WALKERCRIPS

Making investment rewarding

for our clients, our shareholders and our staff

Annual Report and Accounts 2024

WALKERCRIPS

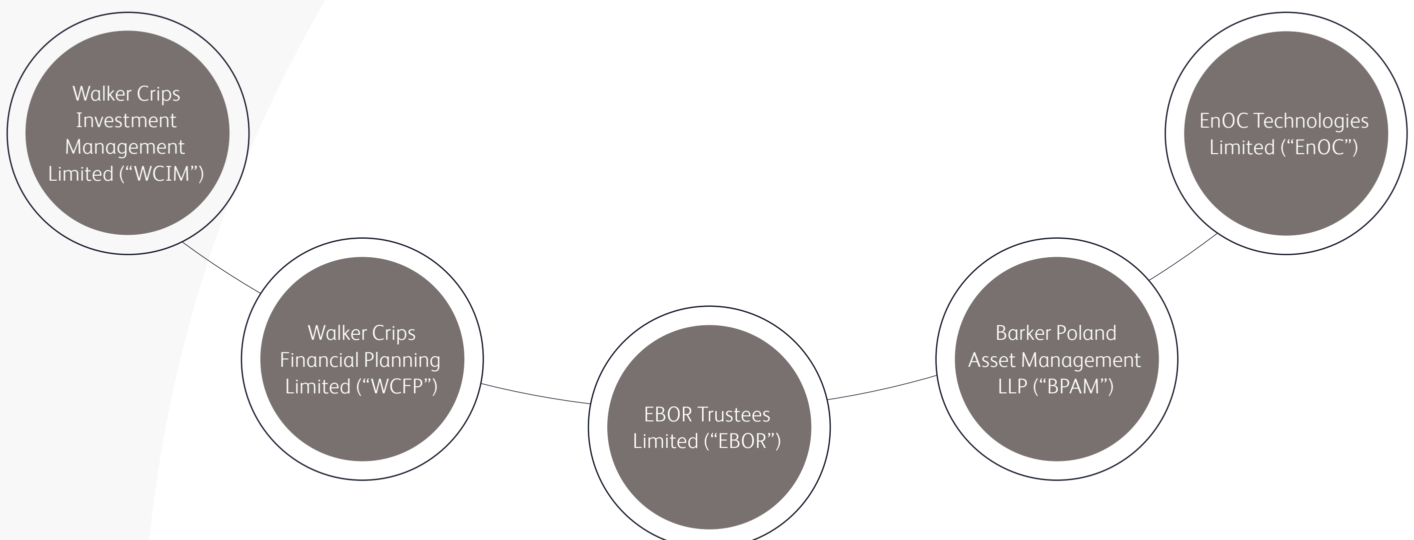
Founded on the principles of integrity, courtesy, fairness and loyalty, Walker Crips traces its origins to 1914, when our predecessors first began trading on the London Stock Exchange. As one of the City of London's oldest independent companies, we are proud of our long heritage. Over a century later, our commitment remains steadfast: to serve our clients and deliver good customer outcomes.

Our team is composed of professionals who are committed to delivering exceptional service to our clients, helping them grow and manage their investments to reach their life goals.

We are dedicated to advancing our technological capabilities, enhancing efficiency and delivering value to all our stakeholders.

Our subsidiaries

Walker Crips Group operates five specialised subsidiaries, each committed to delivering exceptional financial services and technology solutions.



At a glance

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

In an ever-changing and complex investment landscape, we empower our clients by leveraging our expertise and cutting-edge technology. Our commitment is to deliver exceptional care and safeguard our clients' interests, ensuring they receive unparalleled support at every step of their journey with us.

Offices in the UK

10

- London (head office)
- Birmingham
- Bristol
- Epping
- Inverness
- Newbury
- Norwich
- Solent
- Truro
- York

Clients across the UK

27,786

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

Financial highlights

Total revenues

Total revenues broadly flat at **£31.57 million** (2023: £31.61 million).

Operating profit

Operating profit declined by 89.9% to **£63,000** (2023: £625,000).

Profit before tax

Profit before tax declined by 38.8% to **£387,000** (2023: £632,000).

Adjusted profit

Adjusting for exceptional items, the Group is reporting an operating loss of **£162,000** (2023: operating profit of £1,179,000) and a profit before tax of **£162,000** (2023: £1,186,000)*.

Adjusted EBITDA

Adjusted EBITDA of **£1.77 million** (2023: £3.25 million), a decline of 45.4%**.

Underlying cash generated

Underlying cash generated in the year **£2.30 million** (2023: £3.36 million), reducing by 31.6%***.

Cash and cash equivalents

Cash and cash equivalents of **£13.86 million** (2023: £13.14 million).

Assets Under Management

Assets Under Management ("AUM") decreased by 13.5% to **£2.7 billion** (2023: £3.1 billion).

Proposed final dividend

Proposed final dividend of **0.25 pence per share** (2023: 0.25 pence per share), bringing the total dividends for the year to 0.50 pence per share (2023: 0.50 pence per share).

* Exceptional items are disclosed in note 9 to the accounts and a full reconciliation to IFRS results is presented in the Finance Director's review.

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

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

Key performance indicators ("KPIs")

Performance in 2024 is set out below with data from preceding years. Year-on-year data is presented on a consistent basis providing measurable indicators. The Board monitors these KPIs regularly.

Revenue

£31.57m

Year	Value
2024	31.57
2023	31.61
2022	32.80

Commentary
Total revenue decreased by 0.1% to £31.57 million (2023: £31.61 million). The decrease was partly driven by a number of self-employed investment managers departing the Group at the start of the year, and partly driven by high interest rates, high inflation and uncertain political conditions.

Operating profit

£63,000

Year	Value
2024	63
2023	625
2022	208*

Commentary
Operating profits declined to £63,000 with Group's revenue generation impacted by market conditions and costs increasing with inflation. The continued investment to strengthen our regulatory and compliance functions also played a part in increasing our cost base.

* Restated.

Transaction volume

108,570

Year	Value
2024	108,570
2023	112,243
2022	124,421

Commentary
External market pressures continue to impact trading volumes.

Operating (loss)/profit before exceptional items

(£162,000)

Year	Value
2024	(162)
2023	1,179
2022	1,860

Commentary
In combination, static income and higher cost base resulted in diluting our operating profits.

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

0.50p

Year	Value
2024	0.50p
2023	0.50p
2022	1.50p

Commentary
Dividend kept to same level despite the decline in profitability.

Breakdown of AUMA

£4.9bn

Commentary
The Group's Assets Under Management and Administration ("AUMA") as at 31 March 2024 was 2.9% down on prior year, reflecting partly the loss of self employed Investment managers and their client base and partly the stagnant market conditions.

Type of asset	2024 £'bn	2023 £'bn	2022 £'bn
Administration	**2.173**	1.892	1.895
Advisory	**1.156**	1.410	1.632
Discretionary	**1.539**	1.710	1.930
Total	**£4.9**	£5.0	£5.5

Chairman's statement

Our year to 31 March 2024 has been a difficult one. We had a significant year-on-year cost increase, caused in part by high inflation, our compliance transformation project and by recruiting, and maintaining in real terms the salaries paid to staff within our organisation. Staff are our key asset and so it is right we pay market rates to ensure we retain top calibre employees. In our compliance transformation programme, we have learned from past events and are fully committed to ensuring our compliance and risk management follows best practice. This comes with a cost, both in financial terms and senior management time, but we remain committed to ensuring our customers are fully protected and that we deliver good outcomes for them. In addition, achieving best practice has meant losing several investment managers and their related clients. Although we have suffered financially, we believe that this was the right outcome, aligning with the values we uphold.

Looking forward, we are making important investments for growth. We have recruited new financial planners and have now met our targeted staffing levels. We are committed to offering more choice for clients and have hired new business development managers. We have also launched a new structured deposit product.

We are developing a full strategic integrated plan closely linked with our compliance transformation project and we look forward to announcing details of this in the coming months.

We are committed to deliver good customer outcomes

Our financial year to 31 March 2024 has been a year of continuing challenges. A large part of the year was overshadowed by global conflicts, political uncertainty, high inflation and high interest rates. These external influences coupled with the costs incurred to strengthen our compliance and risk framework significantly affected our results. Inevitably, inflation increased our cost base. In addition, to bring our remuneration levels in line with the market and to negate the impact of the cost-of-living crisis on our staff, we approved what overall was a substantial increase in staff remuneration. Further, rising interest rates impacted our market driven fee and commission income, although this was offset by retaining a share of interest income earned on our own reserves and customer trading cash balances.

In terms of our results, the Group, for the 12-month period to 31 March 2024, is reporting an operating profit of £63,000 (2023: £625,000) and profit before tax of £387,000 (2023: £632,000). Excluding exceptional items, the Group is reporting an operating loss of £162,000 (2023: operating profit of £1,179,000) and profit before tax of £162,000 (2023: £1,186,000). A more detailed explanation of our results is set out in the Finance Director's review.

I have already referenced our compliance and risk framework. Since I took over as Chairman of the Group, I have been making reference to investments that we have been making in this respect, originally specifically on our financial crime framework and, in my statement in our annual report to March 2023 and our interim statement, I noted more generally our strategic initiative to improve our regulatory and compliance framework. This work is still continuing and still requiring considerable investment. During the year, in addition to implementation and embedding changes to reflect the Consumer Duty regime, management has been working with external consultants on a number of high priority projects extending from client assets management specifically, to compliance and risk management generally with the objective of ensuring that our operational and regulatory control environment is fit for purpose and up to date with market best practice.

Last year I noted that we needed to strengthen our senior management team to address some self-identified weaknesses. Previously, we had been minded to recruit once the business was performing better. We have concluded that this is a false economy, unreasonably stretching our senior management and holding back the business. I am therefore pleased to report that we have recently recruited a senior Chief Risk and Compliance Officer, Christian Dougal, to work alongside the CEO and CFO. We believe that his experience and expertise, having worked for nearly thirty years in risk and compliance, will enable the Group finally to move to a robust comprehensive and integrated platform, and to reduce substantially the reliance on external consultants.

Turning to the business operations, the Board fully recognises that the Group must grow to return, at the least, to an acceptable level of profitability. Establishing a robust operational, compliance and risk framework is, of course, an essential prerequisite. Equally we still need to grow the senior executive team, and have further plans so to do.

Our business development team has been working hard in promoting our products and services to the IFA community and new customer groups and we are expecting their good work to translate to new customers and ultimately new revenues. The Board is developing plans to generate new income by way of broadening and improving our offering in a way that will enable us to serve the requirements of existing clients better and more comprehensively as well as attracting new customers and new assets under management. This initiative will go beyond the business-as-usual efforts of our investment managers and beyond the significant gains from our business development initiative. This is likely to involve much greater cooperation between different divisions within the Group.

On a positive note, our York Division, which has been on a recruitment drive, has now recruited their target number of financial advisers. This plan envisages that the anticipated new revenues should now be coming on stream and the division is expected to move to profitability in the coming year. This will pave the way for the division to become self-sufficient at its current levels and to pay back the investment made by the Group. I would like to thank the management team of the York Division and wish them continued good fortune in the coming months.

Our Structured Products division, whilst it had a difficult year with the industry shifting towards deposits, launched a new structured deposit initiative last year, allowing us to expand to a new customer cohort. We are expecting the team to generate new income from this initiative in the coming year.

Finally, the underpayment of Stamp Duty Reserve Tax that I referenced in my 2023 statement has been resolved, following an extensive internal investigation and our tax advisers are in communication with the HMRC to agree the final settlement. The extent of underpayment was lower than we initially estimated last year and the excess, net of professional fees, has been written back to exceptional items in the current year. I am pleased to report that an HMRC case officer has been appointed and we hope to conclude this matter in the coming months.

In addition to our regulatory framework, the FCA's Consumer Duty regulations were high on the list of priorities during the year. A detailed review of our products and services and how they are matched to clients and their needs was carried out during the year. Further details on how we implemented the Duty are contained in the CEO's statement.

Dividend

We aim to reward our shareholders for their continued patience and support. Given the current economic environment and reported results, the Board will recommend for shareholders' approval at the forthcoming AGM a final dividend of 0.25 pence per share (2023: 0.25 pence) payable on 4 October 2024 to those shareholders on the register at the close of business on 20 September 2024, with an ex-dividend date of 19 September 2024.

Directors, Account Executives and staff

I would like to thank my fellow Directors, our investment managers and advisers and all members of staff for their efforts, resilience and continued commitment to the Group. We have had a difficult couple of years, with more work to do this year, but the path to a more robust operating model and business plan is now much clearer.

As announced, our Senior Independent Director, Clive Bouch, resigned and relinquished his role on 27 June 2024. Clive and I had discussed his wish to step down and we are grateful to him for deferring the step by several months. On behalf of the Board, I wish to thank Clive for his considerable contribution to the Group over the last seven years and I wish him all the best with his future endeavours.

Clive's resignation leaves the governance of the Group short of what is required by the UK Corporate Governance Code. The Board is addressing this and, as part of the plans to which I refer, we are in discussions to appoint two new Independent Non-executive Directors. As soon as we are able, we will provide further updates.

Outlook

As you are aware from my previous communications, we have been working to improve our financial crime framework and I am pleased to report that we have successfully completed this work and changes are now embedded to our day-to-day operations. In addition to this, overseen directly by me, with support from independent external advisers and led now by our Chief Risk and Compliance Officer, we are carrying out an extensive review of other areas across our Compliance, Risk, Suitability, Monitoring functions and adoption of Consumer Duty regulation to establish a target future state for risk and compliance. This will be linked to additional business planning and change management resource we are currently putting in place that will enable us to develop a comprehensive and integrated plan for the entire Group. We expect to complete the majority of this work in the financial year 2025.

I anticipate that this programme we have set out to achieve, whilst wholly necessary, will require considerable management time and resource in the coming year.

There is little doubt that we have short-term challenges we need to overcome, and we are committed to this course. We will have another year of high costs and pressure on management to deliver a fit for purpose operational and regulatory framework. Despite these short-term challenges, which I see as an investment, for the reasons described, I remain optimistic about the longer-term future of our Group.

Martin Wright
Chairman

31 July 2024

CEO's statement

Delivering sustainable growth, creating value for our stakeholders, and making a positive impact on society.

Innovating, Digitising and Focusing on Customer Outcomes

I am grateful to be working alongside investment managers, financial planners, advisers, and staff, who diligently serve our customers and who value good customer outcomes. We have been grappling with significant regulatory changes and challenges, improving operational efficiencies while, at the same time, serving our existing customers, and trying to onboard new ones.

This has been a mixed year for us. We have put a great deal of effort into the rolling out of the Consumer Duty (The Duty) regulations, in a manner that I consider has been to the benefit of our customers and the organisation as a whole. The market for our structured products diminished slightly during this financial year, but the team was innovative and launched an additional structured deposit model which is already generating considerable interest.

