve months in the case of R. A. FitzGerald.
Termination payment in the event of termination by the Company without due notice	Contractual entitlement based upon total fixed pay due in respect of the unexpired period of contractual notice. In certain cases of "good leavers", the Committee may also consider a discretionary award of annual variable pay, subject to performance, in respect of the portion of any financial year that the individual has been working with the Company, although not for the same period of any payment in lieu of notice or "garden leave".
Change of control	Same terms as above on termination.

Any outstanding share-based entitlements granted to the Executive or other Directors under the Company's LTIPs or to other Directors under other share plans will be determined based on the relevant plan rules.

Legacy arrangements

For the avoidance of doubt, the Directors' remuneration policy includes authority for the Company to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous Remuneration Reports. Details of any payments to former Directors will be set out in the implementation section of this report as they arise.

Fees policy for the Chairman and other Non-Executive Directors

The following table provides a summary of the key elements of the remuneration for the Board Chairman and other Non-Executive Directors:

Element	Purpose and link to strategy	Operation
Chairman fee	To pay the market competitive all-inclusive fee that takes account of the role and responsibilities.	The Board Chairman is paid a single fee for all his responsibilities. The level of the fee is reviewed periodically by the Committee, with reference to market levels in comparably sized FTSE companies, and a recommendation is then made to the Board (without the Chairman being present).
Non-Executive Director fees	To pay a market competitive basic fee and supplement for significant additional responsibilities such as Committee Chairmanships.	The Non-Executives are paid a basic fee. There are also supplements for Committee Chairmanships and the Senior Independent Director. The fee levels are reviewed periodically by the Chairman and Executive Directors.

Non-Executive Directors are engaged under letters of appointment as described above; they do not have contracts of service and are not entitled to compensation on early termination of their appointment other than by reference to their notice period. M. J. Wright's fees for his services as a Director are paid to Charles Russell Speechlys where he is a Partner.

Remuneration Committee report *continued*

year ended 31 March 2015

Compliance with the FCA Remuneration Code

The Committee regularly reviews its remuneration policy's compliance with the principles of the Remuneration Code of the UK financial services regulator, as applicable to the Group. The remuneration policy is designed to be consistent with the prudent management of risk and the sustained, long-term performance of the Group.

Review

Responsibility for the regular review and updating of the Group's remuneration policy lies with the Chief Executive, subject to sign-off of any changes by the Remuneration Committee. This will be done at least annually or more frequently where material changes occur. Walker Crips Group will take into account best practice standards and UK and, where relevant, non-UK regulation and legislation covering:

- applicable employment and equality law;
- FCA Code of Practice;
- tax legislation;
- pensions legislation; and
- all other regulation that arises.

This document summarises the governance and structure of remuneration arrangements at Walker Crips Group plc, is intended to provide staff and external regulators with information on these arrangements and does not constitute a contractual document. Existing employment contracts will, as far as legally possible, be amended to align to this remuneration policy and contracts with new hires will be developed to align to the provisions. Separate operating documents held for select elements of policy are owned and maintained by Walker Crips Group HR and queries on the remuneration policies contained within this document should be directed to this function.

The terms of reference for the Remuneration Committee are available on the Company's website or on request.

Approval

This Directors' Remuneration Report, including both the policy and annual remuneration report, has been approved by the Board of Directors.

Signed on behalf of the Remuneration Committee

D. M. Gelber
Remuneration Committee Chairman
6 July 2015

Audit Committee report

year ended 31 March 2015

Audit Committee Chairman's statement
There were three formal meetings of the Audit Committee during 2014/15 and a revision of its terms of reference was formally approved by the Board in May 2014, endorsed at the subsequent Audit Committee meeting, and promulgated on the Group's Advanced Walker's Online System (AWOL) in June 2014. The Committee continued its focus on the Group's information technology and the Internal Audit Charter has been adopted.

Committee members
The current members of the Audit Committee are the independent Non-Executive Directors, Robert Elliott (Chairman), David Gelber and Martin Wright. The composition of the Committee is reviewed by the Board through its Nomination Committee.

Robert Elliott has acted as Chairman of the Audit Committee since 2006. David Gelber and Martin Wright were members of the Committee throughout the period.

The Board is satisfied that at least one member of the Committee, Robert Elliott, being a Chartered Accountant, has recent and relevant financial experience and the other members of the Committee are financially literate.

Meetings
The Audit Committee maintains a formal schedule of items that are to be considered at each Committee meeting and within the annual audit cycle, to ensure that its work is in line with the requirements of the Code and all areas of its remit are addressed. The items to be reviewed are agreed by the Audit Committee Chairman on behalf of his fellow members. Each member has the right to require reports on additional matters of interest.

The Chief Executive and Finance Director normally attend Audit Committee meetings. At the Committee's request, other senior management are invited to present reports as relevant to enable the Committee to discharge its duties and the internal and external auditors are invited to and do attend all meetings.

The number of meetings and attendance for the year are on page 18 of the Report by the Directors on corporate governance matters.

Overview of the work undertaken by the Committee during the year
At each of the meetings reports from both the internal auditors and from the external auditor were received and considered.

The annual and interim financial statements were reviewed at the meetings held immediately before their publication.

An Audit Committee Effectiveness Appraisal was carried out in 2015, resulting in a number of proposals to extend the work of the Audit Committee and to further amend its terms of reference being put forward to be considered by the meeting scheduled for June 2015.

The work of the Committee during the year to 31 March 2015 fell into three main areas:

1. Accounting and financial reporting
The Committee reviewed:

a. the annual and interim financial statements;

b. considered the significant financial reporting policy disclosures and judgements; and

c. considered the continued appropriateness of the preparation of the Annual Financial Statements on a going concern basis.

2. Internal Controls
The Committee reviewed and agreed:

a. the scope of the internal audit work;

b. the regular reports from the internal auditor together with its recommendations and management's responses to its proposals;

c. the resources and effectiveness of the Internal Audit function; and

d. considered the effectiveness of the Audit Committee itself.

Audit Committee report *continued*

year ended 31 March 2015

Overview of the work undertaken by the Committee during the year continued

3. External audit
The Committee reviewed and approved:

a. the audit approach and scope of the work to be carried out;

b. the auditor's reports on its audit findings; and

c. the auditor's independence and the extent of any non-audit work carried out.

Financial reporting and significant financial judgements
The Committee has decided that the following areas form the principal risks to misstatement of the annual financial statements.

Goodwill impairment
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and 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 is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units (CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates of 12%, growth rates of 2.5% over a five year period and expected changes to revenues and costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

In addition, valuations of comparable businesses listed on public markets are also a useful guide in forming a judgement on the carrying value of investments and related goodwill. Underlying tangible net worth is also considered when assessing the carrying value of investments. Under both methods of evaluation there is material headroom below the level needed to make an impairment charge. The carrying amount of goodwill at the year end which relates to the London York wealth management business acquired in 2005, was £2.9 million (2014: £2.9 million).

Intangible assets – client relationships amortisation
Acquired client relationships and businesses generating revenue from clients and investment managers are capitalised based on the contractual consideration paid or committed in order to attract the business or on the expected future cash flows to be generated over the lives of the assets, discounted at an appropriate discount rate. These costs are amortised on a straight-line basis over their expected useful lives of three to twenty years.

During the year the Group acquired several investment managers and the business of their clients previously managed by competitors. By assessing the historic rates of client retention, the ages and succession plans of the investment managers who manage the clients and the contractual incentives of the investment managers, the Directors consider a life of up to 20 years to be both appropriate and in line with peers. The closure of client accounts during the year remained low and no advisers were lost to competitors as has also been the case for the last decade. The main cause of client loss continues to be death which is recognised as 3% per year. The Committee has taken note of these factors and concurs that, with life expectancy now acknowledged to be an average of 81 years, a useful life of 20 years is considered to be conservative.

Significant financial judgements
The Committee also reviewed the following significant financial judgements made by management for the year ended 31 March 2015, including consideration of the external auditor's view and challenges made by the auditor during their audit, and concluded that the judgements were reasonable and appropriate:

- acquisition of a subsidiary, Barker Poland Asset Management LLP;
- estimates of provisions in relation to outstanding legal cases, customer complaints or claims; and
- the recoverability of and the provisioning for the closure costs of the Short Term Lending Fund.

After consideration the Committee concluded that the annual report, taken as a whole, is fair balanced and understandable and that it provides the necessary information for shareholders to assess the Group's performance, business model and strategy.

Internal audit
In recent years the provision of internal audit activities has been outsourced to Smith & Williamson LLP. This has brought an improved focus to the reviews carried out by Internal Audit. Smith & Williamson have substantial experience both in financial services and in internal audit procedures. Their knowledge of our industry best practice is of great assistance to the Group.

The Internal Audit function reports directly to the Audit Committee and its audit plan for each year is approved by the Committee after being appraised by management.

The Internal Audit reports and its proposals are presented to the Committee. Management's comments are tabulated and suggested action is debated and any issues arising are followed through.

External auditor
The Committee reviews specific reports and best practice suggestions presented to the Committee by Deloitte at each meeting. The Committee discusses and acts upon the external auditor's comments relating to the Group's risk profile and on the preparation of the financial statements. The Committee reports any issues directly to the Main Group Board after each meeting.

A review of the external auditor's independence is carried out each year and any decision on placement of non-audit work with Deloitte is carefully monitored. Taxation and due diligence work is outsourced to other professional firms.

The Committee agrees the external auditor's fees shown in Note 11 to the consolidated financial statements and reviews its engagement letter. The Chairman and other members of the Committee also hold a meeting with the external auditor, without management being present, at least once a year.

The Audit Committee has resolved to put the External Audit appointment out for tender when the five year period of the present Audit Partner is completed in one more year.