Our financial planning division showed an increased loss, but this was a consequence of our strategy to rebuild the team, and there tends to be a time lag between recruitment and new revenue coming 'on stream'.

As mentioned in the Chairman's statement, we have struggled with bandwidth at the senior management level. To address this, we have made a number of senior hires, including a new Chief Risk and Compliance Officer. We will continue to review our resource requirements and adjust accordingly. We have also hired for the front office new business development individuals, investment managers and financial planners to service our existing customers, and to grow new revenues. We also believe in the training of young people and our Graduate Trainee and Internship programmes have enabled us to bring new individuals into the industry who could well become the new leaders of the firm in the future. More details on our regulated subsidiaries are mentioned below.

Our Financial Highlights show that our financial performance has not met our initial projections or expectations. Operating profit declined by 89.9% to £63,000 (2023: £625,000) and, adjusting for exceptional items, we are reporting an operating loss of £162,000 (2023: operating profit of £1,179,000). With the additional senior risk and compliance hires and the new front office personnel, we believe that we have in place a plan that will put the business on to a better risk and compliance footing and on to a platform for growth.

We continue to invest in greater digitisation to improve customer facing services such as the provision of better systems to our investment managers, associates, financial planners and IFAs who work with the Group, updating our Client Portal, substantially enhancing our mobile apps, improving the documentation provided to customers, revised and standardised our tariff of fees and commission and simplifying our supplementary tariff.

Consumer Duty

Throughout the past year, we have focused on the implementation of the Consumer Duty (The Duty) regulations which serves to set higher and clearer standards of consumer protection across financial services, and require firms to put customers' needs first. The Duty effectively codifies our fundamental principle of taking all reasonable steps to avoid causing foreseeable harm to customers, enabling them to pursue their financial objectives, and always act in good faith towards them.

We have reviewed all the services that we provide to our customers, clarified the target market of our services, we benchmarked our services to our peers to ensure that we are competitive, we clarified the benefits that our customers are receiving from the services that we provide, we reviewed the cost to the business in providing those services, we also reviewed our fees and commissions and simplified our supplementary tariff and we conducted a value assessment to ensure our customers are receiving what they are paying for. We are particularly mindful of those who may be vulnerable and take extra care in supporting them and delivering the level of service and outcomes that match their needs.

Our review has included the Group's approach to the treatment of cash held by our own or external custodians on customers' behalf, with the objective of ensuring consistency and fairness in relation to the income derived and the cost of managing and protecting customers' assets under our control.

Our delivery strategy has been, for a number of years, to "simplify and digitise", and The Duty has helped push this development further and faster. This has included the simplification of tariffs, the improvement of communication with customers, moving from static customer feedback to regular and continuous based on activity and there is even a smiley-face quick-feedback feature, where appropriate. We have ensured that our documents

are clearly written and understood and that our website is written in 'plain language', as was certified by the Plain Language Commission. The Duty has caused a positive mindset change within the Group and has permeated through the organisation, and it is not just top down, but exhibited by all staff.

However, our approach in the implementation of The Duty, the development of new and revised policies and procedures, the streamlining of our tariff, the further simplification of our business, was not wholly acceptable by a number of our self-employed investment management associates who decided to leave us. It is always disappointing to see colleagues whom we've known for a long time leave the Group; nevertheless, we do wish them well.

Divisional performance

Our regulated entities have only a moderate amount of cross-over but over the coming year, the Group executive and our divisional heads will be making greater efforts to have individuals from across divisions collaborating in order to increase the provision of a consolidated approach to engagement with our customers, all the while ensuring that we are providing good outcomes to them.

Our **Investment Management** division has invested in the building blocks for growth. We have hired specialist business development individuals with a clear mandate to attract new investment portfolios into the business by promoting our products and services to the IFA community and new customer groups such as sportspersons and future investors, through our #WalkerCripsInSports and #WalkerCripsInSchools initiatives. Our team has reviewed our product offering, removed complications, and simplified/streamlined our model portfolio service. We have also relaunched our AIM inheritance tax portfolio service and created a new Gilt portfolio service.

Our **Structured Investments** division launched a new structured deposit initiative which will allow us to expand into a new group of customers and we have already seen encouraging investment inflows.

Our **Financial Planning** division continues to grow with highly experienced financial planners (FPs) joining us. In 2021, we were left with two full-time FPs and we embarked on a rebuilding programme and now, in 2024, we have 12 qualified FPs serving our customers. Most of the customers of these new FPs 'followed' them and opened accounts with Walker Crips. Over that period, our AUA within our Financial Planning division grew from £141m to £415m (June 2024).

Barker Poland Asset Management (BPAM) continues to focus on financial planning and discretionary investment management for UK based individuals, providing advice on strategy, tax wrappers and associated tax, retirement, cash flow management, insurance and estate planning. On investments, BPAM runs a range of risk adjusted models containing active and passive funds. It is aiming for a profit of circa £450k from c.£2.4m turnover for the next financial year while keeping focus on reducing costs of funds, and keeping its back office as streamlined as possible. BPAM is also recruiting trainees/juniors with the intention of developing them into advisers over time. It has always placed great emphasis on personal contact, which is one way it seeks to differentiate itself in a highly competitive market space.

Ebor Trustees (Ebor) has been driving to keep its pricing competitive and increasing the adoption of digitised solutions. The division is also preparing its marketing campaign which will take place between October and March 2025, and with a more targeted campaign for Accountants, promoting the benefits of pension platforms and how they may fit into the overall financial plan for customers.

For more information about the financial performance of the Divisions, please refer to the Finance Director's Review.

Corporate responsibility

I wish to reiterate my message from the last few years, that we can all do our part in reducing our carbon footprint:

- **REFUSE –** Avoid buying harmful, wasteful or non-recyclable products
- **REDUCE –** Reduce the use of harmful, wasteful, and non-recyclable products
- **REUSE –** Get rid of the "buy and throw-away" mindset, reuse what you have
- **REPAIR –** Try to repair before tossing them out
- **REPURPOSE –** Upcycle, break down and reconstitute as something else
- **ROT –** Compost if you can
- **RECYCLE –** Make recycling your last step, after going through all the R's above

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

Mental health charity

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

Conclusion

I wish to echo our Chairman's thanks to our Audit Committee Chairman and Director, Clive Bouch, who stepped down on 27 June 2024. Clive's attention to detail and thoroughness has been invaluable to the Group. We wish him well.

We shall continue to make investment rewarding for our customers, our shareholders and our staff, and to give our customers a fair deal. We continue to support our investment advisers and our staff by being a technology-driven financial services company. We have had significant challenges, as mentioned in the Chairman's statement and above, but we are optimistic about the future, with the right strategies, personnel, and the right mindset to overcome the challenges and create opportunities. We remain committed to delivering sustainable growth, creating value for our stakeholders, and making a positive impact on society.

Sean Lam
Chief Executive Officer
31 July 2024

Our business model and strategy

Our mission

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

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

Our business model

Greater Inter-Divisional Collaboration

Our regulated entities have only a moderate amount of cross-over but over the coming year, the Group executive and our divisional heads will be making greater efforts to have individuals from across divisions collaborating in order to increase the provision of a consolidated approach to engagement with our customers, all the while ensuring that we are providing good outcomes to them. And through this consolidated approach, we will look for ways to extend the number of appropriate products required by our customers across the Group.

Investment Management

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

In the previous Annual Report, we stated that we will "refocus on our core service offering". We have therefore invested in the building blocks for growth and hired specialist business development individuals with a clear mandate to attract new investment portfolios into the business by promoting our products and services to the IFA community and new customer groups such as sportspersons and future investors, through our #WalkerCripsInSports and #WalkerCripsInSchools initiatives.

We have refocused by reviewing our product offering, removed complications by curtailing some of the higher risk investment services as well as services that are no longer commercially viable due to the significant increase in the cost of regulation to remain compliant, and the increase in the cost of administration, operations, staffing, systems and the requirement of capital. We simplified and streamlined our model portfolio service, relaunched our AIM inheritance tax portfolio service and created a new Gilt portfolio service.

The inflationary pressures and cost of doing business has been significant, we have carefully reviewed our tariff and endeavoured to right-price our fees, commission and supplementary tariff. We have resisted adjusting our tariff for many years and many of the cost items have remained unchanged for decades, but we had to make appropriate adjustments during the period to March 2024, whilst still ensuring that we are giving fair value to our customers.

Barker Poland provides financial planning and discretionary investment management for UK based individuals, providing advice on strategy, tax wrappers and associated tax, retirement, cash flow management, insurance and estate planning. We are recruiting trainees/juniors and developing them into advisers over time. We place great emphasis on personal contact, which is one way that we differentiate ourselves.

Structured Investments

Structured Investments continues to be a popular investment product to financial advisers. It is a core competency of the firm and the team provides well-crafted structured products to customers through financial advisers. Our Structured Investments division launched a new structured deposit initiative which will allow us to expand into a new group of customers and we have already seen encouraging investment inflows. Investors can also make use of their Cash ISA allowance to invest into structured deposits. Structured deposit plans are designed to meet the investment objectives of a specific target market of investors with certain investment characteristics, for example looking for potential growth from their initial investment and do not require income during the investment term, and other factors, but it is important that investors speak with a financial adviser to determine whether the Plans may be suitable for them. More information about structured deposits can be found on our website walkercrips.co.uk, and select Structured Investments.

Share Dealing

Share Dealing is the execution only dealing arm of the firm. We offer customers the flexibility of making a quick phone call to our team to trade, or if they wish, they could also trade UK shares, which are liquid, online through our Client Portal. Whilst most firms are turning, or have turned, away from offering low cost telephone dealing and certificated dealing, we are expanding both, and offering it as a unique selling proposition of this sub-division.

Financial Planning

Financial Planning operates through our offices in York, London and Fareham. Our financial planners make time and effort to understand our customers' circumstances and requirements, in order to be able to advise and help them realise their financial goals. We provide guidance on an extensive range of financial matters such as life assurance, pre-retirement planning, at-retirement advice, savings plans, tax-efficient management of investments and estate planning. Our strategy of controlled growth since 2021 has been successful. From two full-time financial planners in 2021, to 12 qualified financial planners now, and growing our assets under advice (AUA) from £141m to £415m (June 2024), we will continue with this strategy.

Pensions Administration

Pensions Administration provides Self-Invested Personal Pensions ("SIPP") and Small Self-Administered Schemes ("SSAS") services to our customers. This division has been driving to keep our pricing competitive and increasing the adoption of digitised solutions. We are also preparing a marketing campaign which will take place between October 2024 and March 2025, with a more targeted campaign for Accountants, promoting the benefits of pension platforms and how they may fit into the overall financial plan for customers.

Our values

We serve our clients with the following values

- Integrity
- Courtesy
- Fairness
- Loyalty

Our people and culture

Our people are at the forefront of our business. In an ever-evolving industry it is important to adopt a strategic view in terms of our people.

For the last year we have focused on people strategies that are forward-looking plans that define how to get the best performance from Walker Crips Group's (WCG) workforce to meet business objectives. Some of these initiatives include recruitment, learning and development, employee engagement, retention and DEI (Diversity, Equality and Inclusion).

Diversity, Equality and Inclusion

Diversity at WCG is expressed through management's commitment to equality and the treatment of all individuals with respect. WCG is committed to developing a rich culture derived from people of different background, race, religion and gender, a diverse workforce, and a healthy work environment in which every employee is treated fairly, is respected, and has the opportunity to contribute to the success of the company, while having the opportunity to achieve their full potential as individuals. We are committed to and encourage diversity, equality, and inclusion among our people and to prevent less favourable treatment or financial reward through direct or indirect discrimination, harassment, victimisation of employees or job applicants on the grounds of the Equality Act 2010 protected characteristics.

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

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

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

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

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

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

We have also been nominated and shortlisted in numerous award categories from PIMFA and Financial Times and our Group Head of HR, Kameka McLean, drives DEI initiatives and speaks at various forums to raise awareness and recommend key practices in furthering DEI initiatives.

Please find below a list of the DE&I initiatives and events the Group has celebrated over the past year:

May 2023
Wear It Green Day in aid of Mental Health Awareness Week

June 2023
Pride Month, in support of the LGBTQIA+ community

August 2023
Walker Crips shortlisted in five categories at the Personal Investment Management & Financial Advice Association ("PIMFA") D&I Awards

October 2023
Black History Month;
World Mental Health Day

December 2023
Christmas Jumper Day in aid of Save the Children

March 2024
Walker Crips nominated for two awards at FT Adviser's Diversity in Finance Awards;
International Women's Day

Shortlisted in 5 categories at the 2023 PIMFA Diversity & Inclusion Awards

Walker Crips achieved recognition at the 2023 PIMFA Diversity & Inclusion Awards, receiving nominations across five separate categories.

Our ongoing commitment to fostering a diverse and inclusive workplace was highlighted by three individual award nominations for Kameka McLean, our Group Head of Human Resources. We have once again been shortlisted in multiple categories at the 2024 event. Winners will be announced at a ceremony on 10 October 2024.

Our people and culture continued

Health and Wellbeing

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

Our goal is to respond effectively to work-related mental health issues, and where possible, to prevent them from occurring or worsening, providing support to our staff throughout their employment with us, access to assistance and voicing their concerns with assurance of professional support. Furthermore, promoting a healthy lifestyle and supporting our employees on those difficult journeys that life throws at us. These initiatives aim to provide a supportive environment to our staff and include:

1. 24/7 Helpline where employees can access a range of support with financial and or legal worries, support for carers and other life events.
2. 24/7 Remote GPs where employees have quick access and can get an appointment from a GP via a video consultation.
3. Mental Health support which includes unlimited support available for our employees who are experiencing mental health issues, bereavements etc.
4. Physiotherapy that offers personalised treatment to all our employees via video consultation.
5. Medical 2nd opinion which is available in person or via video consultation where employees can gain a 2nd opinion and a review of their medical record on diagnoses and or treatment plan.
6. Financial and legal support where employees can receive advice in areas such as credit and debt, budgeting, mortgages, insurance, and benefits.
7. Access to wellbeing contents which consist of podcasts, webinars and wellbeing calendar.
8. 360° wellbeing score where employees can assess their scores and suggestions tailored to them from the assessment.
9. 1-2-1 Lifestyle coaching where employees can access 1-2-1 sessions with a lifestyle coach.
10. Personal training where employees can access 1-2-1 sessions with a personal trainer who will assess their fitness and discuss individuals' goals and thereafter create a personalised plan.
11. Nutritional consultation.
12. Saving on discounts on brands, technology, travel, gym membership, day outs and attractions etc.
13. Inhouse Wellbeing training for employees and managers. These initiatives support the development of compassionate, supportive, and effective line management relationships and train managers how to recognise when their team are not OK and how to approach them. Employee training consists of mental health wellbeing and how to promote a healthy lifestyle – we recognise Mental health week and offer tips and help on an ongoing basis to all our employees which enable learning and the sharing of information across the organisation to improve awareness, early sign recognition and general understanding of mental health.
14. Mental Health first aiders in all our offices offer reasonable adjustments for those experiencing a crisis.
15. Wellbeing survey twice yearly to pulse check how our employees are doing and focusing on top 5 common trends at board level. This entails employees to provide feedback on how they are feeling and offer feedback on how the organisation is doing and what we can do to improve wellbeing. This was rolled out in December and already we have seen improvement and we will continue to evolve as we go along as this is a long-term strategy to ensure wellbeing support continues in the new working world, not only that but this enables regular feedback which means we can focus our efforts in areas that matters the most to our employees.
16. Mental Health Pathway support for both employee and employer.
17. Cancer pathway – personalised cancer support for employees throughout diagnosis, treatment, and post treatment recovery.
18. Absence Management – immediate access to specialist support if employees are struggling at work or returning after absence.
19. Wellbeing Calendar – monthly wellbeing activities sent out to team, live events, podcasts and other resources.
20. Training and workshops – Line manager can book CPD accredited training courses and available employee sessions for whole team on wellbeing.
21. Wellbeing resources – trending wellbeing topics, information and resources.