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

R A Elliott.

R. A. Elliott
Audit Committee Chairman
6 July 2015

Independent auditor’s report

to the members of Walker Crips Group plc

Opinion on financial statements of Walker Crips Group plc
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 2015 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards, the Group financial statements, Article 4 of the IAS Regulation.

The financial statements 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 Parent Company Balance Sheet and the related Notes 1 to 47. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Separate opinion in relation to IFRSs as issued by the IASB
As explained in Note 1 to the financial statements, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, the Group has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Going concern
As required by the Listing Rules we have reviewed the Directors’ statement on page 7 that the Group is a going concern. We confirm that:

- we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group’s ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Carrying value and impairment of goodwill Goodwill of £4,388,000 (2014: £2,901,000) relates to the Group's Wealth Management division and the acquisition of Barker Poland Asset Management LLP. The assessment of the carrying value of this goodwill is a judgemental exercise which requires estimates concerning the future cash flows, growth rate and discount rate based on management's assessment of the prospects of this division. These risks are explained further in Note 3 Key Sources of Estimation Uncertainty and in the disclosures in Note 16.	In considering management's assumptions regarding their goodwill impairment assessment, we assessed whether the projections were consistent with actual historic results achieved and that the business growth rate was consistent with external data. We benchmarked management's assumptions concerning the Group's cost of capital against published peer Group data.
Accounting for Acquisitions On 6 March 2015, the Group acquired a wealth management business, Barker Poland Asset Management LLP (BPAM) for consideration of £4,270,000. This transaction is described in Note 33. Judgements are required concerning the identification and measurement of the client portfolio intangible asset of £3,150,000 which is based on the fair value of BPAM's assets under management.	We agreed management's accounting analysis to the signed Sale and Purchase Agreement ("SPA"). In assessing the recognition of the client portfolio intangible asset, we obtained evidence of BPAM's assets under management and benchmarked the quantification of the intangible to published external data for similar transactions.
Recognition and impairment of client portfolios intangible Acquired client lists of £6,631,000 (2014: £1,168,000) are capitalised on the basis of the expected net discounted future cash flows over the life of the client list. This requires an assessment of whether acquisition consideration represents payment for a client list to be capitalised or payment for ongoing services to be expensed, the revenue generating potential of these clients and their retention. Client lists are amortised over their expected future lives which requires the exercise of judgement in determining an appropriate period. These risks are explained further in Note 3 Key Sources of Estimation Uncertainty and in the disclosures in Note 17.	In respect of acquisitions in the year, we examined contractual agreements to assess whether payments represented an intangible. In considering the adequacy of the impairment assessment performed by the Group, we obtained and tested the useful economic life of the client lists and their amortisation by validating historic information concerning the retention of clients. We also benchmarked useful lives against published peer data.

Independent auditor's report *continued*

to the members of Walker Crips Group plc

Our assessment of risks of material misstatement continued

Risk	How the scope of our audit responded to the risk
Adequacy of provisions for client claims The Group makes provision for client claims based on management's assessment of the likelihood of success of individual cases and taking into account factors such as the Group's insurance cover and the progress of any claims referred to the Financial Ombudsman Service. These provisions amounted to £224,000 (2014: £257,000) and are disclosed in Note 26.	Our work in respect of this provision included agreeing management's analysis of claims to relevant correspondence and the complaints register. We obtained confirmations from the Group's legal advisers concerning the adequacy of the provisions and examined the contractual arrangements for insurance cover.
Funding of the Short Term Lending Fund Shortly before the previous year end, the Group invested £1.3m in the TB Walker Crips Income from Short Term Lending Fund (the Fund) which at that time had just been launched. This represented 40% of the fund assets which is comprised of property loans and a small amount of cash. The investment is material and due to the illiquidity of the fund it is complex to value and may be either slow or difficult to recover. Subsequent to the year end the Fund was closed and is in the process of liquidation. The investment and related risks are explained further in Note 3 Key Sources of Estimation Uncertainty and in the disclosures in Note 20.	In order to assess the recoverability of this investment we obtained management's assessment of the liquidation of the Fund and the likelihood of the return of the Group's investment. We benchmarked independent valuations for the collateral underlying the investments and where the investments had been liquidated since the year end we confirmed cash proceeds.

Last year the valuation of the investment in Euroclear plc was identified as a key risk. Due to greater availability of investor information concerning this Available-For-Sale Investment, we no longer consider this to be a significant risk.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 34 to 35.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality	We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work. We determined materiality for the Group to be £22,000 (2014: £126,000), which is below 5% (2014: 5%) of pre-tax profit, and below 1% (2014: 1%) of equity. We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £450 (2014: £6,300), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.
An overview of the scope of our audit	Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. We focused our Group audit scope primarily on the audit work at the Group's three main locations London, Romford and York, which were subject to a full scope audit. These locations represent the principal business units and account for all of the Group's net assets, revenues and profit before tax. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. Our audit work at the three locations was executed at levels of materiality which are lower than Group materiality. On 6 March 2015, the Group acquired BPAM. We met with BPAM's auditors and reviewed their work. At the Group level we carried out specific procedures in relation to the intangibles that arose on this acquisition.
Opinion 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; and ■ 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.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records	Under the Companies Act 2006 we are required to report to you if, in our opinion: ■ we have not received all the information and explanations we require for our audit; or ■ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or ■ the parent company financial statements are not in agreement with the accounting records and returns. We have nothing to report in respect of these matters.
Directors' remuneration	Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.
Corporate Governance Statement	Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Independent auditor's report *continued*

to the members of Walker Crips Group plc

Matters on which we are required to report by exception continued

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Oliver Grundy FCA
(Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
6 July 2015

Consolidated income statement

year ended 31 March 2015

	Notes	**2015 £'000**	2014 £'000
Continuing operations			
Revenue	4	**22,994**	20,688
Commission payable	6	**(7,653)**	(6,584)
Gross profit		**15,341**	14,104
Share of after tax profits of joint ventures	19	**13**	17
Administrative expenses – other		**(14,810)**	(13,651)
Administrative expenses – exceptional item	7	**(329)**	—
Total administrative expenses		**(15,139)**	(13,651)
Operating profit		**215**	470
Analysed as:			
Profit before tax and exceptional item		**544**	470
Administrative expenses – exceptional item	7	**(329)**	—
Operating profit		**215**	470
Gains on disposal of investments	8, 20	**—**	1,836
Loss on disposal of subsidiary undertaking	9	**—**	(13)
Investment revenues	10	**225**	240
Finance costs	10	**(1)**	(4)
Profit before tax		**439**	2,529
Taxation	13	**(182)**	(495)
Profit for the year attributable to equity holders of the Company		**257**	2,034
Earnings per share			
Basic	15	**0.69**	5.50
Diluted	15	**0.68**	5.39

Consolidated statement of comprehensive income

year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
(Loss)/profit on revaluation of available-for-sale investments taken to equity	20	**(88)**	243
Deferred tax on profit on available-for-sale investments		**28**	(35)
Long Term Incentive Plan (LTIP) credit to equity		**—**	13
Net (loss)/profit recognised directly in equity		**(60)**	221
Profit for the year		**257**	2,034
Total comprehensive income for the year attributable to equity holders of the Company		**197**	2,255

Consolidated statement of financial position

31 March 2015

	Notes	**Group 2015 £'000**	Group 2014 £'000
Non-current assets			
Goodwill	16	**4,388**	2,901
Other intangible assets	17	**6,631**	1,168
Property, plant and equipment	18	**1,110**	872
Interest in joint ventures	19	**28**	38
Available-for-sale investments	20	**2,417**	2,404
		14,574	7,383
Current assets			
Trade and other receivables	21	**28,332**	46,648
Trading investments	20	**2,701**	1,670
Cash and cash equivalents	22	**6,635**	8,173
		37,668	56,491
Total assets		**52,242**	63,874
Current liabilities			
Trade and other payables	26	**(27,537)**	(41,801)
Current tax liabilities		**(239)**	(330)
Deferred tax liabilities	23	**(741)**	(202)
Bank overdrafts	24	**(134)**	(70)
Shares to be issued		**(298)**	—
		(28,949)	(42,403)
Net current assets		**8,719**	14,088
Long term liability – deferred cash consideration		**(1,930)**	—
Long term liability – shares to be issued		**(453)**	—
Net assets		**20,910**	21,471
Equity			
Share capital	27	**2,545**	2,515
Share premium account		**1,988**	1,818
Own shares	27	**(312)**	(312)
Retained earnings		**11,254**	11,955
Revaluation reserve		**767**	827
Other reserves		**4,668**	4,668
Equity attributable to equity holders of the Company		**20,910**	21,471

The financial statements of Walker Crips Group plc (Company registration no: 01432059) were approved by the Board of Directors and authorised for issue on 6 July 2015.