Training

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

Continuous learning and growth opportunities for employees enable WCG to stay competitive. Therefore, a successful people strategy should include initiatives that promote professional development and allow employees to acquire new skills. Our workforce is continually evolving and developing their skills and last year we released top learners for the first time in which we recognised those who have taken a positive approach to learning and have gone above and beyond mandatory learning.

During various DEI initiatives throughout the year we have seen significant increases in learning as we tend to use learning methods to educate our workforce and raise awareness by appointing / recommending training whether it is Race Equality Week, Pride Month, Mental Health Week etc (see list of examples on page 11). This creates a culture of engagement, encourages learning growth and creates MIs in which we are able to rely on data in an ever evolving trend.

Creating a culture of engagement

The Group Head of HR we have been able to focus on the strategic outlook of our people function and although we still have some way to go, an effective Human Resource strategy doesn't tackle all facets of employee engagement and development at once.

Instead, it focuses on the most important initiatives that will drive success for WCG. For example: to reduce employee turnover we looked at root causes and carried out a benchmarking exercise last year, we prioritise programs like onboarding, staff surveys, and access to professional development opportunities to keep new joiners engaged – however, there always seems to be multiple priorities which are important and regulatory requirements tends to overtake but, we take a wide lens view and look at the greater strategical picture – our people.

From some of the above initiatives you can clearly see that we have created a culture of engagement by creating a communicative and collaborative environment while providing employees with purpose-driven work to enable everyone to perform at their best.

For example, we have further strengthened our performance assessment and it clearly outlines exceptional performance and with data managers and employees are able to embrace interactive initiatives like gamification to keep employees engaged hence, reliance on data is vital in understanding what motivates and drives people. Gathering HR analytics concerning performance, training, or team dynamics and incorporating them into our people strategy has helped WCG make more informed decisions and ensure that our strategy is constantly evolving.

For example, we have included data points from pulse surveys, 1:1 meetings, focus groups, customer reviews, and exit interviews. These baseline insights allow us to understand better what's working well and identify areas for improvement.

We will always strive to create meaningful work where employees can see the impact of their efforts and feel connected to the organisation.

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

Market analysis

Market and Macroeconomic Backdrop

Throughout the 2023/24 financial year, global equity markets experienced mixed performance. US equities remained robust, largely driven by positive sentiment around artificial intelligence ("AI"). This optimism continued to bolster the performance of the "Magnificent Seven", the largest US technology stocks, which now constitute a significant portion of the S&P 500 index. Japan and Europe also saw strong market performance, whereas the UK lagged behind its international peers, despite the FTSE 100 reaching record highs.

Fixed income markets offered attractive yields, with the UK 10-year gilt yield exceeding 4%, as global central banks maintained restrictive monetary policies to combat stubborn inflation. The Bank of England ("BoE") conducted a series of interest rate hikes in 2023, reaching 5.25% in August, which has been maintained to date, as the BoE interest rate has since been reduced back to 5% in August 2024.

Inflation remained a central topic of discussion among market participants during the period. In 2023, conversations focused on persistently high inflation, which prompted central banks to implement a series of aggressive rate hikes to combat inflationary pressures. However, this year has seen inflation cooling, with UK inflation falling to its lowest level since 2021, dropping from a peak of 11% in 2022 to 2% in May 2024. A similar trend has been observed in other developed regions, with the US and Europe following a comparable path. Despite this cooling trend, the BoE noted in their recent meeting that inflation is expected to rise slightly in the second half of this year as declines in energy prices from the previous year fall out of the comparison.

This has led central banks to exercise caution regarding interest rate cuts, as these could trigger further inflationary pressures. Consequently, central banks have maintained restrictive monetary policies to sustainably bring inflation back towards the 2% target. Market participants widely believe that central banks in developed markets have reached peak interest rate levels, with imminent rate cuts expected. This is exemplified by the European Central Bank's ("ECB") recent 0.25% rate cut at its June meeting. While this suggests we are nearing the end of the battle against inflation, it is not over, and policymakers continue to exercise caution.

Recent data suggests that the UK labour market may be cooling, as the number of vacancies continues to fall and unemployment rises. The estimated number of job vacancies from March to May 2024 decreased to 904,000, a drop of 12,000 from the previous three months. This marks the 23rd consecutive quarterly decrease in job vacancies. The latest unemployment rate report showed an increase to 4.4% for February to April, up from the 2023 low of 3.8% in October to December. However, despite the decline in vacancies and the rise in unemployment, wage growth remains relatively strong. The annual growth for regular pay (excluding bonuses) stayed robust at 6% from February to April 2024, the same as the previous three-month period. The annual growth in employees' average total earnings (including bonuses) was slightly lower at 5.9% for the same period, also unchanged from the previous three months.

Regarding economies, several leading indicators have highlighted an elevated risk of a potential recession. For example, the unusual environment first experienced in 2022 has continued into 2024, with yields on shorter-term debt securities generally remaining higher than those on longer-term securities. This phenomenon, known as an inverted yield curve, contrasts with normal fixed income environments where investors are paid higher yields for longer-term investments. An inverted yield curve typically indicates an expectation of declining long-term interest rates, which is often associated with recessions. However, the inverted yield curve has been flattening compared to periods in 2023, suggesting an improvement in market sentiment.

Real Gross Domestic Product ("GDP") forecasts for 2024 show that G7 countries are expected to experience growth below 1%, apart from the US which is projected 2.4% growth. Therefore, other than the US, all G7 countries are anticipated to grow much below normal levels. Governments continue to invest, particularly focusing on infrastructure and transitioning to greener energy sources. Earlier this year, the British Government announced that its renewables scheme achieved its largest-ever contract for difference funding, with more than £1 billion allocated for renewable energy investments. This included a pledge of £800 million for offshore wind to ensure that Britain remains competitive with international peers. We anticipate this trend will continue in the coming years as governments aim to replace fossil fuels with cheaper, cleaner, domestic energy in the transition towards net zero.

Taking a deeper look at spending, the RSM Middle Market Business Index ("MMBI") report highlighted strong financial performance for middle market firms, with increased net earnings and revenues leading many executives to plan productivity-boosting capital expenditures. Nearly half of the respondents reported improved gross revenues and net earnings, with a significant majority expecting further improvements in the next six months. This optimism has led 53% of respondents to anticipate economic improvement, although 65% remain concerned about the cost of capital, focusing on upcoming Federal Reserve rate decisions. Employment levels stayed constant, with 44% of firms increasing hiring despite a tight labour market and rising compensation costs. Over half of the executives expect to raise compensation in the latter half of the year to attract and retain talent amidst 8 million unfilled job openings. Despite modest improvements in confidence during the second quarter, with 40%

of executives seeing economic improvements and 32% noting deterioration, smaller firms continue to face challenges from higher wages and input costs. We believe this demonstrates that generally business executives remain cautiously optimistic about the future growth prospects in the current economic environment.

In terms of market events, the 2023/24 financial year has been dominated by global elections, with nearly half of the world's population voting in 2024. Election outcomes are notoriously difficult to predict, making them a complex factor in guiding portfolio allocation. In the UK, market participants appear less concerned about which party wins the general election and more focused on resolving lingering uncertainty. Recent political volatility in the UK saw several Prime Ministers take office, including Liz Truss's brief 49-day tenure. Currently, the Labour Party is favoured, and we are closely monitoring the situation and its potential impact on markets. The US election has also been a significant focus,

with President Joe Biden and former President Donald Trump as key candidates. Similarly, in the US, the election outcome itself may not be the primary market concern; rather, it is the removal of uncertainty. Historically, markets have responded unfavourably to elections, experiencing lower returns and increased volatility due to heightened uncertainty. For instance, the S&P 500 has averaged returns of 6.2% during election years compared to 9.6% during non-election years. Therefore, while we closely monitor elections, we emphasise that personal political opinions should not override sound investment decisions.

Geopolitical tensions continue to significantly impact markets, illustrated by conflicts such as the Russia-Ukraine war, US-China relations, and the Israel-Hamas conflict. These tensions have created a distinct economic environment, with concerns growing over trade fragmentation and deglobalisation. Evidence of this trend includes China's share of US imports declining by 8% from 2017 to 2023 amid heightened trade tensions. Over the same period, the US share of China's exports decreased by approximately 4%. Additionally, China has threatened to sell US Treasury bonds, and the US has blacklisted some Chinese technology firms. Escalation of these trade tensions poses a heightened risk of significant disruption to global financial markets. This situation mirrors the humanitarian crises caused by conflicts, amplifying risks across global capital flows, trade, and commodity markets. Therefore, we are closely monitoring developments to strategically adjust investment portfolios as the geopolitical landscape evolves.

AI has remained a core topic of discussion during the financial year, with Nvidia surging approximately 150% from the start of 2024 until the end of June. The company reported strong financial performance, with first-quarter revenue of $26.0 billion, up 18% from the previous quarter and 262% from a year ago. It is now widely accepted that AI will be transformational on a global scale, improving efficiency and productivity. Data analytics powered by AI is increasingly used to enhance business and customer insights, delivering more tailored experiences for users. As AI technology becomes more integrated, there is greater emphasis on understanding its energy implications, including power grid capacity. Advanced machine learning models require significant computational resources, with the energy needed for the annual training of a large language model being equivalent to that of 130 US households, according to the International Energy Agency. Therefore, it is crucial for technology companies to work closely with the energy sector to ensure adequate capacity to power such technology. We continue to believe that AI will be a core driver of markets in the coming years and will monitor its development closely. At Walker Crips, we take pride in being a technology-driven company and embrace these advancements in AI.

Market Outlook

Looking ahead, our focus is on upcoming inflation data and the trajectory of interest rate adjustments. We observe that inflation has notably moderated, with the UK's latest reading returning to the 2% target, although it is expected to increase again in the latter half of the year. Consequently, while the battle against inflation continues, it appears to be approaching its later stages. The ECB has already executed its initial rate cut, and we anticipate similar moves from most developed countries in the near term. The market is likely to remain responsive to incoming inflation figures and the pace of interest rate adjustments by global central banks. It is our assessment that interest rates will not revert to near-zero levels. We believe that the past decade's near-zero interest rates were an anomaly and that we are now transitioning back to a more typical interest rate environment. This shift will create a markedly different investment landscape compared to the previous decade, as servicing debt will become considerably more expensive.

The economic environment remains delicate, with ongoing uncertainty prevalent across developed economies. It is widely anticipated that mild recessions will persist in the near future, as evidenced by the UK's technical recession in the latter part of last year. Despite these challenges, we continue to see compelling opportunities for investors to construct diversified portfolios that aim to deliver robust risk-adjusted returns over the long term. The current higher interest rate environment has resulted in attractive yields in the fixed income market, which we view as an increasingly important element for investment portfolios. We believe that exposure to fixed income assets will introduce a defensive component, shielding investors from potential downside risks. Moreover, this asset class offers the potential for capital appreciation as central banks pivot towards cutting interest rates.

When assessing equity markets, we find compelling opportunities in the UK market due to historically low valuations. The FTSE 100 index, composed of the largest 100 UK-listed companies, has a notable presence in the energy and financial services sectors. These sectors have generally benefited from higher interest rates compared to others. Additionally, we see attractive prospects in emerging market equities, primarily driven by favourable valuations and relatively lower inflationary pressures compared to developed economies. Conversely, we perceive the US equity market as trading at a considerable premium, influenced by a strong dollar, expanded valuations, and robust profit margins, which may potentially lead to diminished returns over the next decade. Our investment strategy remains focused on high-quality businesses that demonstrate strong cash generation, recurring and growing revenues, and robust balance sheets.

These attributes provide a layer of resilience amidst global economic uncertainties. Diversification across various sectors and regions remains paramount, ensuring our portfolios are well-positioned to achieve robust risk-adjusted returns in the current economic landscape.

Real estate markets have encountered challenges due to higher interest rates, impacting affordability. Mortgage rates have begun a gradual descent, a trend we expect to persist as central banks shift towards rate cuts. This is anticipated to bolster property assets, which have faced stagnation amid prolonged restrictive monetary policies. We view real estate assets as valuable diversifiers in portfolios, offering attractive income potential and opportunities for capital appreciation as monetary policies ease.

Alternative assets such as infrastructure and private equity play a crucial role in diversifying portfolios and offer potential for capital preservation during market downturns. Infrastructure assets, in particular, often feature inflation-linked contracts, making them appealing in periods of high inflation. Despite these advantages, many alternative assets are currently trading at significant discounts compared to their net asset values, presenting compelling investment opportunities. Several of these assets comprise high-quality portfolios that could potentially see discounts narrow, thereby offering strong capital appreciation potential alongside attractive income streams at current levels. Therefore, we maintain our view that alternative assets are important components of portfolios, providing opportunities for attractive risk-adjusted returns.

In conclusion, market uncertainty persists, with much of 2024 shaped by imminent global elections. We continue to prioritise investment fundamentals rather than react to short-term noise and resulting volatility. Looking further ahead, we maintain optimism about financial markets transitioning to a more typical economic environment compared to the previous decade. Our investment focus remains centred on building well-diversified portfolios capable of navigating current challenges and delivering robust long-term returns.

Wesley Coultas
Head of Investment Management

31 July 2024

Finance Director's review

The financial year to 31 March 2024 was one of dealing with difficult challenges. Our primary focus during the year was the continuation of the initiatives to improve our compliance and risk management framework including the initial work relating to the financial crime control framework review and remediation that we noted last year. It is a significant undertaking, in terms of management time and the resource required. As described in the Chairman's statement, the work is ongoing and it is a worthwhile and necessary investment to improve our control environment, customer service and ultimately leading to improve operating margins and profitability in the long-run.

Financial performance

The Group's results were impacted by external pressures and internal operational matters that saw trading commissions and management fees impacted negatively, whilst inflationary pressures, together with continued costs and investment in strengthening our regulatory and compliance functions, kept our cost base high. Our performance, as noted in my report last year, was also impacted by five self-employed investment managers and their client base leaving the Group during the year. We will see one more self-employed investment manager depart early in the new financial year.

The negative impact of these were somewhat mitigated by interest income from managing customer deposits and the firm's own money, and an exceptional income arising from a lower than expected liability in relation to the previously reported Stamp Duty Reserve Tax (SDRT) underpayment and related professional fees (see note 9).

We are reporting a Group profit before tax of £387,000 (2023: £632,000), reflecting the outcome of challenges noted by the Chairman. Adjusting for exceptional items, there has been a marked decline in year-on-year pre-tax, pre-exceptional profits of £162,000 (2023: £1,186,000). Further explanation of these headline results is provided below.

Notwithstanding the headline results, we did not lose focus on strategic measures to ensure that the Group's underlying performance in the future is strengthened with the hiring of business development managers with a clear mandate to attract new customers and new assets under management. They have had some success already and there is a considerable book of prospects in the pipeline.

We also launched a new structured deposit initiative to help us identify and open new doors for new clients and revenues. During the financial year, we saw the first shoots from this initiative with 152 new clients investing £5.2 million into our opening structured deposit.

We remain cautiously optimistic about the future as we view much of the work in relation to improvements to our compliance and risk management framework, internal controls, financial crime prevention systems, client asset management processes and Consumer Duty implementation as investments which are necessary to protect client and Group assets from which we can reap long-term benefits.

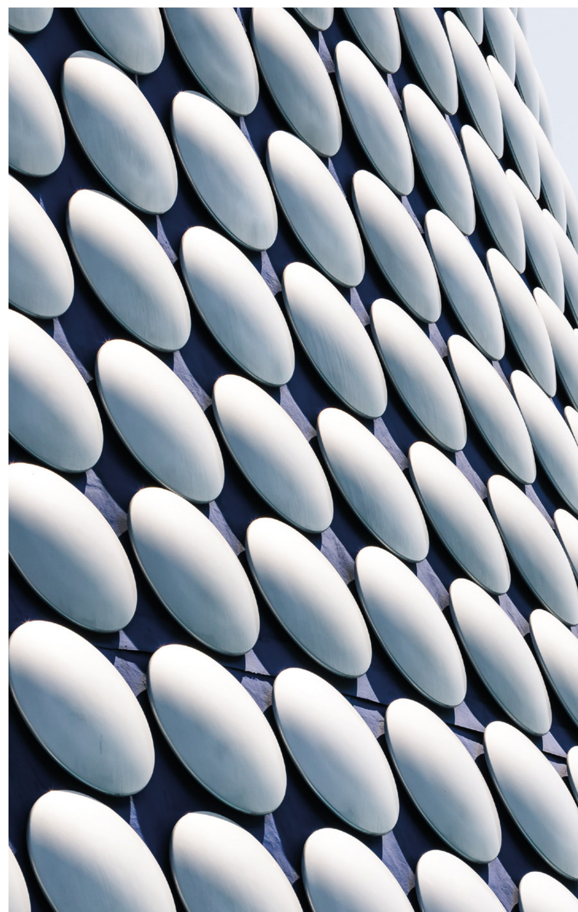
Total revenue

Total revenue, due to a number of variables, decreased by 0.1% to £31.57 million (2023: £31.61 million). The decrease, as I referenced last year, was partly driven by a number of self-employed investment managers exiting the Group at the start of the year, and partly driven by difficult market and uncertain economic pressures depressing trading commissions and management fees, which were offset by higher retention of interest earned on managing customer trading balances.

Total commission income reduced by 17.9% to £4.9 million (2023: £6.0 million). The loss of a number of self-employed investment managers and their clients, and the revenue therein, and persisting market uncertainty were direct causes of the reduction in commission. It is also important to recognise that the Group has been slowly moving away from volume based variable income to more stable fee income, and this is expected to be more prominent next year with the recent tariff alignment exercise conducted by the Investment Management division, which will be in place for a full financial year.

Fee generating client assets fell by 13.5% to £2.7 billion (2023: £3.1 billion). The reduction in these assets naturally resulted in our fee income reducing by 4.9% to £16.9 million, down £0.8 million from last year (2023: £17.7 million). During the year, in conjunction with the Consumer Duty implementation, the Investment Management division standardised its fee tariffs across all its service range thereby removing historical commercial arrangements agreed at customer level. As a result, the division is expected to see its aggregate fee income increasing in the next financial year. This will support our commitment to reduce our reliance on retained interest income.

Our Structured Investment division ended the financial year reporting £3.0 million of gross income, down £0.9 million from last year (2023: £3.9 million). The reduction in reported income is largely down to the structured products industry shifting from structured investments to structured deposits. The team is currently involved in a project to digitise its operations and the outcome of this is expected to create capacity to increase customer engagement and revenue growth. The team's recent product launch is one of their steps in their journey to increase market share in the UK.



Arbitrage business reported a modest increase in contribution to £152,000 for the year (2023: £97,000).

Barker Poland Asset Management saw a 4.4% increase in revenue and reported £2.3 million of gross income (2023: £2.2 million) compared to last year.

Our Financial Planning division, following a successful recruitment drive, saw their income increasing by 26.4% to £2.5 million (2023: £1.9 million), showing great promise and giving optimism for the near future.

Interest income increased by 82.8% to £5.8 million (2023: £3.2 million). This revenue stream does provide the Group with a level of protection against adverse fluctuations of income linked to high interest environments which make asset prices and indices susceptible to stagnation or low growth. The Group is committed to reducing this reliance and has already taken steps towards achieving this objective. It should, however, be noted that there are significant costs associated with managing client assets and money and changes made to Group's business model will take a period of time to be fully effective.

Reconciliation of operating profit to operating profit before exceptional items	2024 £'000	2023 £'000
Operating profit	63	625
Operating exceptional items (note 9)	(225)	554
Operating profit before exceptional items	(162)	1,179

Reconciliation of profit before tax to profit before tax and total exceptional items	2024 £'000	2023 £'000
Profit before tax	387	632
Total exceptional items (note 9)	(225)	554
Profit before tax and exceptional items	162	1,186

Adjusted EBITDA	2024 £'000	2023 £'000
Operating profit	63	625
Operating exceptional items (note 9)	(225)	554
Amortisation/depreciation (note 30)	1,299	1,301
Right-of-use assets depreciation charge (note 30)	636	771
Adjusted EBITDA	1,773	3,251

Underlying cash generated from operations	2024 £'000	2023 £'000
Net cash inflow from operations	970	3,539
Working capital (note 30)	1,124	156
Lease liability payments under IFRS 16 (note 30)	(722)	(332)
Cash outflow on operating exceptional items	928	–
Underlying cash generated in the period	2,300	3,363

Commissions and fees paid

The aforementioned departure of certain self-employed investment managers also resulted in reducing our income sharing. This saw a reduction of £1.5 million to £5.8 million (2023: £7.3 million), contributing to an increase in our gross operating margin to 81.7% from 77.0% in 2023. At the same time our operating margin reduced to 0.2% (2023: 2.6%), reflecting our higher cost base this year.

Expenses

Administrative expenses, excluding exceptional items, salaries and related staff costs, depreciation and amortisation, increased by 7.9% in the year, with investments made to strengthen our compliance and risk management framework significantly increasing our cost base. This, along with general inflationary increases in a number of areas, was offset by a reduction in FCA fees and levies in the year. Salaries and staff-related costs saw a year-on-year increase of 16.8%, with salaries increasing by 15.7% to £15.8 million in the year (2023: £13.7 million), partly due to the current labour market demanding higher pay packages to attract high calibre staff and partly as a result of pay increases awarded to our existing staff to support them through the inflation-driven cost-of-living pressures. The Group, as part of its overall strategy, will continue to search and onboard high-calibre staff to all parts of our business. These, along with the costs of benefits offered to staff, contributed to increasing our related staff costs in the year by 43.1% to £0.8 million (2023: £0.6 million).

I am pleased to report, with support from our tax advisers, and following an extensive internal investigation, we have now completed the issue in relation to the underpayment of SDRT that I reported last year, and our tax advisers are in communication with the HMRC to agree the final settlement. As a result, the Group is reporting an exceptional income totalling £225,000 (2023: exceptional cost of £554,000), being the credit adjustment to reduce the final SDRT liability and professional costs estimate to a more accurate figure (see note 9).

UK inflation has come down from a peak of 11.1% in October 2022, to 3.2% in March 2024 and down to the government CPI target of 2% in May 2024. The 2% inflation target, however, does not translate to a cost reduction, but merely an indication that costs are not increasing from their all-time higher base over a set period. This means that our high-cost base will continue into the future, and as noted in the Chairman's report, we are on a strategic initiative to improve our compliance and risk management framework which will require considerable investment over the next 12 months.

Cash management

The Group remains cash generative and recorded a cash inflow from operations of £0.97 million (2023: £3.5 million), much lower than in the previous year, reflecting low income generation in a period of rising costs, leading to much lower operating profits.

The underlying cash generated from operations, reflecting the impact of lease liability payments, non-cyclical working capital movements and cash flows from exceptional items (see above reconciliation) showed a performance of £2.3 million (2023: £3.4 million). The underlying cash generation compared to last year was lower due to reasons noted above, but it does demonstrate the cash generative nature of the underlying business model.

Finance Director's review continued

Regulatory own funds and own funds requirements	2024 £'000	2023 £'000
Own funds		
Share capital	**2,888**	2,888
Share premium	**3,763**	3,763
Retained earnings	**10,259**	10,104
Other reserves	**4,723**	4,723
Less:		
Own shares held	**(312)**	(312)
Regulatory adjustments	**(7,880)**	(8,800)
Total own funds	**13,441**	12,366
Own funds requirement (OFR)	**(5,075)**	(4,854)
Regulatory capital surplus over OFR	**8,366**	7,512
Cover on own funds as a %	**264.8%**	254.8%
Own Funds Threshold Requirement (OFTR)	**(7,022)**	(7,227)
Regulatory capital surplus over OFTR	**6,419**	5,139
Cover on own funds as a %	**191.4%**	171.1%

After deducting cash deployed in investing activities and dividends paid, cash and cash equivalents increased to £13.9 million at year-end (2023: £13.1 million).

Looking forward to next year, we have a number of key priorities with uplifting our compliance and risk management framework and the investment required therein being at the core. We will continue with initiatives to generate more income, as mentioned above in relation to business development and structured deposits. Changes already made to align our fee structure and the output of these ongoing initiatives will place the Group in a good standing to deliver on our commitment to reduce our reliance on retained interest income, which will see some pressure on cash generation, however, our going concern forecast model indicates a modest year-on-year increase in cash and cash equivalent next year.

Financial result and alternative performance measures

The Group reported operating profit and profit before tax for the year of £63,000 and £387,000, respectively (2023: £625,000 and £632,000).

Adjusting for exceptional items (see page 17 for the reconciliations and note 9 for further details), the Group made an operating loss of £162,000 for the year (2023: operating profit 1,179,000) and a profit before tax of £162,000 (2023: £1,186,000). The Group's adjusted EBITDA (being EBITDA adjusted for exceptional items – see page 17 for the reconciliation) is £1.8 million (2023: £3.3 million), not surprisingly a decrease of 45.4%.

Total Assets Under Management and Administration ("AUMA") stood at £4.9 billion at the end the financial year (2023: £5.0 billion). Discretionary and Advisory Assets Under Management fell by 13.5% to £2.7 billion (2023: £3.1 billion). The decrease in AUMA values can be attributed partly to a number of self-employed investment managers and their client base departing the Group and partly to existing customers deploying cash to alternative needs during a period of high inflation and rising costs offset by onboarding new customers. In addition to this and disappointingly, we have also lost a small number of customers as a result of the tariff standardisation exercise that resulted in the removal of historical fee and commission arrangements.

Notwithstanding above and after the completion of our initiative to improve our compliance and risk management framework, with its high calibre staff base and improved systems coupled with revenue generating initiatives in the pipeline, the Group would be ideally placed to propel forward to a profitable landscape.

Divisional performance

The Investment Management division, including exceptional costs, delivered an operating profit of £1.63 million for the year, compared to £1.55 million in the previous year. Adjusting for exceptional items, the division reported an operating profit of £1.41 million (2023: £2.11 million). The division took the brunt of the aforementioned effects of fee and commission revenues, cost of investment in improving our compliance and risk management framework, and inflationary cost pressures. On a positive note, the division has successfully onboarded a new business development team, invested in a number of new salaried investment managers and launched a new structured deposit product, all of which are the necessary ingredients to move the Group to a higher margin operating model.

The Financial Planning division has now successfully completed its recruitment drive to increase its advisor base with several key hires in the year. The division saw its year-on-year income increase by 26.4% to £2.45 million (2023: £1.94 million) however reported an increased loss of £0.63 million (2023: £0.31 million). The advisers onboarded will take time to bring their client base across and operate at full capacity and the division is expected to return to profitability in the coming year.

Our software as a service (SaaS) division, represented by our subsidiary EnOC Technologies Limited (EnOC), has returned an operating loss of £490,000 (2023: £128,000 loss) after removing intercompany revenues. However, standalone performance, including revenue generated from providing its services to Group entities, saw it generate operating profit of £102,000 (see note 6). EnOC benefited from the transfer of intellectual property from the Investment Management division on 1 April 2023, an action intended to allow EnOC the ownership and control of the Group's internally generated intellectual property and to allow it to maintain and develop it with its own staff and dedicated resources, while leasing its services to sister companies.

Capital resources, liquidity and regulatory capital

The Group's capital structure, consisting solely of equity capital, provides a stable platform to support the Group's strategic plan and initiatives. At year end, net assets are £21.3 million (2023: £21.2 million), reflecting a net increase of £0.1 million (2023: £0.2 million net decrease), from reported profit after tax, less dividends paid. Liquidity remains strong with cash and cash equivalents increasing over the year to £13.9 million (2023: £13.1 million). Regulatory capital at year end, including audited reserves for the year, is £13.4 million (2023: £12.4 million), comfortably in excess of the Group's Own Funds (Capital) Threshold Requirement (see Table on page 18).

Dividends

In view of the Group's financial performance, capital and liquidity position, the Board recommends a final dividend of 0.25 pence per share to be paid on 4 October 2024 for those members on the shareholders' register on 20 September 2024, the ex-dividend date being 19 September 2024. Including the interim dividend of 0.25 pence per share (2023: 0.25 pence per share), the total dividend paid and proposed in respect of the year is 0.50 pence per share (2023: 0.50 pence per share).

Sanath Dandeniya
Finance Director

31 July 2024

Supporting our community

Twining Enterprise

We are delighted to continue supporting Twining Enterprise, a charity dedicated to aiding individuals with mental health issues in obtaining and retaining mainstream employment. They achieve this through skills training, practical guidance, coaching, community outreach, collaborations with various local organisations and employers, and other supportive measures. Twining Enterprise significantly impacts lives and society by assisting people in securing and maintaining employment, supporting employers, and advocating against mental health stigma.