Signed on behalf of the Board of Directors

R. A. FitzGerald FCA
Director
6 July 2015

Consolidated statement of cash flows

year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Operating activities			
Cash generated/(used) by operations	29	**3,806**	(3,074)
Interest received		**78**	229
Interest paid		**(1)**	(4)
Tax paid		**(337)**	—
Net cash generated/(used) by operating activities		**3,546**	(2,849)
Investing activities			
Purchase of property, plant and equipment		**(565)**	(542)
Net purchase of investments held for trading		**(1,031)**	(1,036)
Net sale proceeds/cost of available-for-sale investments		**—**	5,466
Consideration paid on acquisition of businesses		**(765)**	(602)
Net proceeds on sale of subsidiary		**—**	292
Consideration paid on acquisition of subsidiary		**(1,875)**	—
Dividends received		**46**	42
Net cash (used)/generated by investing activities		**(4,190)**	3,620
Financing activities			
Issue of new shares		**—**	6
Dividends paid		**(958)**	(522)
Net cash used in financing activities		**(958)**	(516)
Net (decrease)/increase in cash and cash equivalents		**(1,602)**	255
Net cash and cash equivalents at beginning of year		**8,103**	7,848
Net cash and cash equivalents at end of year		**6,501**	8,103
Cash and cash equivalents		**6,635**	8,173
Bank overdrafts		**(134)**	(70)
		6,501	8,103

Consolidated statement of changes in equity

year ended 31 March 2015

	Called up share capital £'000	Share premium £'000	Own shares held £'000	Capital redemption £'000	Other £'000	Revaluation £'000	Retained earnings £'000	Total equity £'000
Equity as at 31 March 2013	2,470	1,630	(312)	111	4,557	619	10,430	19,505
Revaluation of investment at fair value	—	—	—	—	—	243	—	243
Deferred tax charge to equity	—	—	—	—	—	(35)	—	(35)
Long Term Incentive Plan (LTIP) credit to equity	—	—	—	—	—	—	13	13
Profit for the year	—	—	—	—	—	—	2,034	2,034
Dividends paid	—	—	—	—	—	—	(522)	(522)
Issue of shares on exercise of options	1	5	—	—	—	—	—	6
Issue of shares on acquisition of intangible asset	44	183	—	—	—	—	—	227
Equity as at 31 March 2014	2,515	1,818	(312)	111	4,557	827	11,955	21,471
Revaluation of investment at fair value	—	—	—	—	—	(88)	—	(88)
Deferred tax charge to equity	—	—	—	—	—	28	—	28
Profit for the year	—	—	—	—	—	—	257	257
Dividends paid	—	—	—	—	—	—	(958)	(958)
Issue of shares on acquisition of subsidiary	30	170	—	—	—	—	—	200
Equity as at 31 March 2015	**2,545**	**1,988**	**(312)**	**111**	**4,557**	**767**	**11,254**	**20,910**

Notes to the accounts

year ended 31 March 2015

1. General information

Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU. The Company financial statements are presented on pages 69 to 75.

The financial statements have been prepared on the historical costs basis, except for certain financial instruments that are measured at fair value. The principal accounting policies adopted are set out below and, unless otherwise stated, have been applied consistently to all periods presented in the consolidated financial statements.

Standards not affecting the reported results or the financial position

The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements:

- IFRS 10 'Consolidated Financial Statements';
- IFRS 11 'Joint Arrangements';
- IFRS 12 'Disclosure of Interests in Other Entities';
- IAS 27 'Amendments – Equity Method in Separate Financial Statements';
- IAS 32 'Amendments – Offsetting Financial Assets and Financial Liabilities'; and
- IAS 36 'Amendments – Recoverable Amount Disclosures for Non-Financial Assets'

New standards and interpretations

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group except for IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Contracts with Customers' and IFRIC 21 'Levies'. The effective dates of IFRS 9 and IFRS 15 are not until 2018 and 2019 respectively, the Group has therefore decided not to implement these standards early. IFRIC 21 will be implemented in the year to 31 March 2016.

2. Significant accounting policies

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-Group transactions, 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, plus any costs directly attributable to the business combination.

Interests in joint ventures

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

The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are accounted for in the consolidated financial statements under the equity method.

Income from the sale or use of the Group's share of output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured accurately.

2. Significant accounting policies continued

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and 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 is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

(a) Client lists

Acquired client lists and businesses generating revenue from clients and investment managers are capitalised based on the expected future cash flows to be generated over the lives of the assets, discounted at an appropriate discount rate. These costs are amortised on a straight line basis over their expected useful lives of three to twenty years.

(b) Unit Trust Management Contracts

Acquired Unit Trust Management Contracts are capitalised as intangible assets based on an estimate of the expected future cash flows that those contracts will generate over their useful lives of ten years. These costs are amortised on a straight line basis over their expected useful lives.

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.

Shares to be issued

Shares to be issued represent the Company's best estimate of the Ordinary Shares in the Company which are likely to be issued the following business combinations or the acquisition of client relationships which involve deferred payments in the Company's shares. Where shares are due to be issued within a year, the sum is included in current liabilities.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents gross commissions, interest receivable and fees in the course of ordinary investment business, net of discounts, VAT and sales-related taxes. Gross commissions on stockbroking activities are recognised on those transactions whose bargain date falls within the financial year. Interest is recognised as it accrues in respect of the financial year. Fees earned from managing client deposits and administering ISAs are accrued evenly over the period to which they relate. Fees in respect of financial services activities are accrued evenly over the period to which they relate. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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

Foreign currencies

The individual financial statements of each Group company are presented in Pounds Sterling, which is the functional currency of the Company 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 re-translation of monetary items, are included in the consolidated income statement for the period.

2. 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	33⅓% per annum on cost
Computer software	between 20% and 33⅓% per annum on cost
Leasehold improvements	Over the term of the lease
Furniture and equipment	33⅓% 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.

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period that the liability is settled or the asset is realised. Deferred tax is charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Financial assets and liabilities

Financial assets and liabilities are recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are predominantly settled within normal market cycles. Trade receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment.

Investments

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 investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs, or at fair value, depending on the nature of the instrument held.

Investments are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. Depending on the nature of the instrument held, gains and losses arising from changes in fair value of available-for-sale investments are recognised either in net profit or loss or directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

2. Significant accounting policies continued
Financial assets and liabilities continued
Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that 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 Group after deducting all of its liabilities.

Trade payables
Trade payables are recognised at fair value.

Bank overdrafts
Interest-bearing bank overdrafts are recorded at an amount equal to the proceeds received. 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
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions
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.

Share-based payments
The Group issues equity-settled share-based payments to certain employees and other personnel. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. 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 shares that will eventually vest and adjusted for the effects of non-market-based vesting conditions.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Pension costs
The Group contributes to defined contribution personal pension schemes for selected employees. The contribution rate is based on annual salary and the amount is charged to the income statement on an accruals basis.

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.

Going concern
The Group's business activities together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

In addition, Note 25 to the financial statements includes details of risk management objectives, policies and processes for managing its capital.

The Group has healthy financial resources together with a long established, well proven and tested business model. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current difficult climate.

After conducting enquiries, the Directors believe that the Company and the Group have adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

3. Key sources of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a discount rate of 12% has been adopted in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £4.4 million (2014: £2.9 million).

Other intangible assets

Acquired client lists are capitalised based on current fair values. During the year the Company acquired several investment managers and the business of their clients. By assessing the historic rates of client retention, the ages and succession plans of the investment managers who manage the clients and the contractual incentives of the investment managers, the Directors consider a life of up to twenty years to be both appropriate and in line with peers.

Valuation of investments in available-for-sale assets

The fair valuation of the Company's investment in Euroclear plc is based upon the Company's share of net assets (discounted for market factors) or the underlying share price and volatility which may be subject to fluctuation from year to year.

During the prior year the Group invested a portion of its cash resources of £1.28 million into a regulated Short Term Lending Fund (Fund), the first regulated Fund of its kind in the UK, attracting favourable rates of interest. The Fund facilitated lending to specialist lenders in the residential property construction sector. At 31 March 2015 the fair value of the securities are not considered to have been impaired. All loans are secured with a charge against the underlying property, and the Loan to Value average is between 65-70%, keeping risks low. A decision was made in March 2015 to wind down the Fund with all investors expected to receive a full return of sums invested before September 2015.

4. Revenue

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

	2015 Broking income £'000	**2015 Non-broking income £'000**	**2015 Total £'000**	2014 Broking income £'000	2014 Non-broking income £'000	2014 Total £'000
Stockbroking commission	**10,152**	**—**	**10,152**	9,904	—	9,904
Fees and other revenue	**—**	**10,438**	**10,438**	—	8,386	8,386
Investment Management	**10,152**	**10,438**	**20,590**	9,904	8,386	18,290
Wealth Management	**—**	**2,404**	**2,404**	—	2,398	2,398
Revenue	**10,152**	**12,842**	**22,994**	9,904	10,784	20,688
Net investment revenue	**—**	**224**	**224**	—	236	236
Total income	**10,152**	**13,066**	**23,218**	9,904	11,020	20,924
% of total income	**43.7**	**56.3**	**100.0**	47.3	52.7	100.0

5. Segmental analysis

For management purposes the Group is currently organised into two operating divisions – Investment Management and Wealth Management. These divisions, both of which conduct business in the United Kingdom only, are the basis on which the Group reports its primary segment information.

2015	Investment Management £'000	Wealth Management £'000	Consolidated year ended 31 March 2015 £'000
Revenue			
External sales	**20,590**	**2,404**	**22,994**
Result			
Segment result	**931**	**338**	**1,269**
Unallocated corporate expenses			**(1,054)**
Operating profit			**215**
Investment revenues			**225**
Finance costs			**(1)**
Profit before tax			**439**
Tax			**(182)**
Profit after tax			**257**

2015	Investment Management £'000	Wealth Management £'000	Consolidated year ended 31 March 2015 £'000
Other information			
Capital additions	**552**	**13**	**565**
Depreciation	**380**	**16**	**396**
Statement of financial position			
Assets			
Segment assets	**35,133**	**1,856**	**36,989**
Unallocated corporate assets			**15,253**
Consolidated total assets			**52,242**
Liabilities			
Segment liabilities	**28,614**	**615**	**29,229**
Unallocated corporate liabilities			**2,103**
Consolidated total liabilities			**31,332**

Notes to the accounts *continued*

year ended 31 March 2015

5. Segmental analysis continued

2014	Investment Management £'000	Wealth Management £'000	Consolidated year ended 31 March 2014 £'000
Revenue			
External sales	18,290	2,398	20,688
Result			
Segment result	1,150	221	1,371
Unallocated corporate expenses			(901)
Operating profit			470
Gains on disposal of investments			1,836
Loss on disposal of subsidiary undertaking			(13)
Investment revenues			240
Finance costs			(4)
Profit before tax			2,529
Tax			(495)
Profit after tax			2,034

2014	Investment Management £'000	Wealth Management £'000	Consolidated year ended 31 March 2014 £'000
Other information			
Capital additions	508	34	542
Depreciation	292	14	306
Statement of financial position			
Assets			
Segment assets	48,377	1,724	50,101
Unallocated corporate assets			13,773
Consolidated total assets			63,874
Liabilities			
Segment liabilities	41,348	542	41,890
Unallocated corporate liabilities			513
Consolidated total liabilities			42,403

6. Commission payable

Commission payable comprises:

	2015 £'000	2014 £'000
To authorised external agents	**39**	50
To approved persons	**7,614**	6,534
	7,653	6,584

7. Administrative expenses – exceptional item

As a result of its materiality the Directors decided to disclose certain amounts separately in order to present results which are not distorted by significant non-recurring events.

	2015 £'000	2014 £'000
Short Term Lending Fund winding down costs	**68**	—
Costs incurred on acquisitions	**261**	—
	329	—

Towards the end of the year, a decision was made to wind down our Short Term Lending Fund. All investors are expected to receive a full return of sums invested before September 2015. Administrative costs associated with the wind down have been provided for in this year's results. Acquisition costs are largely made up of legal and professional costs being incurred and payable on completion of the acquisition of BPAM on 6 March 2015.

8. Gains on disposal of investments

Net gains comprise:

	2015 £'000	2014 £'000
Gain on disposal of investment in Liontrust CULS	**—**	1,836
	—	1,836

During the period to 31 March 2015, there were no gains or losses on disposal of investments.

During the period to 31 March 2014, conversion and disposal of Liontrust Convertible Unsecured Loan Stock (CULS) with a nominal value of £3.03 million and the redemption of the remaining holding with a nominal value of £0.07 million yielded a profit of £1,836,000.

Due to their level of materiality and one-off nature, the Board has decided to disclose these items separately.

Notes to the accounts *continued*

year ended 31 March 2015

9. Loss on disposal of subsidiary undertaking

During the period to 31 March 2015, there were no gains or losses on disposal of subsidiary undertakings.

During the period to 31 March 2014 the Group completed the disposal of its subsidiary, Keith Bayley Rogers & Co Limited, (following FCA approval) on 31 May 2013, realising a loss of £13,000.

10. Investment revenues and finance costs

Net investment revenue comprises:

	2015 £'000	2014 £'000
Investment revenue		
Interest on bank deposits/fixed income securities	**179**	198
Dividends from equity investment	**46**	42
	225	240
Finance costs		
Interest on bank overdrafts	**(1)**	(4)
Net investment revenue (Note 4)	**224**	236

11. Profit for the year

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

	2015 £'000	2014 £'000
Depreciation of property, plant and equipment (see Note 18)	**396**	306
Amortisation of intangibles (see Note 17)	**233**	268
Staff costs (see Note 12)	**8,841**	8,539
Auditor's remuneration	**184**	183
Lease payment	**574**	566

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

	2015 £'000	**2015 %**	2014 £'000	2014 %
Audit services				
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**12**	**7**	12	7
The audit of the Company's subsidiaries pursuant to legislation	**148**	**79**	150	82
Non-audit services				
FCA client assets reporting	**12**	**7**	11	6
Qualifying intermediary tax assurance reporting	**—**	**—**	10	5
Reported under AAF 01/06	**12**	**7**	—	—
	184	**100**	183	100

The Audit Committee Report explains how the auditor's objectivity and independence is safeguarded when non-audit services are provided by the auditor.

12. Staff costs

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

	2015 £'000	2014 £'000
Employee costs during the year amounted to:		
Wages and salaries	**7,368**	7,114
Social security costs	**819**	791
Other costs	**654**	634
	8,841	8,539

Staff costs do not include commissions payable mainly to self-employed account executives, as these costs are included in total commissions payable to approved persons disclosed in Note 6. At the end of the year there were 64 self-employed account executives who were approved persons of the Group (2014: 59).

The monthly average number of staff employed during the year was:

	2015 Number	2014 Number
Executive Directors	**4**	4
Approved persons	**51**	50
Other staff	**129**	113
	184	167

13. Taxation

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

	2015 £'000	2014 £'000
UK corporation tax at 21% (2014: 23%)	**239**	330
Deferred tax	**(63)**	272
Overseas tax	**6**	6
Adjustment in respect of prior years	**—**	(113)
	182	495

Corporation tax is calculated at 21% (2014: 23%) of the estimated assessable profit for the year.

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

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	**439**	2,529
Tax on profit on ordinary activities at the standard rate UK corporation tax rate of 21% (2014: 23%)	**92**	582
Effects of:		
Small company rate differences	**13**	(10)
Expenses not deductible for tax purposes	**63**	46
Prior year adjustment	**—**	(95)
Amortisation of intangible assets	**24**	26
Overseas tax	**6**	6
Non-taxable income	**(14)**	(59)
Other	**(2)**	(1)
	182	495

Notes to the accounts *continued*

year ended 31 March 2015

14. Dividends

Amounts recognised as distributions to equity holders in the period:

	2015 £'000	2014 £'000
Final dividend for the year ended 31 March 2014 of 1.06 pence (2013: 0.9 pence) per share	**392**	333
Final special dividend for the year ended 31 March 2014 of 1.0 pence (2013: nil) per share	**370**	—
Interim dividend for the year ended 31 March 2015 of 0.53 pence (2014: 0.51 pence) per share	**196**	189
	958	522
Proposed final dividend for the year ended 31 March 2015 of 1.17 pence (2014: 1.06 pence) per share	**439**	392
Proposed final special dividend for the year ended 31 March 2015 of nil (2014: 1.0 pence) per share	**—**	370
	439	762

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.

15. 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 £257,000 (2014: £2,034,000) and on 37,017,924 (2014: 36,967,116) Ordinary Shares of 6 ⅔ pence, being the weighted average number of Ordinary Shares in issue during the year.

The effect of options granted would be to reduce the reported earnings per share. The calculation of diluted earnings per share is based on 37,629,174 (2014: 37,717,319) Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period adjusted for the dilutive effect of potential Ordinary Shares.

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

Earnings	**2015 £'000**	2014 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**257**	2,034
Earnings for the purposes of diluted earnings per share	**257**	2,034

Number of shares	**2015**	2014
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**37,017,924**	36,967,116
Effect of dilutive potential Ordinary Shares:		
– Share option schemes	**611,250**	750,203
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**37,629,174**	37,717,319

This produced unadjusted basic earnings per share of 0.69 pence (2014: 5.50 pence) and diluted unadjusted earnings per share of 0.68 pence (2014: 5.39 pence).

16. Goodwill

	£'000
Cost	
At 1 April 2013	5,569
At 1 April 2014	5,569
Addition: Acquisition of BPAM	1,487
At 31 March 2015	**7,056**
At 1 April 2013	2,668
Impaired during the year	—
At 1 April 2014	2,668
Impaired during the year	—
At 31 March 2015	**2,668**
Carrying amount	
At 31 March 2015	**4,388**
At 31 March 2014	2,901

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. Before recognition of impairment losses, the carrying amount of goodwill has been allocated as follows:

	2015 £'000	2014 £'000
London York CGU	**2,901**	2,901
BPAM CGU	**1,487**	—
	4,388	2,901

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations for the London York CGU those regarding the discount rates of 12%, growth rates of 2.5% and expected changes to revenues and costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

In addition, valuations of comparable businesses listed on public markets are also a useful guide in forming a judgement on the carrying value of investments and related goodwill. Underlying tangible net worth is also considered when assessing the carrying value of investments. Under both methods of evaluation there is headroom above the level needed to make an impairment charge.

17. Other intangible assets

	Unit trust management contracts £'000	Client lists £'000	Total £'000
Cost			
At 1 April 2013	240	2,011	2,251
At 1 April 2014	240	2,198	2,438
Additions in the year	—	5,696	5,696
At 31 March 2015	**240**	**7,894**	**8,134**
Amortisation			
At 1 April 2013	192	810	1,002
Charge for the year	24	244	268
At 1 April 2014	216	1,054	1,270
Charge for the year	24	209	233
At 31 March 2015	**240**	**1,263**	**1,503**
Carrying amount			
At 31 March 2015	**—**	**6,631**	**6,631**
At 31 March 2014	24	1,144	1,168

The intangible assets are both amortised over their estimated useful lives. "Unit trust management contracts" are amortised over ten years and "Client lists" are amortised over three to twenty years.