A year in review

We are thrilled to report that Twining Enterprise has enjoyed a very productive year. It has just concluded a successful first year working alongside its strategic delivery partner Shaw Trust, to deliver the West London Works programme. The programme is designed to support people with mental and physical health challenges find, and retain, positive employment across North and West London.

Twining has also continued to support clients receiving NHS secondary mental health care to gain and sustain employment. Many of these clients have endured long-term serious mental illness, making the transition back into the workplace challenging, but also hugely valuable for their recovery journey. You can read more about one client, Gloria, who benefitted from this programme below.

The charity has also continued to support young people from minority backgrounds who are struggling with their mental health, by offering the free 12-week e-mentoring programme “Developing Futures” which matches young mentees with trained and experienced corporate mentors. These mentors help them to build confidence and develop life goals, whilst also introducing new networks and opportunities.

In the Autumn of 2023 Twining launched a new programme, which required the mobilisation of a new team to work directly with therapists in Barnet NHS Talking Therapies. This team of Employment Advisors have embedded themselves within the therapy teams and now receive referrals for clients that may have obstacles remaining in work or returning from a period of sickness; or to help those out of work to overcome barriers and help them to start thinking about looking for work.

Twining Enterprise had an exciting start to 2024 when it announced plans to join forces with Hestia, a charity supporting people to recover and build a life beyond crisis. This partnership will increase its capacity and enhance the support it can provide for people with mental health needs. The integration of the two organisations is expected to take around 12 months, with a full merger planned for early 2025.

The charity looks forward to implementing similar projects and partnerships in the coming year, as helping people with mental and physical health conditions to find and stay in meaningful work remains one of its core objectives.

If you are able to, please join Twining Enterprise in its mission to end the vicious cycle of mental health and unemployment. If you wish to find out more about their work, make a donation or sign up as a supporter, please visit **walkercrips.co.uk/Community**.

We remain enormously grateful to Walker Crips for the instrumental support you provide us with! It’s only with your continued and incredibly generous help that we can continue helping clients like Gloria and Yan find and remain in good, sustainable work, creating brighter futures not only for themselves, but also for their families and their local communities.

Oliver Jacobs
CEO, Twining Enterprise

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

Find out more ›

Headline achievements

In the past five years Twining Enterprise has:

- Supported **over 10,000 people** to rebuild their lives through the support received from their Employment Specialists applying evidence-based employment support models.
- Become a **leader in the Individual Placement Support (IPS) model** of employment support, trailblazing IPS in Primary Care and innovating with the IPS model in Secondary Care.
- Seen its **income grow over 25%** and is well positioned for further growth.
- Created **effective and long-lasting partnerships** with the NHS, Department for Work and Pensions (DWP), leading London employers and a whole series of local community organisations.
- Has become known for the **quality of its services** and empathic client relationships, high performance, local embeddedness, positive culture and delivery of insightful data.

About Twining Enterprise

Twining has been offering mental health and employment support throughout London for nearly 30 years. Since 2008, the charity has successfully implemented 70 diverse projects, benefitting over 15,000 individuals. These initiatives encompass a variety of proven employment support models, such as Individual Placement and Support (IPS), peer support and job retention. Additionally, Twining continues to innovate by incorporating digital interventions to extend its reach to more individuals in need. The charity has extensive experience in North and West London boroughs, supported by robust relationships with statutory bodies, community organisations and employers.

Twining's services

Twining empowers individuals to take responsibility for themselves, achieve financial independence, find purpose and connect with their local communities. This is accomplished through personalised and group interventions, customised support, coaching and mentoring. The charity's specific services include career advice and guidance, assistance with CV writing and job applications, mock interview practice, stress management training, welfare benefits advice, in-work or return-to-work support and advocacy.

Additionally, Twining collaborates with local and national employers to help them address mental health in the workplace, recruit and retain employees with mental health conditions effectively and identify and create job opportunities for their clients.

Spotlight case studies

"Hoi first asked me what kind of work I would like to do. After working for several years as a receptionist, I wanted a change. I wanted to do something in the mental health sector."

Gloria

Gloria had found herself in a dark place with her mental health, but made the brave move to help herself and called upon the assistance of people she knew could support her back to health – her Health Coordinator, her family and our Employment Specialist, Hoi. With Hoi's support and guidance, Gloria has now managed to secure a job as a trainer at a local college.

"Monica was my pillar of strength; she encouraged me and made me feel strong enough to stand up for myself."

Yan

When Yan found herself being unfairly treated at work, she wasn't sure which way to turn, but thankfully found our Employment Specialist, Monica. Monica worked with Yan for six months to explain her rights to her and provide support through the toughest of times.

Principal risks and uncertainties

Approach

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

Our framework

The Company operates a three line of defence model as set out opposite.

Framework

Board

- Responsible for establishing a sound and effective risk management framework.
- Sets risk appetite.

Audit Committee

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

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

Third line

Internal Audit

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

Second line

Risk Management Committee

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

Compliance Committee

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

Second line control teams

- Provide independent challenge and oversight of first line control activities.
- Monitoring and reporting of risks to the Board and senior management.

First line

First line risk owners

- Perform quarterly assessment of risks within the Company's Risk Matrix.
- Ensure risks within their areas remain robustly identified, assessed, controlled and mitigated.
- Includes Client Onboarding & Suitability, Operations, Finance, HR, T&C and Technology teams.

Risk appetite

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

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

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

During the period there were no matters that exceeded these tolerances.

Risk management developments

During the period and subsequently there were the following key developments which have and will contribute to improvements in risk management at the Group:

- Hire of Chief Risk & Compliance Officer, Christian Dougal, who's 30 years of experience and expertise in risk management, compliance and operations will help to drive and deliver enhancements to the Group's risk management framework.
- Hire of Group Manager of Risk, Bhumi Sanders, who's 10 years of risk management experience and expertise will inform and support an enhanced Group Risk team.
- Initiation of a review into WCIM's compliance framework and customer journey which is being conducted by an external adviser.
- Review of the Group's ICARA document, process and winding down plans conducted by an external adviser.
- Significant investment in WCIM's CASS Enhancement\Remediation activities, supported by two external specialist advisory firms, which in conjunction with a restructure of the CASS Team, and additional headcount, has generated material improvements in WCIM's regulatory compliance in this area.
- A selection process has been initiated to invest in a Governance, Risk and Compliance (GRC) system for the Group which will underpin the required improvements in the efficiency and effectiveness of the Group's risk management and compliance frameworks.

Principal risks and uncertainties

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

Changes in risk status reflect developments identified as part of the Group's Risk Matrix and Material Risk of Harms Assessment during the financial year ended 31 March 2024 and forward-looking assessment of the risk landscape in the financial year ending 31 March 2025, by the Head of Group Risk. Changes to the Group Risk Matrix are based on assessments by the relevant risk event owner, of changes to the estimated impact or likelihood of a particular risk event as part of the Group Internal Capital and Risk Assessment Process ("ICARA").

Principal risks and uncertainties continued

Risk	How it arises	Mitigation	Status
Client risk/Counterparty risk			
Client/ Counterparty failure to meet its obligations to the Group **Risk appetite** Low/Medium **Status** Unchanged	The risk that a client or market counterparty will not meet its obligations to the Group in accordance with agreed terms resulting in losses. This risk can arise when a client fails to pay for a purchase of shares or to deliver a certificate of ownership of a stock which has been sold. A similar exposure also arises if a market maker fails to complete the same trade through corresponding payment or stock delivery.	Daily monitoring of clients' positions and counterparty exposures and individual trade limits. Credit assessments of counterparties and treasury policy to avoid concentration risk. Credit risk assessments of banks and custodians, active monitoring of exposures and use of credit ratings. Using several banks to hold both clients' and the firm's money, with levels being constantly reviewed.	Against a continuing difficult economic and geo-political environment, resulting in reduced investor confidence, trading activity and connected client exposures were lower in the period. These exposures alongside those relating to other counterparties remained well monitored and managed throughout the period.
Conduct risk			
Customer outcomes **Risk appetite** Low/Medium **Status** Increased	The risk that clients or the wider market suffer detriment as a result of inappropriate behaviour or actions by staff or business partners. This risk can arise when representatives of the Group are not given sufficient training or awareness of the highest standards of behaviour central to the services of the Group, those being honesty, integrity and fairness.	Clear and balanced financial promotions, suitable investment advice and complaints management. Board and management oversight, development of staff and training, strong corporate governance with defined roles, ensuring the tone from the top sets a fair, positive and ethical culture.	The Group delivered on the key requirements of the Consumer Duty regulation for the 31st July 2023 implementation deadline. The first annual assessment (Consumer Duty Board Report) of whether good customer outcomes are being achieved is nearing completion, ahead of the 31st July 2024 industry-wide completion deadline. In the period, the Group's internal auditors conducted reviews on the Walker Crips Investment Management's (WCIM) Suitability and Culture & Conduct frameworks. Findings from these reviews are being addressed, and will continue to be addressed in the next period, alongside any recommendations that arise from a separate review on the customer journey by one of the firm's external assurance partners. To better support it's customers under the Duty, the Group has upgraded its Walker Crips Client Portal mobile app and enhanced the Group website, during the period. For the latter initiative, the Group was awarded the prestigious "Clear English Standard" mark by the Plain Language Commission. This is a significant achievement that underscores our commitment to clarity and accessibility in all our communications.
Regulatory risk **Risk appetite** Zero/Low **Status** Increased	The risk of failure to comply with new or amended regulations incurring fines and causing reputational detriment. Failure by Management to recognise the scope and impact of new or amended regulations on the business model and resources needed to implement change.	Board oversight, development of staff and training, strong corporate governance with defined roles, recovery plan, monitoring the Group's performance relative to competitors, compliance monitoring programme, regulatory development oversight, documented policy and procedures and regular contact with regulators. Peer comparison and communication, increased compliance personnel and early gap analyses conducted.	The regulatory risk landscape remains dynamic and highly challenging, with the resource required to remain compliant ever increasing. During the period the Group has invested significant financial resources on support from external consultants in support of its continued embedding of Consumer Duty regulation and remediating areas where gaps have been identified such as the control frameworks for the safeguarding of Client Money and Assets and its broader Compliance framework. An extensive review, led and directed by the Chairman and supported by external advisers will define a target future state for risk and compliance, with significant change targeted for completion by the end of the next period.

Risk	How it arises	Mitigation	Status
Liquidity risk			
Risk appetite Zero/Low **Status** Increased	The risk that the Group is unable to meet its payment obligations associated with its financial liabilities as they fall due. This risk can arise in the stockbroking business, where large amounts of trade values are being settled daily and can lead to a funding requirement due to a delay in market delivery or late settlement by clients.	Maintenance of surplus liquid resources cash flow forecasting, experienced management team monitoring settlement performance and liquid financial trading book that can be realised. Group entities settle intercompany balances regularly and are not reliant on intra-group funding.	Late settlement by clients remains the primary source of liquidity risk for the Group. During the period there were a small number of outside of appetite incidents where this risk crystallised and accordingly processes were reviewed and additional controls implemented. The Group's liquidity position remained sound with balances having increased year on year to 31 March 2024 by 6%, and budgetary projections forecasting cash balances at a similar level at the next financial year end.
Market risk			
Risk appetite Low/Medium **Status** Unchanged	The risk of losses arising as a result of exposure to market movements in the price of securities, foreign exchange and interest rates. This risk can arise when the Group's trading book positions incur losses on negative price movement.	Trading book positions are tightly controlled by centrally imposed trading limits and are regularly monitored.	Proprietary trading book activity in relation to the Group's structured investments division, and the Arbitrage trading desk, was lower than in the previous period. Both remained well managed, monitored and within risk tolerances, which were unchanged in the period.

Principal risks and uncertainties continued

Risk	How it arises	Mitigation	Status
Business model risk			
Risk appetite Medium/High **Status** Heightened	The Group's business is concentrated in the provision of investment management, financial planning and stockbroking to its clients. The Group accepts and manages the market, liquidity, credit, operational, reputational and regulatory risks of participating in this business as explained in other sections of this risk matrix. The scale and concentration of the business model does however expose the Group to economic cycles as follows: The Group's management fee revenues are highly correlated to the value of AUMA, which can be impacted by market levels and client attrition. The Group's commission income is driven by customer trading volumes which can be negatively impacted in times of consumer uncertainty and weakened confidence. The Group's revenues from managing clients' trading cash balances are correlated with the amounts of cash held and interest rate levels. A material proportion of the Group's client base is through arrangements with self-employed investment managers, who may decide to move to competitors and influence their clients to move with them, leading to client attrition. Salaries and revenue share arrangements comprise a significant part of the cost base. A tight employment market, such as that presently persisting in the financial services market, applies significant upward pressures on costs, particularly in a higher inflationary environment.	The Group's business, although concentrated in financial services, has multiple sources of income that in part complement each other. For example, in the last financial year market conditions have favoured our continuing revenue streams arising from managing client trading cash balances at a time when the same market conditions have negatively impacted management fees, trading commissions and fees from our structured products business. Also, a large part of the Group's Portfolio management fees are accrued on a daily basis which dampens the immediate downward impact on management fee income in declining/ volatile markets. The Group is solely equity financed and seeks to maintain capital prudently more than economic and regulatory prudential requirements. This provides a buffer to absorb periods of weak financial performance through market cycles. Economic and regulatory capital requirements and headroom are regularly monitored based on actual performance and business projections. Regulatory capital requirements and capital adequacy are also reviewed through the Internal Capital and Risk Assessment (ICARA) Process and related stress testing. New business initiatives are examined and stress tested prior to implementation. Surplus cash balances are also maintained, and liquidity requirements carefully monitored. Executive Management remains focused on new business initiatives and cost management.	The Group has improved its regulatory capital surplus over the year with the positive contributions from reported profits generated in the year, and a reduction in the capital deduction in relation to intangible assets, partially offset by the capital reduction resulting from dividend distributions. However, the Group's underlying financial performance has deteriorated, against the prior period, with the cost of continued investment in the regulatory control framework and lower trading commissions and management fees, not being fully offset by higher interest income on managing customer deposits and the firm's own money, as explained in the Finance Director's review. During the period a detailed review was conducted on the Group's retention of interest revenue from managing client trading cash balances, supported by external advisers. The Group will continue to monitor its arrangements in this area to ensure good customer outcomes are being achieved, striking the appropriate balance between business sustainability, interest rates paid to clients and maintaining competitive core fees. The Group remains focused on the need to grow its core investment and wealth planning businesses, continuing to sharpen and broaden its product offering, whilst exploring synergies and improving collaboration between various divisions and subsidiaries. Budgetary projections for the year ended 31 March 2025 forecast the continued positive, but significantly reduced impact, of contribution to earnings from, and reliance upon, the higher interest rate environment and related revenues for managing clients' trading cash balances. Key interest rate and inflation assumptions are set out in the going concern and viability disclosures (see pages 42 and 74).