18. Property, plant and equipment

	Leasehold improvements furniture and equipment £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
At 1 April 2013	2,058	2,166	1,728	5,952
Write down	(1,403)	(573)	(1,255)	(3,231)
Additions	349	77	116	542
At 1 April 2014	1,004	1,670	589	3,263
Write down	(49)	—	—	(49)
Additions	365	84	116	565
Acquisition of subsidiary	—	—	172	172
At 31 March 2015	**1,320**	**1,754**	**877**	**3,951**
Accumulated depreciation				
At 1 April 2013	1,707	1,954	1,655	5,316
Eliminated on write down of assets	(1,403)	(573)	(1,255)	(3,231)
Charge for the year	156	80	70	306
At 1 April 2014	460	1,461	470	2,391
Eliminated on write down of assets	(49)	—	—	(49)
Charge for the year	216	98	82	396
Acquisition of subsidiary	—	—	103	103
At 31 March 2015	**627**	**1,559**	**655**	**2,841**
Carrying amount				
At 31 March 2015	**693**	**195**	**222**	**1,110**
At 31 March 2014	544	209	119	872

19. Interest in joint ventures

	2015 £'000	2014 £'000
Aggregated amounts relating to joint ventures		
Total assets	**67**	92
Total liabilities	**(11)**	(16)
Net assets	**56**	76
Group's share of joint venture's net assets	**28**	38
Group's share of:		
Revenue	**43**	41
Profit for the period	**13**	17

20. Investments

Available-for-sale investments

	Equity investments £'000	Convertible unsecured loan stock £'000	Qualifying Collective Investment scheme £'000	Total £'000
Fair value				
At 1 April 2013	824	4,968	—	5,792
Additions in the year	—	—	1,282	1,282
Disposals in the year	—	(4,913)	—	(4,913)
Movement on revaluation:				
Recognised in comprehensive income	298	(55)	—	243
At 1 April 2014	1,122	—	1,282	2,404
Additions in the year	—	—	101	101
Disposals in the year	—	—	—	—
Recognised in comprehensive income	(88)	—	—	(88)
At 31 March 2015	**1,034**	**—**	**1,383**	**2,417**

Equity investments comprise the Company's investment in Euroclear plc. The fair value is based upon the Company's share of net assets (discounted for market factors) or the underlying share price and volatility which may be subject to some fluctuation from year to year. The loss on revaluation of £88,000 is recognised in equity.

Towards the end of the year, a decision was made to wind down the Short Term Lending Fund, a qualifying collective investment scheme. All loans are secured with a charge against the underlying property and are expected to be repaid in full. The Loan to Value average is between 65–70%, keeping risks low. The fair value of the investment is based on the market price as at 31 March 2015.

During the prior period to 31 March 2014, conversion and disposal of Liontrust Convertible Unsecured Loan Stock (CULS) with a nominal value of £3.3 million and the redemption of the remaining holding with a nominal value of £0.07 million, yielded a profit of £1,836,000. The CULS had a fair value of £4,968,000 at the disposal date.

	2015 £'000	2014 £'000
Trading investments		
Fair value	**2,701**	1,670

Trading investments represent investments in equity securities and bonds that present the Group with opportunity for return through dividend income, interest and trading gains. The fair values of these securities are based on quoted market prices.

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The trading investments 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 available-for-sale investments fall within this category.

The opening fair value of available-for-sale investments which are Level 3 financial assets is reconciled to its closing balance by a fair value adjustment of £88,000 (2014: £242,720) recognised in comprehensive income.

21. Other financial assets

Trade and other receivables	2015 £'000	2014 £'000
Amounts falling due within one year:		
Due from clients, brokers and recognised stock exchanges	**21,811**	40,737
Loans due from client	**582**	1,618
Other debtors	**1,553**	951
Prepayments and accrued income	**4,386**	3,342
	28,332	46,648

22. Cash and cash equivalents

	2015 £'000	2014 £'000
Short term cash deposits held at bank, repayable on demand with penalty	**4,710**	5,443
Cash deposits held at bank, repayable on demand without penalty	**1,925**	2,730
	6,635	8,173

Cash and cash equivalents does 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 2015 was £230,200,000 (2014: £178,000,000).

23. Deferred tax liability

	Revaluation £'000	Capital allowances £'000	Short-term timing differences and other £'000	Total £'000
At 1 April 2014	(220)	20	(2)	(202)
(Charge)/Credit to the income statement	—	(53)	116	63
Credit to the statement of comprehensive income	28	—	—	28
Liability arising from acquisition of intangible asset (BPAM)	—	—	(630)	(630)
At 31 March 2015	**(192)**	**(33)**	**(516)**	**(741)**

24. Bank overdrafts

	2015 £'000	2014 £'000
Bank overdrafts	**134**	70

The borrowings are repayable on demand and are all denominated in Sterling.

25. Financial instruments and risk profile

Financial risk management

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

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

The overall risk appetite for the Group is considered by management to be low, despite operating in a market place where financial risk is inherent in the core businesses of investment management and financial services.

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

(i) credit risk;

(ii) liquidity risk; and

(iii) market risk.

Financial Risk management is a central part of the organisation'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

The Group's credit risk 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 in full when due. 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. The amounts presented in the statement of financial position are net of allowances for doubtful receivables.

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.

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. Loans to the estates of deceased clients for the purpose of facilitating payment of inheritance tax liabilities have been made during the year collateralised by equity securities to a minimum value of 130% of market value. Free deliveries, in the limited circumstances where they arise are carefully monitored.

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

In addition, the client side of settlement balances are normally fully guaranteed by our commission-sharing approved 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.

25. Financial instruments and risk profile continued

Financial risk management continued

(i) Credit risk continued

Trade receivables (includes settlement balances) continued

Maximum exposure to credit risk:

	2015 £'000	2014 £'000
Cash	**6,635**	8,173
Trade receivables	**21,811**	40,737
Loans due from clients	**582**	1,618
	29,028	50,528

Analysis of trade receivables/loans due from clients:

		2015 £'000	2014 £'000
Neither past due nor impaired		**20,199**	40,824
Past due but not impaired	< 30 Days	**1,998**	1,337
	> 30 Days	**45**	55
	> 3 Months	**151**	139
		22,393	42,355

The tables above represents a worst case scenario of credit risk exposure to the Group at 31 March 2015 and 2014 without taking account of any collateral held which acts as a credit mitigant. The exposures set out above are based on net carrying amounts as reported in the statement of financial position.

Concentration of credit risk

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

(ii) Liquidity risk

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

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

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

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

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

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

25. Financial instruments and risk profile continued
Financial risk management continued
(ii) Liquidity risk continued
The tables below analyse the Group's future cash outflows based on the remaining period to the contractual maturity date.

2015	Less than 1 year £'000	Total £'000
Bank overdrafts	134	134
Trade and other payables	27,537	27,537
	27,671	27,671

2014	Less than 1 year £'000	Total £'000
Bank overdrafts	70	70
Trade and other payables	41,801	41,801
	41,871	41,871

(iii) Market risks
These relate to price risk on available-for-sale and trading investments and are described in the Audit Committee Report where significant.

Fair value of financial instruments
The fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

26. Other financial liabilities
Trade and other payables

	2015 £'000	2014 £'000
Amounts owed to clients, brokers and recognised stock exchanges	20,041	37,115
Other creditors	4,927	2,771
Accruals and deferred income	2,569	1,915
	27,537	41,801

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 16 days (2014: 23 days).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Other creditors
Provisions included in other creditors and accruals are made up as follows:

	2015 £'000
At start of year	257
Additions	78
Utilisation of provision	(78)
Unused amounts reversed during the year	(33)
At end of year	224

These provisions relate to outstanding claims and complaints from third parties which, in the opinion of the Board, need providing for after taking into account the risks and uncertainties surrounding each claim or complaint.

27. Called up share capital

	2015 £'000	2014 £'000
Called up, allotted and fully paid		
38,186,958 (2014: 37,746,187) Ordinary Shares of 6⅔ pence each	**2,545**	2,515

During the year the Company allotted nil Ordinary Shares (2014: 15,000 Ordinary Shares) in connection with the exercise of share options. The Company received £nil consideration during the year in respect of the exercise of share options (2014: £6,325).

In March 2015, 440,771 new Ordinary Shares were issued and allotted to the former partners of BPAM as part of the agreed consideration for acquiring 100% membership interests.

The Company 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. No gain or loss has been recognised in the profit and loss account in relation to these shares.

The Company has granted options to certain Directors, employees and account executives in respect of the following shares:

	Number of shares subject to option	Exercisable period of option	Exercise price £
Ordinary Shares of 6⅔ pence each	611,250	June 2008 to June 2015	0.780

28. Share-based payments

Share options

The Company has granted market-priced share options to Directors, employees and other approved persons. The vesting period is generally three years subject to the satisfaction of performance conditions relating to real EPS growth. Further details of the options and performance conditions are set out in the Directors' Remuneration Report. The options expire if they remain unexercised after the exercise period has expired. Furthermore, options are forfeited if the option holder leaves the Company before the options vest. The options are equity settled.

	2015		2014	
	Options	**Weighted average exercise price (in £)**	Options	Weighted average exercise price (in £)
Outstanding at beginning of year	**611,250**	**0.72**	1,215,750	0.61
Forfeited/lapsed during the year	**—**	**—**	(589,500)	0.44
Exercised during the year	**—**	**—**	(15,000)	0.42
Outstanding at the end of the year	**611,250**	**0.78**	611,250	0.72
Exercisable at the end of the year	**611,250**	**0.78**	611,250	0.72

The options outstanding at 31 March 2015 had a weighted average remaining contractual life of 0.2 years (2014: 1.0 years). A complete listing of all options series outstanding as at 31 March 2015 is included in Note 27.

LTIP

The Company recognised total expenses of £nil (2014: £nil) and £nil (2014: £13,000) related to equity-settled share-based payment transactions.

Notes to the accounts *continued*

year ended 31 March 2015

29. Cash generated/(used) from operations

	2015 £'000	2014 £'000
Operating profit for the year	**215**	470
Adjustments for:		
Amortisation of intangibles	**233**	268
Share of joint venture income	**(13)**	(17)
Adjustment for Long Term Incentive Plan	**—**	13
Depreciation	**396**	306
Decrease/(increase) in debtors	**18,316**	(10,535)
(Decrease)/increase in creditors	**(15,341)**	6,421
Net cash inflow/(outflow)	**3,806**	(3,074)

30. Financial commitments

Capital commitments

At the end of the year, there were capital commitments of £nil (2014: £13,000) contracted but not provided for and £104,000 (2014: £nil) capital commitments authorised but not contracted for.