Risk	How it arises	Mitigation	Status
Operational risk			
Business disruption **Risk appetite** Medium **Status** Unchanged	The risk that an internal or external event (e.g., Covid-19) causes failure of core business activities or IT systems supporting them. This risk can arise if we fail to effectively control or administer the operating systems at the root of operations, fail to manage resource requirements properly, maintain inadequate security arrangements, or fail to operate effective business recovery plans.	Business and information system recovery plans are approved, tested and maintained. Data incident log records and analyses all unforeseen events to prevent recurrence or mitigate impact by increasing operational resilience. Insurance cover in place for certain causations (e.g., financial crime and consequential loss).	The Group continued to invest in initiatives to enhance our operational resilience during the period. Key activities included review of our core investment platform, enhancement of recovery planning via the ICARA process, more in depth testing of certain technological aspects of disaster recovery planning and implementation of enhanced outsourcing\supplier policies and procedures. Improvements in our operational control environment to allow us to deliver critical business services to customers efficiently and effectively, will continue to be a strategic imperative.
Cyber security **Risk appetite** Zero/Low **Status** Unchanged	The risk of fraudulent action by internal or external parties maliciously breaching or misusing the Group's internal systems. This risk can arise from failure to implement sufficient controls over security access to all IT systems, failure to provide effective training, and failure to maintain effective controls.	Senior Management oversight, in depth cyber security training programme, policies and procedures (including working from home policies), encryption and protection software installed, prevention procedures, segregation of duties between front and back office, system authority and payment limits and system access controls and heightened employee awareness based on experience to match the greater risk presented by recent threats reported in the sector. Insurance cover in place for certain causations (e.g., cyber crime, data losses).	Risks in the cyber threat environment continue to evolve, driven by technological advances and volatility in the geo-political and economic backdrop. We continue to make the requisite investments in our control environment to ensure our infrastructure remains well protected and our people educated and alert to the dangers we face.
Personnel **Risk appetite** Zero/Low **Status** Increased	The risk of losing key staff and self-employed investment managers who are the drivers of significant components within the Group. This risk can arise from the failure to reward individuals with challenging performance targets, and competitive levels of financial compensation.	Succession and contingency planning and appropriate compensation levels to reward and retain staff. Investment in staff through training, key person insurance cover and contractual restrictive covenants.	The Group experienced a year-on-year increase in staff turnover as it continued to experience pressures from the dynamic financial services employment market. This was accompanied by a marked decline in the Employee Net Promoter Score (ENPS). Additionally, an internal review identified a number of personnel-related shortcomings including constraints on senior executive bandwidth, lack of succession planning, and an underdeveloped people and culture risk monitoring framework. In response to these challenges, a number of senior hires have been made, with plans for further hires in progress. The above self-identified people risks will be addressed over the next year as part of a broader and comprehensive enhancement plan in relation to the Group's Culture and Conduct framework. During the period, the Group continued to upgrade its people management capabilities, implementing an enhanced appraisal process and rolling out a number of DE&I initiatives which received industry recognition, with the Group being shortlisted for multiple awards from a trade body and a global financial services media publication.

Section 172(1) Statement
year ended 31 March 2024

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

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

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

Our workforce
Our directly employed staff and our network of self-employed associates;

Our clients
Those private and professional clients who have entrusted us with providing financial planning advice, managing and safeguarding their investments, and undertaking transaction execution services or them;

Our suppliers
The providers of goods and services on which our business relies;

Our regulators
The bodies which authorise and regulate our activities; and

Our communities and the environment
The local communities in which we operate, the wider public and the environment at large. The arrangements through which the Board has regard for the likely long-term consequences of any decision taken, the interests of those take holder groups in its decision-making and the need to foster good relations with them are set out in the paragraphs below.

The likely consequences of any decision in the long term
Notwithstanding the short-term imperatives brought about by a rapidly changing economic and political environment, the Board has always been careful to consider the long-term implications for the business and its stakeholders of any proposed course of action, whether tactical or strategic. All such proposed courses of action are assessed to ensure they are compliant with the law and regulations, Group risk appetite and the objective of delivering positive shareholder value. All strategic decision-making is supported by consideration of relevant financial and non-financial analysis and forecasting.

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

The means by which the Board and individual Directors engage with shareholders are set out on page 38 of the Report by the Directors on corporate governance matters.

The interests of our shareholders were considered as part of the Board's decision-making throughout the year, including its approval of final and interim dividends, whilst being mindful of the need to preserve cash holdings to satisfy regulatory capital requirements and to maintain the strength of the Group's balance sheet. Such considerations have again been applied to the subsequent decision to recommend payment of a final dividend for approval at the 2024 AGM, as set out in the Chairman's statement on pages 4 to 5.

The Group's workforce
The Board recognises that, as a services business, our workforce is our greatest asset. Consequently, our recruitment, development and remuneration structures are designed to support our culture and our people and to reward good conduct and performance at individual and business levels. Our workforce comprises both directly employed staff and self-employed investment managers, all of whom are engaged at operating company level. Accordingly, day-to-day engagement with the workforce is through the Executive Management and HR functions, which report to the operational boards and to the Audit Committee on a regular basis. Further information on the ways in which two-way communication with the workforce has continued to be developed in the year can be found on pages 10 to 13.

As described in more detail there, the culture of engagement being embedded across the Group involves regular staff satisfaction surveys, emphasising equality and celebrating cultural and religious diversity, prioritising the health, safety and wellbeing of all staff. An essential element of effective engagement has been the enhancement of our staff annual appraisal system to ensure consistency in identifying and implementing skill development programmes and measuring performance as well as receiving feedback and addressing two-way concerns. Appraisals are conducted in such a way that they are of equal benefit to both the individual and to management in providing an environment in which our workforce can thrive. In addition, the review and assessment of the competencies of certified individuals in accordance with the FCA's Senior Managers and Certification Regime (SM&CR), to determine their fitness and propriety and their conduct continues to be applied rigorously and is now an intrinsic part of our adoption of the FCA's Consumer Duty rules aimed at ensuring good outcomes for our clients.

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

A positive and proactive approach is taken to staff development by supporting and sponsoring staff to continue their professional studies and secure business-related qualifications to enhance their on-the-job capabilities and personal career development. We individualise training for our workforce, have established relationships with learning providers, have better utilised the apprenticeship levy and opened more opportunities for apprentices. We also have a graduate programme and a learning management system to track and upskill our workforce.

With our employees at the forefront of our organisation, our goal is to be an employer of choice within the industry, where individuals are supported and given the best opportunity to succeed within their roles. We continue to place great emphasis on wellbeing and, as hybrid working patterns are now the norm for the large part of our workforce, their health, safety and wellbeing has remained a primary concern for Management. Details of the ways in which we support our staff are also provided on pages 10 to 13.

Information on our approach to staff rewards can be found in the Remuneration Report on page 53.

Clients
Our mission, throughout the Group, is to make investments rewarding for our clients. Our investment professionals undergo continuous professional development to remain fit and proper to service and advise our clients to the highest standards. We are committed to ensuring that our clients receive good outcomes, and our business model and strategy align with the FCA's Consumer Duty standard.

In the past year, we have reviewed and updated all our client-facing documentation to comply with the Duty's customer understanding outcome. All client communications are reviewed with a "Consumer Duty lens", considering tone and language to ensure plain English usage and accuracy. Our Group website has been audited by the Plain Language Commission and awarded the "Clear English Standard" mark, denoting clarity and ease of use.

We have initiated 'client life cycle' surveys, triggered at specific milestones in the customer journey. The feedback received via these surveys is monitored and acted upon to ensure we provide our clients with the best possible service. Our Vulnerable Client Subcommittee has developed an infrastructure to assist our client-facing staff to identify and provide additional support to vulnerable customers, whether their vulnerable status be temporary or permanent, due to a physical impairment, a specific life event (e.g., a bereavement or a change in circumstances), or factors relating to their resilience or mental capability. Additionally, our customer services team has been expanded in scope and headcount to form a dedicated Customer Support department within Walker Crips Investment Management Limited ("WCIM").

In the last year, we launched two new microsites for our Financial Planning and Pensions divisions. These sites provide streamlined navigation and offer intuitive and informative platforms to support existing and prospective clients alike. As part of our ongoing commitment to "simplify and digitise," we continue to enhance our Client Portal. We are currently developing additional security features for our mobile app, including biometric login functionality.

Our online client onboarding platform now accommodates Individual Savings Account ("ISA") applications as well as those made by joint or multiple applicants. Our development team is working on further enhancements to enable online onboarding for other entities, such as trusts, companies, and charities, as well as indirect customers introduced to us on an "agent as customer" basis via third parties.

We remain acutely aware of the increased volume and sophistication of those engaging in financial crime. We highlight any attempts to clone or impersonate the Walker Crips brand to our client base and take steps to ensure that our vigilance and the robustness of our systems against any form of malicious attack are maintained at the highest level to protect our clients and their assets.

The security of our clients' money and investment assets is of the utmost importance to us, and we strictly adhere to the FCA's associated rules. We ensure that client money and assets are kept distinct from the Group's own holdings, placing client funds exclusively with approved banks. Client assets, when registered under one of our nominee companies, are held in trust and remain separate from the Group's ownership. Our compliance function diligently monitors and reports on various conduct aspects to the Executive Management Committee and Board to ensure good outcomes for our clients.

Suppliers

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

Despite the continued pressures on cash flow, we have not sought to extend our credit terms and, as disclosed in note 25 to the accounts on page 96, the Group took an average of 9 days to settle supplier invoices in the year, down from 11 days in the previous year, which demonstrates our fair payment practices.

However, as part of our cost control measures during the year, we have renegotiated a number of supplier contracts to ensure we are getting the best value for money for our investors.

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

HSBC is the Group's primary banker and provides a range of transactional banking, treasury and other services. In addition, HSBC provides WCIM with an intra-day CREST capital facility, as WCIM's Crest Settlement bank, which WCIM relies on to facilitate efficient settlement of a large volume of investment transactions within the CREST securities transfer system. This intra-day line is capped at £12.5 million, but is raised from time to time, on agreement with HSBC, to facilitate larger transaction settlement primarily in relation to the Company's structured investments business.

We strive to maintain good relationships with the landlords of our office premises and have been successful in negotiating the best possible terms for the completion or renewal of our property leases. We simply do our best to be regarded as good tenants.

Regulators

The Group, containing a number of subsidiaries authorised and regulated by the Financial Conduct Authority ("FCA"), seeks to operate and interact with the FCA in an open, positive and cooperative manner at all times. Engagement with the FCA is primarily through the CEO, the Head of Group Compliance and the Head of Group Risk. These engagements are reported into the Board, the Audit Committee, relevant subsidiary boards, the Group Risk Management Committee and the Group Compliance Committee, to enable the Group to ensure that it is meeting FCA regulatory expectations, and to assist the regulator in meeting its own statutory regulatory objectives.

Communities and environment

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

As disclosed on page 7 of the CEO's statement, and in more detail in the "Supporting our community" section on pages 20 to 21, we are active supporters of Twining Enterprise, a registered charity helping Londoners with mental health problems get work and stay in work, supporting employers and campaigning against mental health stigma.

We are committed to minimising the impact of our activities on the environment and have implemented a range of policies, procedures and practices as set out on page 7 of the CEO's statement. We have also considered more widely the impact of our activities on the environment as well as our approach to climate change, details of which can be found in our Environmental strategy report, which includes our disclosures under the TCFD framework, on pages 30 to 33.

Reputation

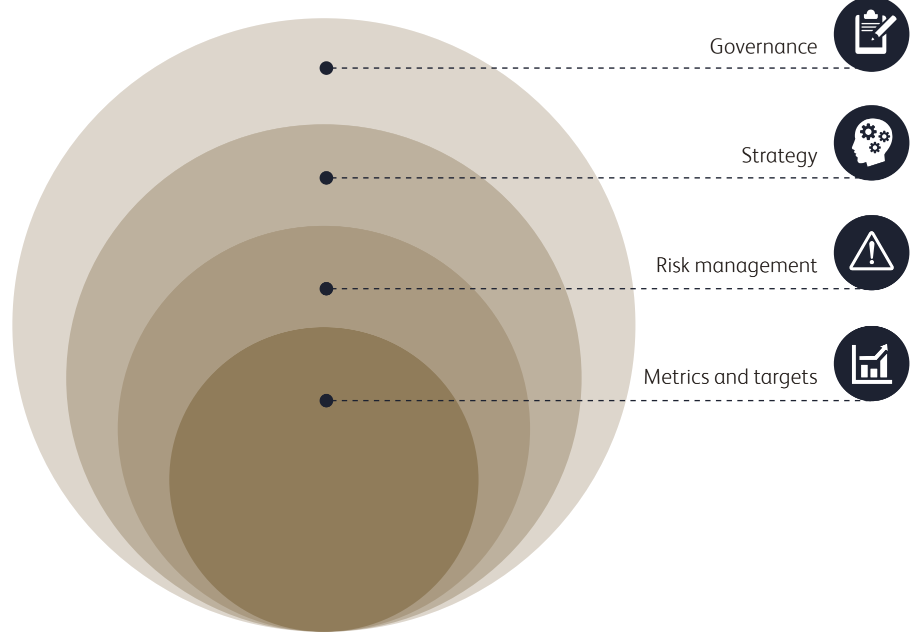
The Board recognises the importance of maintaining a robust corporate governance framework and a reputation for high standards of business conduct, as is set out in the Directors' report on corporate governance matters on pages 37 to 42.

Environmental strategy (including TCFD)

The Board remains dedicated to addressing the critical challenges of environmental sustainability, recognising the compelling evidence of rapidly rising global temperatures and the resulting increase in extreme weather events. The scientific community, led by the Intergovernmental Panel on Climate Change ("IPCC"), underscores the urgency of limiting global warming to 1.5°C above pre-industrial levels.

As a responsible organisation, we acknowledge our fiduciary duty to protect the planet and the interests of future generations. We believe that achieving meaningful progress requires collective action and cooperation across all sectors of the global economy. Walker Crips is steadfast in its commitment to facilitating the transition to a net-zero economy.

Our environmental strategy is centred on aligning with the objectives of the Paris Agreement, which aims to keep global warming well below 2°C, with efforts to limit it to 1.5°C. In pursuit of this goal, we reaffirm our target to achieve net-zero emissions by 2050, or sooner, as set in previous financial years.



What is TCFD?

In response to the increasing demand from investors, banks, and other stakeholders for transparent and consistent climate-related financial disclosures, the Financial Stability Board established the Task Force on Climate-related Financial Disclosures ("TCFD") in 2015. Recognising the significance of this framework, the Board remains committed to implementing the TCFD recommendations, viewing them as essential for identifying and communicating climate-related risks and opportunities within our operations.

The TCFD framework is built around four key pillars: governance, strategy, risk management and metrics and targets. These components provide a robust structure that allows us to assess and disclose climate-related issues. The TCFD's recommended disclosures enhance these elements by offering detailed guidance on the specific information that organisations should report, thereby helping stakeholders to better understand and evaluate climate-related risks and opportunities.

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

Walker Crips and TCFD

This marks our third report detailing the Group's progress in implementing the TCFD recommendations, in compliance with Listing Rule 9.8.6R, which became mandatory for premium listed companies for financial periods starting on or after 1 January 2021.

The following disclosures present an overview of the Group's continuous efforts to incorporate climate risk and opportunity identification and management into our core business strategy. As this field evolves swiftly, we anticipate ongoing advancements in the methodologies and tools available, which will further refine our assessment processes.

Governance

The Group acknowledges the significance of climate-related activities and has established an efficient governance framework to manage them effectively. This framework ensures rapid escalation and resolution of any arising issues, allowing the senior management team to respond swiftly and decisively.

Board of Directors

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

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

Role of management

The Group's senior management team is responsible for the day-to-day management of climate-related risks and opportunities facing the business. At the end of the 2023/24 financial year, a third annual Carbon Footprint Report was produced which analysed and calculated the Group's carbon footprint across all its UK offices.

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

Strategy

Carbon reduction

The Group continues to develop a sustainability strategy and approach that is both in line with wider market trends and reflects the interests and concerns of stakeholders.

Data disclosed in this report relates to the 2023/24 financial reporting period, as well as the four previous years, starting with our baseline year of 2019/20.

We have calculated our emissions using the total floor area and headcount for each of our offices to best represent the scale of the business, as most of the Group's energy usage stems from the buildings from which we operate.

Methodology

Where reasonable and practicable, verifiable information such as meter readings, invoices and staff expenses have been used. Where verifiable data was not available, estimates based on data from previous comparable time periods have been used.

The footprint calculation measures the seven greenhouse gases identified in the Greenhouse Gas Protocol and uses the appropriate year's DEFRA/DBEIS emissions factors. These emissions are aggregated and reported as tonnes of CO_2 equivalent (tCO_2e). This method provides accurate verifiable data that is both SBTi (Science Based Targets Initiative) and SECR (Streamlined Energy and Carbon Reporting) compliant. Carbon footprints are reported using location-based data which uses a grid average carbon emission factor for electricity consumption, as 100% of the Group's activities occur within the United Kingdom.

The footprint includes carbon associated with Scope 1 (direct), Scope 2 (indirect – purchased electricity and heat) and Scope 3 (indirect from supply chain) emission sources.

Variations in data collection and measurement

Having expanded on the Group's Scope 3 reporting for the 2023/24 financial year, we have updated our reporting format to better align with the mandatory Scope 1 and 2, and voluntary Scope 3 requirements for SECR reporting.

Full carbon accounting requires a significant amount of data collection, especially the data associated with Scope 3 carbon emissions – i.e., those which are related to indirect emissions from the organisation such as paper, waste/recycling and couriers. The data collection method is improving year-on-year and is becoming a lot more accurate.

We have also seen an increase in staff returning to the office on a more hybrid basis following the Covid-19 pandemic. This has resulted in an increase in staff commuting, business travel and hotel stays, which partly explains the variations and, in some offices, increases in carbon emissions identified.

In previous years, we have not included courier emissions in our carbon footprint. Based on the 2023/24 courier mileage, we have added 23.799 tCO2e to our overall carbon footprint.

Carbon reduction activities

- We are installing energy efficient lighting and interior motion sensors throughout the Group's offices where appropriate.
- Replacing end-of-life appliances with energy-efficient replacements.
- Working with our building landlords to ensure, where possible, electricity and gas consumption is directly from renewables.
- Liaised with building landlords to ensure that cooling/heating systems do not operate unnecessarily outside of business hours.
- Considering solar temperature control measures, such as the application of reflective coating to office windows.

Education and changing workplace habits

When it comes to workplace energy expenditure, we believe the day-to-day habits of our people are more influential than any design change. Therefore, we are also addressing the following:

- The CSR Action Group plays a key role in employee engagement, encouraging a "reduce/reuse/recycle" approach wherever possible.
- We are reviewing our processes around the use of appliances and switching off equipment at the end of a working day.
- Our "Think before you print" initiative encourages the use of electronic signing and file storage, minimising the necessity to print.
- The temperature in our server rooms has been adjusted to allow a reduction in energy consumption, without compromising the functionality of our hardware.
- We are improving our recycling processes across the Company.

Risk management

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

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

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

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

Environmental strategy (including TCFD) continued

Climate-related risks

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

Climate-related opportunities

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

Metrics and targets

Walker Crips Group Carbon Footprint

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

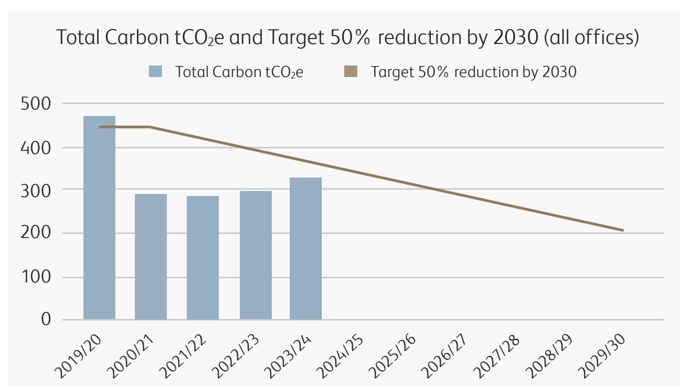
		2019/20 (tCO_2e) Baseline year	2022/23 (tCO_2e)	2023/24 (tCO_2e)
Scope 1	Refrigerants	0.02	0.01	0.1
Scope 2	Purchased electricity	114.83	65.51	66.47
	Purchased heat	50.78	36.73	56.92
Scope 3	Material use	12.94	7.24	9.02
	Business travel – flights	2.60	0.88	7.15
	Business travel – road	6.50	40.31	40.76
	Business travel – rail	2.97	6.07	3.97
	Employee commute (Road/rail)	274.16	91.96	47.17
	Employee WFH (Total equipment, lighting & heating consumption per year (kWh))	0.46	44.75	74.77
	Hotel stay	0.78	3.77	5.71
	Couriers	–	–	23.80
	Waste Disposal and recycling	0.01	-1.56	-1.46
	Water Supply & treatment	8.37	0.46	0.85
	TOTAL (tCO_2e)	**474.42**	**296.13**	**335.14**

All offices	2019/20	2020/21	2021/22	2022/23	2023/24
Total Carbon tCO_2e	474.42	289.02	281.99	296.13	335.14
Carbon per FTE	1.97	1.20	1.17	1.23	1.35
Carbon per m^2	0.21	0.13	0.12	0.13	0.18

The primary reason for an increase in emissions this financial year can be attributed to the inclusion of courier information for the first time, along with an increase in business flights from the very low levels of the Covid-19 pandemic period. Despite the 13.17% year-on-year increase in emissions in 2023/24, we remain on course to reach our targets as set out below, having achieved a 29.36% reduction in annual carbon emissions from our pre-Covid baseline year of 2019/20.

Target

In line with best practices, the Group remains committed to achieving a net-zero target by 2050, aiming for a 90% reduction in carbon emissions compared to our 2019/20 baseline. We have set an interim goal of a 50% reduction by 2030. This target aligns with the Global Goal of a 45% reduction in global emissions by 2030, as recommended by the Intergovernmental Panel on Climate Change ("IPCC"). By adopting this interim target, the Group is supporting the Paris Agreement (established in 2015 at COP21) and its objective of limiting global temperature rise to 1.5°C or below.



Board of Directors

Our Board of Directors brings a wealth of knowledge and experience to the strategic leadership of Walker Crips Group.

Sean Lam

FCPA (Aust.), Chartered FCSI

Group Chief Executive Officer

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

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

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

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

Sanath Dandeniya

FCCA

Group Finance Director

Sanath Dandeniya was appointed Group Finance Director in September 2019.

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

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

Martin Wright

Chairman

Martin Wright was appointed to the Board in July 1996 as a Non-Executive Director and was appointed as Chairman in September 2020. He is Senior Counsel at Charles Russell Speechlys LLP (Solicitors), having retired as a partner there after being a partner in the firm for more than thirty years. Martin is a member of the Law Society. He is also a Non-Executive Director of a number of private companies.

Membership key

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

David Gelber

Non-Executive Director

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

He served as Group Chief Operating Officer of ICAP plc from 1994 to 2005 and previously held the position of Chief Operating Officer of HSBC Global Markets. Prior to joining HSBC he held senior trading positions at Citibank, Chemical Bank and JPMorgan. He currently serves as the Senior Independent Director of AA4+ PLC, a closed end aircraft leasing company, and DDCAP Ltd a leading arranger of Sharia compliant financial transactions.

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

Hua Min Lim

Non-Executive Director

Hua Min Lim is the Executive Chairman of the PhillipCapital Group of Companies and was also appointed Chairman of IFS Capital Limited on 20 May 2003. He began his career holding senior positions in the Stock Exchange of Singapore and the Securities Research Institute. He has served on a number of committees and sub-committees of the Stock Exchange of Singapore.

In 1997, he was appointed Chairman of the Stock Exchange of Singapore ("SES") Review Committee, which is responsible for devising a conceptual framework to make Singapore's capital markets more globalised, competitive and robust. For this service, he was awarded the Public Service Medal ("PBM") in 1999 by the Singapore Government. In 2014, he was also awarded "IBF Distinguished Fellow" (Securities & Futures), the highest certification mark bestowed by The Institute of Banking and Finance on industry captains who are the epitome of professional stature, integrity and achievement. In 2018, he was named Businessman of the Year 2017 at the annual Singapore Business Awards, which is Singapore's most prestigious business accolade. He served as a board member in the Inland Revenue Authority Singapore from 2004 to 2010.

Hua Min Lim holds a Bachelor of Science Degree (Honours) in Chemical Engineering from the University of Surrey and obtained a Master's Degree in Operations Research and Management Studies from Imperial College, London University. Hua Min Lim joined the Walker Crips Group Board in March 1993.

Chairman's introduction to corporate governance report

Dear Shareholder

On behalf of the Board, I am pleased to introduce our Corporate Governance Report for this reporting period.

I feel there is no fitter way to start than to reiterate the theme expounded in my introduction to last year's Corporate Governance Report that the Group's governance structure is key to the formulation and implementation of a strategy for the development of the business and that I and my fellow Directors are determined that the Group's governance is applied in a relevant, proportionate and meaningful way in line with our declared values.

We recognise that good corporate governance is the bedrock on which a well-run organisation is built. It is evident, both from our own experience and the emphasis placed on it by regulators, that effective and integrated governance structures are the essential element to delivering the right outcomes to our key stakeholders identified in our Section 172 Statement on pages 28 to 29.

In particular, the FCA's Consumer Duty regime, which came into force at the end of July 2023, has brought into greater focus the need to ensure that our culture, behaviours and the way in which we deliver our services continue to prevent consumer harm and facilitate good consumer outcomes.

To ensure that we meet the highest standards in the intensively competitive industry in which we operate, out Audit Committee has asked our internal auditors, Grant Thornton, to undertake thorough reviews of culture and conduct and the corporate governance arrangements throughout the Group and their findings and recommendations are being, and will be, taken onboard by the Board and Management in any instances where we are falling short. Suffice it to say that we will not be satisfied until we are sure that our governance is robust, fit for purpose and in line with best practice.

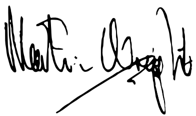
In this regard, it would be remiss of me not to expand upon the reference in my Chairman's statement to Clive Bouch's departure from the Board after the year end, with effect from 27 June 2024, and the temporary effect this has had on our compliance with certain provisions of the 2018 UK Corporate Governance Code ("the 2018 Code"). In addition to serving on the Board as a Non-Executive Director since 2017, Clive also held the appointments of Senior Independent Director and Chairman of the Board's Audit and Remuneration Committees. His departure has therefore caused an imbalance in the Board's composition. We expect to resolve the deficiency in the near future with the appointment of two new Independent Non-Executive Directors whose introduction will enable us to fully satisfy the Code's provisions in relation to the independence and experience of the Committees' Chair and members. In the interim, I am most grateful to David Gelber, who has served on the Board since 2007 and as my predecessor as Chairman, who has agreed to act as the Audit and Remuneration Committees' Chairman until the new appointments are made. I and the rest of the Board are satisfied that these interim arrangements will not impact adversely on our governance standards and effectiveness.

Another area of focus for listed companies such as ours is that of meeting the gender and ethnic diversity targets set by the FCA's Listing Rules. Whilst we have not yet reached those targets, as set out on page 39 in the following Report of the Directors on corporate governance matters, they are an important factor in our recruitment processes and the plans referenced will go a long way to addressing this. However, achieving full compliance with the targets will always be a challenge for a company of our size, reflected in the size of the Board.

Resources remain an issue for us, operating as we do in an employment market where skills and experience are in high demand, but we are determined to attract quality managers and staff by offering competitive packages and a workplace that encourages personal development and provides a positive environment in which to thrive. A big step towards filling the identified skills and bandwidth gaps has been the recent recruitment of a highly experienced Chief Risk and Compliance Officer and further strengthening of the senior management team will follow. Amongst other benefits, this will enable us to reduce the recent use of external consultants deployed as expedients.

Although the 2018 Code continues to apply to our Company this year, the Financial Reporting Council issued an updated Code on 22 January 2024, the majority of which comes into effect for accounting periods commencing on or after 1 January 2025 and therefore applies to the Group's next financial year from 1 April 2025. However, the key changes which relate to the Board's responsibilities for systems of risk management and internal control, including non-financial reporting controls, have been deferred for a further 12 months and the Board will be required to include in our Annual Reports from 2027 onwards a declaration of the effectiveness of all material controls as at the balance sheet date. Notwithstanding their future application, our controls are already in the process of being enhanced and our preparation work for meeting the new reporting requirements is well underway.

To conclude, I confirm that, in compliance with the 2018 Code (which provides that the Directors should be subject to annual re-election), all current members of the Board will be putting themselves forward for re-election at the forthcoming Annual General Meeting.



Martin Wright
Chairman

31 July 2024

Report by the Directors – on corporate governance matters

year ended 31 March 2024

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

Compliance

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

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

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

Board leadership and Company purpose

Purpose, values, business model and strategy

The Group's purpose, values, business model and strategy, their alignment with our culture, and how we seek to generate and preserve value over the long term, are set out on pages 8 and 9.