Lease commitments

The minimum lease payments under non-cancellable operating leases fall due as follows:

	2015 £'000	2014 £'000
Within one year	**652**	496
Within two to five years	**1,094**	1,254

31. Related parties

Directors, employees, related parties and their spouses have dealt on standard commercial terms with the Group. The commission earned by the Group through such dealings is as follows:

	2015 £'000	2014 £'000
Commissions received from Directors, employees, approved persons and their spouses	**229**	221

Other related parties include Charles Russell Speechlys of which M J Wright, Non-Executive Director, 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 was £274,000 (2014: £93,000).

In addition, commission of £2,600 (2014: £2,000) was earned by the Group from Phillip Securities (HK) Limited (a Phillip Brokerage Pte Limited Company, where H. M. Lim is a shareholder) having dealt on standard commercial terms. Additionally, some custody services are provided by Phillip Securities Pte Ltd (in Singapore where H. M. Lim is a Director), again all on standard commercial terms.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are accordingly not disclosed.

Remuneration of the Directors who are the key management personnel of the Group are disclosed fully in the Remuneration Committee Report.

32. Subsidiaries and associates

Group	Country of incorporation	Principal activity	Class and percentage of shares held
Trading subsidiaries			
Walker Crips Stockbrokers Limited	United Kingdom	Investment management	Ordinary Shares 100 %
London York Fund Managers Limited	United Kingdom	Management services	Ordinary Shares 100 %
Walker Crips Wealth Management Limited	United Kingdom	Financial services advice	Ordinary Shares 100 %
Ebor Trustees Limited	United Kingdom	Pensions management	Ordinary Shares 100 %
Barker Poland Asset Management LLP	United Kingdom	Investment management	Membership 100 %
Non-trading subsidiaries			
Walker Crips Financial Services Limited	United Kingdom	Financial services	Ordinary Shares 100 %
G & E Investment Services Limited	United Kingdom	Holding company	Ordinary Shares 100 %
Ebor Pensions Management Limited	United Kingdom	Dormant company	Ordinary Shares 100 %
Investorlink Limited	United Kingdom	Agency stockbroking	Ordinary Shares 100 %
Walker Cambria Limited	United Kingdom	Dormant company	Ordinary Shares 100 %
Walker Crips Trustees Limited	United Kingdom	Dormant company	Ordinary Shares 100 %
W.B. Nominees Limited	United Kingdom	Nominee company	Ordinary Shares 100 %
WCWB (PEP) Nominees Limited	United Kingdom	Nominee company	Ordinary Shares 100 %
WCWB (ISA) Nominees Limited	United Kingdom	Nominee company	Ordinary Shares 100 %
WCWB Nominees Limited	United Kingdom	Nominee company	Ordinary Shares 100 %
Walker Crips Investment Management Limited	United Kingdom	Dormant company	Ordinary Shares 100 %
Jointly controlled entities			
JWPCreers Wealth Management Limited	United Kingdom	Financial services advice	Ordinary Shares 50 %

Notes to the accounts *continued*

year ended 31 March 2015

33. Acquisition of Subsidiary

On 6 March 2015, the Company acquired 100% of the membership interests of Barker Poland Asset Management LLP ('BPAM'). BPAM is an investment and wealth management business based in London offering a full discretionary management service.

The acquisition has been accounted for using the acquisition method. The fair value of the identifiable assets and liabilities of BPAM as at the date of acquisition was:

	Fair value recognised on acquisition £'000	Previous carrying value £'000
Property, plant and equipment software	69	69
Client list	3,150	—
Cash and short-term deposits	182	182
Trade and other receivables	262	262
Total assets	**3,663**	**513**
Trade and other receivables	(250)	(250)
Total liabilities	**(250)**	**(250)**
Total identifiable net assets at fair value	3,413	
Deferred tax arising on acquisition of client list	(630)	
Goodwill arising on acquisition	1,487	
Total acquisition cost	**4,270**	
Analysed as follows:		
Fair value of deferred contingent consideration	2,000	
New shares in Walker Crips Group plc	200	
Cash paid in year	2,057	
Net Asset Value adjustment paid post year-end	13	
Total acquisition cost	4,270	
Cash paid in year	2,057	
Net cash acquired with the subsidiary included in cash flows from investing activities	(182)	
Net cash outflow during the year from investing activities	**1,875**	

Company balance sheet

31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible	36	**571**	392
Intangible		**2,365**	838
Investments	37	**19,842**	15,299
		22,778	16,529
Current assets			
Debtors	38	**138**	128
Trading investments		**1,194**	952
Cash at bank and in hand		**1,042**	5,828
		2,374	6,908
Creditors: amounts falling due within one year			
Other creditors	40	**(1,189)**	(515)
Shares to be issued	41	**(298)**	—
		(1,487)	(515)
Net current assets		**887**	6,393
Total assets less current liabilities		**23,665**	22,922
Creditors: amounts falling due after more than one year			
Other creditors	47	**(1,720)**	—
Shares to be issued	47	**(453)**	—
		(2,173)	—
Net assets		**21,492**	22,922
Capital and reserves			
Called up share capital	45	**2,545**	2,515
Share premium account	46	**1,988**	1,818
Own shares held	45, 46	**(312)**	(312)
Profit and loss account	46	**11,836**	13,406
Revaluation reserve	46	**767**	827
Other reserves	46	**4,668**	4,668
Equity shareholders' funds	46	**21,492**	22,922

The financial statements of Walker Crips Group plc (Company registration no: 01432059) were approved by the Board of Directors and authorised for issue on 6 July 2015.

Signed on behalf of the Board of Directors

R. A. FitzGerald FCA
Director
6 July 2015

Notes to the Company accounts

year ended 31 March 2015

34. Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention modified for the revaluation of certain investments and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and laws.

The principal accounting policies have been summarised below. They have all been applied consistently throughout the year and the preceding year.

Tangible fixed assets

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	33⅓% per annum on cost
Computer software	between 20% and 33⅓% per annum on cost
Leasehold improvements	over the term of the lease
Furniture and equipment	33⅓% 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.

Intangible assets

(a) Client lists

Acquired client lists and businesses generating revenue from clients and investment managers are capitalised based on the expected future cash flows to be generated over the lives of the assets, discounted at an appropriate discount rate. These costs are amortised on a straight line basis over their expected useful lives of three to twenty years.

(b) Unit Trust Management Contracts

Acquired Unit Trust Management Contracts are capitalised as intangible assets based on an estimate of the expected future cash flows that those contracts will generate over their useful lives of ten years. These costs are amortised on a straight line basis over their expected useful lives.

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.

Taxation

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 total recognised gains and losses 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 more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax assets and liabilities are not discounted.

34. Significant accounting policies continued

Investments – available-for-sale

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 investment within the timeframe established by the market concerned and are initially measured at cost including transaction costs or at fair value depending on the nature of the instrument held.

Investments are classified as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. Depending on the nature of the instrument held, gains and losses arising from changes in fair value of available-for-sale investments are recognised either in net profit and loss or directly in equity until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that 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 Group after deducting all of its liabilities.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share-based payments

Shares to be issued represent the Company's best estimate of the Ordinary Shares in the Company which are likely to be issued the following business combinations or the acquisition of client relationships which involve deferred payments in the Company's shares. Where shares are due to be issued within a year, the sum is included in current liabilities.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability exercise restrictions and behavioural considerations.

For employees and account executives of a subsidiary of the Company, the share-based payment is accounted for as a capital contribution in the respective subsidiary. The subsidiary will then take a charge to its income statement in respect of the share-based payment.

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 to the first available break clause.

Valuation of available-for-sale investments

The fair valuation of the Company's available-for-sale investments is based upon either the Company's share of net assets (discounted for market factors) or the underlying market price and volatility which may be subject to fluctuation from year to year.

Shares to be issued

The Company had recognised as a liability the sum which has been issued and allotted just after the prior period end to personnel associated with the Company in order to meet contractual commitments given as part of the recent expansion of its client base.

Notes to the Company accounts *continued*

year ended 31 March 2015

34. Significant accounting policies continued

Financial instruments

The Company has adopted FRS 25: Financial Instruments: Presentation and FRS 26: Financial Instruments: Recognition and Measurement. Disclosures equivalent to that required under FRS 29 are given in the consolidated Group accounts which are publicly available. The Company is exempt from the disclosures required by FRS 29 in its own accounts.

Going concern

After conducting enquiries, the Directors believe that the 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 Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

35. Profit for the year

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. Walker Crips Group plc reported a loss for the financial year of £612,000 (2014: profit of £200,000).

An amount of £12,000 (2014: £12,000) related to the auditor's remuneration for audit services to the Company.

36. Tangible fixed assets

	Leasehold improvements furniture and equipment £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
At 1 April 2014	635	847	—	1,482
Additions	317	11	—	328
At 31 March 2015	**952**	**858**	**—**	**1,810**
Accumulated depreciation				
At 1 April 2014	243	847	—	1,090
Charge for the year	149	—	—	149
At 31 March 2015	**392**	**847**	**—**	**1,239**
Carrying amount				
At 31 March 2015	**560**	**11**	**—**	**571**
At 31 March 2014	392	—	—	392

37. Fixed asset investments

	2015 £'000	2014 £'000
Subsidiary undertakings	**17,425**	12,895
Available-for-sale investments, at fair value	**2,417**	2,404
	19,842	15,299

37. Fixed asset investments continued

A complete list of subsidiary undertakings can be found in Note 32 to the Group accounts.

Available-for-sale investments consists of two investments. The first one is of 1,809 shares in Euroclear plc. In the year to 31 March 2015 the holding was valued based on the underlying share price and volatility.

The second investment is one of 1.282 million units in the Short Term Lending Fund (STLF) a qualifying collective investment scheme (QCIS). Further details are disclosed in Note 20.

38. Debtors

	2015 £'000	2014 £'000
Amounts due from subsidiary undertakings	**—**	9
Prepayments and accrued income	**87**	102
Other debtors	**51**	17
	138	128

39. Deferred tax liability

	2015 £'000	2014 £'000
At 1 April	**(231)**	(150)
Deferred tax charge/(credit) to equity	**28**	(35)
Credit/(charge) to the income statement	**81**	(46)
At 31 March	**(122)**	(231)

Amount due to personnel under recruitment contracts.

40. Creditors

	2015 £'000	2014 £'000
Amounts due on acquisition of subsidiary	**13**	—
Accruals and deferred income	**63**	40
Amounts due to subsidiary undertakings	**71**	—
Deferred tax liability (see Note 39)	**122**	231
Amount due to personnel under recruitment contracts	**920**	—
Current tax liability	**—**	244
	1,189	515

41. Shares to be issued

	2015 £'000	2014 £'000
Amount due to personnel under recruitment contracts	**298**	—
	298	—

42. Fair value disclosures

The fair value of the Company's financial assets and liabilities is not materially different to their carrying value in the balance sheet.

The fair value of available-for-sale investments, which comprises 1,809 shares in unlisted Euroclear plc and 1.282 million units in the Short Term Lending Fund (STLF), was determined respectively with consideration of to issuing entity's market price and volatility and the market price as at 31 March 2015.

43. Financial commitments

Capital commitments

At the end of the year, there were capital commitments of £nil (2014: £nil) contracted but not provided for and £nil (2014: £nil) capital commitments authorised but not contracted for.

Lease commitments

The annual commitments under non-cancellable operating leases fall due as follows:

	2015 £'000	2014 £'000
Within one year	**11**	—
Within two to five years	**530**	375

44. Related party transactions

The Company has taken advantage of the exemption given by paragraph 3 of FRS 8 not to disclose transactions and balances with its subsidiaries or investees of the Group qualifying as related parties.

45. Called up share capital

	2015 £'000	2014 £'000
Called up, allotted and fully paid		
38,186,958 (2014: 37,746,187) Ordinary Shares of 6⅔ pence each	**2,545**	2,515

During the year the Company allotted nil Ordinary Shares (2014: 15,000 Ordinary Shares) in connection with the exercise of share options. The Company received £nil cash consideration during the year in respect of the exercise of share options (2014: £6,325).

In March 2015, 440,771 new Ordinary Shares were issued and allotted to the former partners of BPAM as part of the agreed consideration for acquiring 100% of their membership interests.

The Company 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. No gain or loss has been recognised in the profit and loss account in relation to these shares.

The Company has granted options to certain employees and account executives in respect of the following shares:

	Number of shares subject to option	Exercisable period of option	Exercise price £
Ordinary Shares of 6⅔ pence each	611,250	June 2008 to June 2015	0.780

46. Reconciliation of movements in shareholders' funds

	Called up share capital £'000	Share premium £'000	Own shares held £'000	Other £'000	Revaluation £'000	Profit and loss account £'000	Total equity £'000
As at 31 March 2013	2,470	1,630	(312)	4,668	619	13,728	22,803
Revaluation of investment at fair value	—	—	—	—	243	—	243
Deferred tax charge to equity	—	—	—	—	(35)	—	(35)
Profit for the year	—	—	—	—	—	200	200
Dividends paid	—	—	—	—	—	(522)	(522)
Issue of share on exercise of options	1	5	—	—	—	—	6
Issue of shares on acquisition of intangible asset	44	183	—	—	—	—	227
As at 31 March 2014	2,515	1,818	(312)	4,668	827	13,406	22,922
Revaluation of investment at fair value	—	—	—	—	(88)	—	(88)
Deferred tax charge to equity	—	—	—	—	28	—	28
Loss for the year	—	—	—	—	—	(612)	(612)
Dividends paid	—	—	—	—	—	(958)	(958)
Issue of shares on acquisition of subsidiary	30	170	—	—	—	—	200
As at 31 March 2015	**2,545**	**1,988**	**(312)**	**4,668**	**767**	**11,836**	**21,492**

47. Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Amount due to personnel under recruitment contracts	**1,720**	—
Shares to be issued to personnel under recruitment contracts	**453**	—
	2,173	—

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Walker Crips Group Plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice is hereby given that the Annual General Meeting of Walker Crips Group Plc ("Walker Crips Group" or the "Company") will be held at South Place Hotel, 3 South Place, London, EC2M 2AF on 31 July 2015 at 11:00 a.m. for the following purposes:

As ordinary business
To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive and adopt the Directors' report and audited financial statements for the year ended 31 March 2015.
2. To approve the Directors' remuneration report (excluding the Directors' remuneration policy set out at pages 28 to 32 of the Directors' remuneration report) for the year ended 31 March 2015.
3. To declare a final dividend of 1.17 pence per ordinary share for the year ended 31 March 2015.
4. To re-elect as a Director Mr Mark Rushton.
5. To re-elect as a Director Mr Martin Wright.
6. To re-elect as a Director Mr Robert Elliott.
7. To re-elect as a Director Mr Hua Min Lim.
8. To appoint Deloitte LLP as auditor of the Company until the conclusion of the next meeting at which accounts are laid.
9. To authorise the Directors to set the auditor's remuneration.

As special business
To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

10. That the authority and power conferred upon the Directors to allot shares or to grant rights to subscribe for or to convert any security into shares in accordance with Article 12 of the Company's Articles of Association shall apply until the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of this resolution and for that period the Section 551 Amount (as defined in Article 12(B)) shall be £834,054 (equivalent to one third of the Company's issued share capital (excluding treasury shares) as at the date of this notice). All previous authorities pursuant to Article 12(B) are revoked, subject to Article 12(D).

To consider, and if thought fit, pass the following resolutions which will be proposed as special resolutions:

11. That, subject to the passing of Resolution 10, the authority and power conferred upon the Directors to allot equity securities for cash in accordance with Article 12 of the Company's Articles of Association shall apply until the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of this resolution and for that period the Section 561 Amount (as defined in Article 12(C)) shall be £250,216 (equivalent to 10% of the Company's issued share capital (excluding treasury shares) as at the date of this notice). All previous authorities pursuant to Article 12(C) are revoked, subject to Article 12(D).

As special business continued

12. That the Company be and is hereby granted pursuant to section 701 of the Companies Act 2006 general and unconditional authority to make market purchases (within the meaning of section 693 of the Companies Act 2006) on the London Stock Exchange of Ordinary Shares of 6⅔ pence each in the capital of the Company ("Ordinary Shares") provided that:

    a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is limited to 10% of the Company's issued share capital then in issue;

    b) the minimum price which may be paid for any Ordinary Shares is 6⅔ pence per Ordinary Share;

    c) the maximum price (exclusive of expenses) which may be paid for any Ordinary Shares is not more than 5% above the average of the middle market quotations for the Ordinary Shares (as derived from the London Stock Exchange Daily Official List) for the 10 business days before the purchase is made;

    d) the authority hereby conferred shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of this resolution; and

    e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract or contracts. This resolution shall confer on the Directors all rights for the Company to make any such market purchase of the Company's own shares as are required under the terms of Article 11(B).

13. That the Company be authorised to call a general meeting of the shareholders, other than an Annual General Meeting, on not less than 14 clear days' notice.

By order of the Board

David J. Hall DipPFS FMAAT Chartered MCSI
Secretary
6 July 2015

Walker Crips Group Plc
Finsbury Tower, 103–105 Bunhill Row, London EC1Y 8LZ
Reg No. 01432059

Notice of Annual General Meeting *continued*

Notes on resolutions
The following paragraphs explain, in summary, the Resolutions to be proposed at the Annual General Meeting (the "Meeting").

Resolution 1: Receipt of the 2015 Report and Accounts
The Directors of the Company must present their report and the annual accounts to the Meeting and shareholders may raise any questions on the report and accounts under this resolution.

Resolution 2: Approval of the 2015 Directors' remuneration report
In accordance with section 439 of the Companies Act, shareholders are requested to approve the Directors' remuneration report (other than the Directors' Remuneration Policy set out on pages 28 to 32), which can be found on pages 22 to 27 of the Report and Accounts for the year ended 31 March 2015. The vote is advisory only and does not affect the actual remuneration paid to an Individual Director.

Following its adoption at the last Annual General Meeting, the Directors' Cap Remuneration Policy will be put to shareholders at least every three years or earlier if changes are proposed.

Resolution 3: Final dividend
Shareholders are being asked in Resolution 3 to approve a final dividend of 1.17 pence per ordinary share for the year ended 31 March 2015. If you approve the recommended final dividend, this will be paid on 7 August 2015 to all ordinary shareholders who were on the register of members at the close of business on 17 July 2015.

Resolutions 4 to 7: Re-election of Directors
The Company's Articles of Association require that at each Annual General Meeting, Directors who were in office at the time of the previous two Annual General Meetings and who have not been elected or re-elected in that period must retire by rotation. A retiring Director is eligible for re-election. This year, Mr Mark Rushton is retiring in this manner and is seeking re-election.

In addition, Mr Martin Wright and Mr Hua Min Lim are retiring because each of them have been Non-Executive Directors for more than nine years and Mr Robert Elliott is retiring as it is a condition of his letter of appointment as a Non-Executive Director that he retires at each Annual General Meeting. Mr Wright, Mr Lim and Mr Elliott are seeking re-election.

The biographies of the Directors eligible and standing for re-election at the Meeting are set out on pages 14 and 15 in the 2015 Report and Accounts.

Resolution 8: Appointment of auditor
The Company is required to appoint its auditor at each general meeting at which accounts are laid before the shareholders and is usually appointed to hold office from the conclusion of an Annual General Meeting until the conclusion of the next Annual General Meeting. This resolution, on the Audit Committee's recommendation, proposes the appointment of Deloitte LLP as auditor of the Company.

Resolution 9: Remuneration of the auditor
The resolution also authorises the Directors, in accordance with standard practice, to set the remuneration of the auditor. In accordance with its terms of reference, the Audit Committee will approve the terms of engagement and the level of audit fees payable by the Company to the auditor and recommend them to the Board.

Resolution 10: Renewal of the Directors' authority to allot shares
Resolution will be proposed before the Meeting to confer authority on the Directors to allot shares or grant rights to subscribe for or to convert any security into shares of up to an aggregate nominal amount of £834,054 (being one third of the Company's issued share capital (excluding treasury shares) as at 6 July 2015). This resolution, which is an ordinary resolution, will replace the authority given to the Directors at the last Annual General Meeting on 18 July 2014.

750,000 shares are held in treasury as at 6 July 2015 (representing approximately 2% of the Company's issued share capital (excluding treasury shares) on that date).

The Directors have no present intention to issue new Ordinary Shares. However, the Directors consider it prudent to maintain the flexibility to take advantage of business opportunities that this authority provides.

This authority will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the resolution, whichever is the earlier.

Resolution 11: Renewal of the Directors' authority to disapply pre-emption rights
Resolution will be proposed before the Meeting to confer authority on the Directors to allot equity securities for cash up to an aggregate nominal amount of £250,216 (being 10% of the Company's issued share capital (excluding treasury shares) as at 6 July 2015) as if section 561(1) of the Companies Act 2006 did not apply. This resolution, which is a special resolution, will replace the authority given to the Directors at the last Annual General Meeting on 18 July 2014.

The Directors have no present intention to make use of this authority and will only do so when satisfied that it is in the interest of the Company.

This authority will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the resolution, whichever is the earlier.

Resolution 12: Authority for the Company to purchase its own shares
The Companies Act 2006 permits a public company to purchase its own shares in accordance with powers contained in its Articles of Association and with the authority of a resolution of shareholders. The Directors believe that the Company should be authorised to take advantage of these provisions and therefore, pursuant to the power contained in the Company's Articles of Association, it is intended to propose a special resolution at the Meeting to confer authority on the Company to purchase up to a maximum in aggregate of 10% of the Ordinary Shares of 6⅔ pence each in the share capital of the Company at a price or prices which will not be less than 6⅔ pence and not be more than 5% above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the ten business days before the relevant purchase is made.

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

Shareholders may further note that the total number of warrants and options to subscribe for equity shares in the Company that are outstanding as at 6 July 2015 is nil share options. The proportion of the Company's issued share capital (excluding treasury shares) that this represents as at that date is nil%. If the Company used the full authority (both existing and being sought) to buy back the shares under Resolution 12 and all such shares were cancelled, they would then represent nil% of the Company's issued share capital (excluding treasury shares).

This authority will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the resolution, whichever is the earlier.

Resolution 13: Notice period for general meeting
The notice period for general meetings of the Company is 21 days unless shareholders approve a shorter notice period which cannot be less than 14 clear days. Annual general meetings will continue to be called on at least 21 clear days' notice.

Resolution 13, which is a special resolution, will enable the Company to call general meetings (other than Annual General Meetings) on 14 clear days' notice. The Directors believe that this is in the best interests of the shareholders and it is intended that this shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

The approval will be effective until the Company's Annual General Meeting in 2016 when it is intended that a similar resolution to renew the authority will be proposed.

Notice of Annual General Meeting *continued*

Shareholder notes
The following pages provide more detailed information about your voting rights and how you may exercise them.

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
    - 6:00 p.m. on 29 July 2015; or
    - if this Meeting is adjourned, at 6:00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your proxy card or contact Neville Registrars Limited to obtain an extra proxy card on 0121 585 1131.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

    To appoint a proxy using the proxy form, the form must be:
    - completed and signed;
    - sent or delivered to Neville Registrars Limited, Neville House, Laurel Lane, Halesowen, West Midlands, B63 3DA; and
    - received by Neville Registrars Limited no later than 11:00 a.m. on 29 July 2015.

    In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.

    Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included in with the proxy form.

Appointment of proxies through CREST

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https:// www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent ID (7RA11) by 11:00 a.m. on 29 July 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-name being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars Limited on 0121 585 1131.

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of the proxies will take precedence.

Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, Laurel Lane, Halesowen, West Midlands, B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 11:00 a.m. on 29 July 2015.

    If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

    Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Notice of Annual General Meeting *continued*

Corporate representatives

11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

12. As at 6 July 2015 (being the latest practicable day prior to the date of this notice), the Company's issued share capital comprised 38,282,434 Ordinary Shares of 6⅔ pence each. Each ordinary share carries the right to one vote at a general meeting of the Company. The Company held 750,000 Ordinary Shares in treasury on 6 July 2015 and, therefore, the total number of voting rights in the Company as at 6 July 2015 is 37,532,434.

Communication

13. You may not use any electronic address provided either in this notice of meeting or any related documents (including the letter with which this notice of meeting was enclosed and proxy form) to communicate with the Company for any purposes other than those expressly stated.

Website giving information regarding the Meeting

14. Information regarding the Meeting, including the information required by section 311A of the Companies Act 2006, is available from www.wcgplc.co.uk.

Questions at the Meeting

15. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless (i) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on the Company's website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Website publication of audit concerns

16. Pursuant to section 527 of the Companies Act 2006, where requested by members meeting the qualification criteria set out in that section, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the Meeting relating to either (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting or (ii) the circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which the annual account and reports were laid in accordance with section 437 of the Companies Act 2006.

    Where the Company is required to publish such a statement on its website:

    - it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
    - it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website; and
    - the statement may be dealt with as part of the business of the Meeting.

Nominated person

17. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("Nominated Person"), you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Form of proxy

For use at the Annual General Meeting (the "Meeting") of Walker Crips Group plc (the "Company") to be held at the South Place Hotel, 3 South Place, London EC2M 2AF on 31 July 2015 at 11:00 a.m. and at any adjournment thereof.

I/We ....

(name(s) in full).. (BLOCK LETTERS PLEASE)

Of (address) ....

being (a) holder(s) of shares in the above-named Company HEREBY APPOINT (see Note 3):

(name(s) in full).. (BLOCK LETTERS PLEASE)

Of (address) ....

or failing him (or in the event that no person is named) the Chairman of the Meeting to act as my/our proxy and to vote for me/us on my/our behalf at the above mentioned Meeting and any adjournment thereof, and I/we desire this proxy to be used as directed below or, failing any direction(s) as regards the Resolution(s), the proxy will abstain or vote at his discretion.

Enter the number of shares in relation to which your proxy is authorised to vote or leave blank to authorise your proxy to act in relation to your full entitlement (see Note 4).

Please also mark this box if you are appointing more than one proxy (see Note 5).

The manner in which the proxy is to vote should be indicated by inserting "X" in the box provided:

	For	Against	Vote withheld
1) To receive and adopt the Directors' report and audited financial statements			
2) To approve the Directors' remuneration report			
3) To declare a final dividend of 1.17 pence per ordinary share			
4) To re-elect Mark Rushton as a Director			
5) To re-elect Martin Wright as a Director			
6) To re-elect Robert Elliott as a Director			
7) To re-elect Hua Min Lim as a Director			
8) To appoint Deloitte LLP as auditor			
9) To authorise the Directors to set the remuneration of the auditor			
10) To authorise the Directors to allot shares			
11) To disapply pre-emption rights*			
12) To authorise the Company to make market purchases of its own shares*			
13) To authorise the Company to call a general meeting of shareholders on not less than 14 clear days' notice*			

Signed: .... Dated:.......................................

(for a company see Note 8 to this form of proxy)

* Special resolution

Form of proxy *continued*

Notes:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the space above. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. If the proxy is being appointed in relation to less than your full voting entitlement, please indicate the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or, if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your proxy card or contact Neville Registrars Limited on 0121 585 1131 to obtain an extra proxy card. Please indicate the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you).
6. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
7. To appoint a proxy using this form, the form must be:
   - completed and signed;
   - sent or delivered to Neville Registrars Limited, Neville House, Laurel Lane, Halesowen, West Midlands B63 3DA; and
   - received by Neville Registrars no later than 11:00 a.m. on 29 July 2015.
8. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
9. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
10. CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent Neville Registrars Limited, Neville House, Laurel Lane, Halesowen, West Midlands B63 3DA, CREST ID (7RA11) by 11:00 a.m. on 29 July 2015. See the notes to the notice of meeting for further information on proxy appointment through CREST.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
12. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
13. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.
14. You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

Officers and professional advisers

Directors
Executive Directors
R. A. FitzGerald FCA – Chief Executive Officer
S. K. W. Lam FCPA (Aust.), Chartered FCSI – Group Managing Director
D. Hetherton – Wealth Management Director
M. J. W. Rushton – Chief Investment Officer

Non-Executive Directors
D. M. Gelber – Chairman
R. A. Elliott FCA, Cert PFS – Audit Committee Chairman
H. M. Lim
M. J. Wright – Senior Independent Director

Secretary
D. J. Hall DipPFS FMAAT Chartered MCSI

Registered office
Finsbury Tower
103–105 Bunhill Row
London EC1Y 8LZ

Bankers
HSBC Bank plc
London

Solicitors
Charles Russell Speechlys LLP
London

Auditor
Deloitte LLP
London

Registrars
Neville Registrars Limited
18 Laurel Lane
Halesowen
West Midlands B63 3DA

consultancy, design and production by
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design-portfolio.co.uk @WeAre_DP
Design Portfolio plants ten trees for each of its corporate report projects, in association with Trees for Cities.

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