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

- evaluating strategic proposals to ensure that they are aimed at enhancing the business model and generating value for shareholders;
- considering the views and priorities of stakeholders and the impact on strategy;
- identifying and reviewing existing and emerging threats to plan and business risks, and how these are being managed or mitigated, as described on pages 24 to 27;
- ensuring the Group's resources and competencies are aligned with achievement of its strategic ambitions;
- reinforcing the Group's values by adopting workforce policies and practices that are consistent therewith;
- promoting effective channels for the workforce to raise any concerns;
- implementing robust procedures to manage conflicts of interest;
- monitoring progress towards the delivery of the Group's strategic initiatives; and
- undertaking half-yearly assessments of the Group's prospects and viability and its ability to continue as a going concern, as detailed on pages 41 to 42 and 74.

Particular attention was given during the year to reassessing the Group's principal risks and the effects upon them and the business model of the impact of global conflicts, particularly those in Ukraine and the Middle East, on the global economy and capital markets, inflationary pressures and geopolitical factors.

Culture and workforce engagement

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

- Executives' and the HR department's regular engagement with the workforce as explained further on pages 10 to 13;
- regular discussion at Board meetings on culture and matters of concern to the workforce;
- promoting our speak up policies and reviewing the outcomes of whistleblowing reports and remedial actions;
- monitoring levels of absenteeism and workforce turnover;
- receiving reports on conduct, including compliance breaches and any instances of fraud, and considering non-financial behaviours when assessing individual and Group performance and reward; and
- periodic review and approval of all Group policies regarding conduct, health and safety, human resources and social responsibility, amongst others.

The Board has not adopted one of the three methods of workforce engagement set out in the Code as the Group has a relatively small number of employees with regular engagement through the Executive Directors and through our Group Head of HR, which the Board believes provides timely and relevant communication and awareness of key matters. Details of the methods used are also given in the "Our people and culture" section on pages 10 to 13 and the Section 172 Statement on pages 28 to 29, as are the means by which the views and interests of the Group's other key stakeholders are considered and taken into account in the Board's decision-making.

Report by the Directors – on corporate governance matters continued

year ended 31 March 2024

Board leadership and Company purpose continued

Engagement with shareholders

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

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

More information on how the interests of shareholders have been taken into account in the year is contained in the Section 172 Statement on page 28.

Division of responsibilities

Effectiveness

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

Independence of Non-Executive Directors

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

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

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

Division of responsibilities

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

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

The plan previously reported to consolidate the Group by merging certain regulated entities will allow a more holistic oversight of the business as a whole. This plan remains an intrinsic part of the Company's business plan.

Governance framework

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

Matters reserved for the Board

The Board has a formal schedule of matters reserved to it for decision-making, including, inter alia, developing the future direction of the Group's business, agreeing policies and procedures, approving material transactions, business plans, business risk reviews and borrowings, and monitoring the Group's progress.

The full list of matters reserved for the Board is available on the Company's website at walkercrips.co.uk.

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

Division of responsibilities continued

Board attendance

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

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Total number of meetings	10	6	3	1
Martin Wright (Chairman)	10	6	3	1
Clive Bouch (Senior Independent Director)	9	6	3	0
David Gelber (Non-Executive Director)	10	6	3	1
Hua Min Lim (Non-Executive Director)[1]	3	n/a	0	0
Sean Lam (Chief Executive)	10	6	3	1
Sanath Dandeniya (Group Finance Director)	10	6	3	1

1 Hua Min Lim, who is based in Singapore, is provided with management information packs in advance of each Board Meeting for his comments, which are then relayed to the Board on his behalf for those Meetings he is unable to attend.

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

Composition, succession and evaluation

Diversity and inclusion

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

The Company met the third of the three targets on Board diversity set out in LR 9.8.6R (9) as at the year end, being that at least one of the Board members is from a minority ethnic background. As shown in the table below, three of the six Board members or 50% at the year end were from a minority ethnic background (the numbers in brackets being the prior year end comparatives).

However, the other two targets, (i) that at least 40% of Board members are women and (ii) that at least one of the senior Board positions listed in the table is held by a woman, were not met at the year end, as the table illustrates.

Accepting this, the changes to the composition of the Board resulting from Clive Bouch's departure and the prospective appointment of two new Independent Non-Executive Directors as referenced in the Chairman's statement of page 5, will go a significant way towards reaching target (i) above and are expected to enable us to meet target (ii) by appointing one of the candidates to the role of Senior Independent Director. Given the size of the Company and its Board, meeting target (i) will remain a challenge without a disproportionate increase in Board members.

As noted above, the following table sets out the gender and ethnic diversity of the Board and Executive Management at the year end, with the prior year comparatives contained in brackets.

	Number of Board Members		Percentage of the Board		Number of Senior Positions on the Board (CEO, CFO, SID and Chair)		Number in Executive Management		Percentage of Executive Management	
Gender identity										
Men	6	(6)	100%	(100%)	4	(4)	10	(11)	67%	(69%)
Women	0	(0)	0%	(0%)	0	(0)	5	(5)	33%	(31%)
Other categories	0	(0)	0%	(0%)	0	(0)	0	(0)	0%	(0%)
Not specified/prefer not to say	0	(0)	0%	(0%)	0	(0)	0	(0)	0%	(0%)
Ethnic Background										
White British or other White (including minority-white groups)	3	(3)	50%	(50%)	2	(2)	12	(13)	80%	(81%)
Mixed/Multiple Ethnic Groups	0	(0)	0%	(0%)	0	(0)	0	(0)	0%	(0%)
Asian/Asian British	3	(3)	50%	(50%)	2	(2)	2	(2)	13%	(13%)
Black/African/Caribbean/Black British	0	(0)	0%	(0%)	0	(0)	1	(1)	7%	(6%)
Other ethnic group, including Arab	0	(0)	0%	(0%)	0	(0)	0	(0)	0%	(0%)
Not specified/prefer not to say	0	(0)	0%	(0%)	0	(0)	0	(0)	0%	(0%)

Report by the Directors – on corporate governance matters continued

year ended 31 March 2024

Composition, succession and evaluation continued

Nomination Committee

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

The Committee will take full account of the Board's policy on diversity in considering any appointments within its remit, which encompasses gender, age, education, social and ethnic backgrounds, disability and cognitive and personal strengths, and includes the appointment of female members of staff to senior management roles within the Group.

Board composition and re-election

As noted earlier in this report, the Board comprised six Directors throughout the year, of whom two undertook executive roles as Chief Executive Officer and Group Finance Director respectively, and four were non-executives, including the Board Chairman. In accordance with the Code, all of the Directors are subject to annual re-election. Therefore, each of the current Directors (Clive Bouch having resigned from the Board with effect from 27 June 2024) will be put forward for re-election at the forthcoming AGM. The Directors' biographies on pages 34 to 35 describe the range, depth and complementary nature of their individual skills and experience.

Audit, risk and internal control

Audit Committee

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

Further information about the Audit Committee, its responsibilities and activities during the year can be found in the Audit Committee report on pages 43 to 46.

Risk management

The Board is responsible for the identification and robust assessment of the Group's emerging and principal risks and this is carried out continually throughout the year. Details of the principal risks and how they are being managed or mitigated are set out on pages 22 to 27.

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

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

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

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

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

The Board assesses principal risks facing the Group, including those that threaten its business model, future performance, solvency and liquidity.

Internal control

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

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

These include, but are not limited to:

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

Audit, risk and internal control continued

Internal control continued

The Directors keep the Group's internal control and risk management systems under review by conducting an annual assessment, involving dialogue with relevant senior managers, of the effective design and operation of the controls to meet key control objectives and to mitigate key risks. In recent years we have experienced too many large costs that have arisen due to key procedures and controls not operating as they should and such failures persisting over time. as referenced in the Chairman's statement, the Board is currently taking steps to address this comprehensively. Accordingly, in addition to the strengthening of our second and third lines of defence in recent years, a fresh review of all key transaction reporting controls, key risk indicators, use of systems and exception reporting are in progress. In addition, we have concluded that senior management bandwidth is too narrow and a strengthening of the management team has already commenced.

The Directors consider that the controls and risk management procedures established and to be implemented will be appropriate for the Group. However, any system of internal control and risk management can only provide reasonable, not absolute, assurance against material misstatement or loss.

Compliance and Financial Crime Committees

The Executive Compliance and Financial Crime Committees assist the Group and subsidiary boards in fulfilling their legal and regulatory compliance and financial crime oversight responsibilities by evaluating, reviewing and reporting on plans of the compliance and financial crime teams, progress reports on actions, issues arising, management information, changes in regulation and enquiries from the regulator. The Committees work to ensure policies are correctly framed, there is appropriate training and a regime for ensuring adherence to the rules, and a suitable process for sanctions where that is not the case.

The Committees' aim to cultivate a culture of compliance and challenge to ensure the Group is delivering good customer outcomes and to prevent the Group being used for financial crimes.

James Hiett, Head of Group Compliance and MLRO, acts as the Chairman for both Committees.

Prospects

The financial year 2023/24 has been a year of continuing challenges with our focus firmly placed on the ongoing work relating to the uplifting of our risk and compliance framework. Our growth strategy relies on our risk and compliance framework being equipped to cope with high demands, not only to cater for new clients, products and services but also to withstand regulatory scrutiny. We are committed to this course and have set aside the necessary investment to achieve our desired outcome.

Notwithstanding the above, the Group will continue to progress the strategies we set out last year as they remain key to the long-term prospects of the Group. Key areas of the Group's strategy are:

1. Nurture and promote our core business

This is our largest revenue generator, providing clients with investment, wealth, pensions and collectives advice and the creation of structured investments and structured deposits for clients, IFAs and counterparties. We aim to grow both organically by home-growing investment managers as well as attracting new investment managers with established client lists. In this regard, the business development team we instigated last year is beginning to yield results and as noted in the Chairman's statement our Structured Investment team launched a new structured deposit initiative that is starting to get traction.

2. Companion services including higher margin alternative investment business

This subset of our core Investment Management business is where we create innovative and higher margin new business lines. (Need to see what CEO report will say)

3. Software as a Service ("SaaS") that looks to identify and close the technology gap

Systems development is a core competency and we create much of our own technology, allowing us to build and integrate many of our systems into one central platform. Our offerings have been taken up by external customers, and we continue to develop products.

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

Viability statement

The Board has carried out a robust assessment of the principal risks facing the Group along with the stress tests and scenarios that would threaten the viability of its business model, future performance and liquidity. This assessment is based on the Group's three-year forecasting model, the ICARA and an evaluation of the Group's emerging and principal risks, as set out in the Risks section on pages 22 to 27.

In assessing the future viability of the overall business, The Directors regularly consider the Group's financial position and projected liquidity and financing requirements along with the Group's current and future strategy. The Board has also considered the business environment of the Group and the potential threats to its business model arising from regulatory and political changes and the impact of operating in the financial services market and the prevailing high cost and interest rates environment.

For the purposes of this viability statement, management have assessed the outlook of the Group by reference to its current financial position, recent and historical trading performance, the principal risks facing the Group, mitigating actions that could be implemented in the event of severe stresses on the business model (see page 74), and three-year projections.

The Group's forecasting model, which forms part of the ICARA process, is subjected to stress tests. These stress tests are devised through discussions with senior management and consist of two alternative stress scenarios, both directly applied to the Group's "base" case budget and projections which assume normal operating conditions.

Report by the Directors – on corporate governance matters continued

year ended 31 March 2024

Viability statement continued

Key assumptions underpinning the base case projections are set out in the going concern disclosure in note 2 on page 74. The stress tests seek to respond to the business model risks disclosed on page 26. A reverse stress test is also performed. The stress scenarios do not include any mitigating actions that would be taken by management were they to emerge.

The Group's base case projections and the two stress scenarios consider the Group's current financial position and the potential impact of principal risks and uncertainties facing the Group. The two alternative stress scenarios considered are: (i) a "bear stress scenario": representing a 10% reduction in management fees, trading commissions and interest income, with the consequent reduction in revenue sharing based costs, compared to the base case in a three-year period, and (ii) a "severe stress scenario": representing a 20% fall in management fees, trading commissions and interest income extending over a three-year period.

Liquidity and regulatory capital resource requirements exceed the minimum thresholds in both the base case and bear scenarios. In the severe stress scenario, although the Group has positive liquidity throughout the period, the negative impact on our prudential capital ratio is such that it is projected to fall below the regulatory requirement in January 2026. The Directors consider these scenarios to be remote in view of the prudence built into the base case projections and that further mitigations available to the Directors are not reflected therein.

Such mitigating actions within Management's control include reduction in proprietary risk positions, delayed capital expenditure, further reductions in discretionary spend, not paying planned dividends and reductions in employee headcount. Other mitigating actions may include disposal of businesses, stronger cost reductions and the potential to seek shareholder support.

The reverse stress scenario is performed to assess the resilience of the Group's business model and strategy. This indicates that the Group would be placed under significant stress if it were to lose 30% of gross income over the next 12 months. The Directors consider the severe stress scenario to be remote in view of the prudence built into the plans and the further mitigations available to the Directors that are not reflected therein.

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

Going concern

The Directors confirm that they have a reasonable expectation that the Group will continue to meet its liabilities as they fall due over the period to 31 October 2025. The Directors' assessment has been made with reference to the historic resilience of the Group, strong cash reserves, its current strategy, the Board's risk appetite and the Group's principal risks and how these are managed.

In the opinion of the Directors, the working capital and regulatory financial resources available to the Group will be sufficient for their present requirements over the period ending 31 October 2025. It follows that they can also support the statement that the Group is a Going Concern for at least the period ending 31 October 2025.

Remuneration

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

The Committee and Board are aware that the current remuneration structures are reflective of legacy arrangements, particularly the formulaic profit share arrangements, and that presently there are no long-term incentive plans in place. Accordingly, the Remuneration Committee will in due course undertake a broader review of remuneration arrangements for Directors and senior management. As explained in the Remuneration report on pages 47 to 59, a review of Executive Directors' base salaries was undertaken during the year.

Information on the Directors' Remuneration Policy, how it was implemented in the year and the work of the Remuneration Committee can be found in the Remuneration report on pages 47 to 59, which also includes the proposed new Directors' Remuneration Policy to be put to shareholders for approval at the forthcoming AGM.

Audit Committee report

year ended 31 March 2024

Chairman's introduction
On behalf of the Board, I am pleased to present the Audit Committee's report on its responsibilities and activities during the year.

Composition and constitution
The Board is responsible for establishing and maintaining an Audit Committee and for appointing its members. The 2018 UK Corporate Governance Code ("the Code") provides that the Committee should comprise only independent Non-Executive Directors of the Company with a minimum of two members.

The Committee comprises two members, which reflects the size of the Board and scale of the business. The Board's emphasis is to ensure that those Non-Executive Directors serving on the Committee have the necessary skills, experience, objectivity and knowledge of the sector to operate effectively and to work together in providing effective guidance and challenge.

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

As reported in the Chairman's statement on page 5, Clive has since left the Board and consequently relinquished his appointment as the Committee Chairman with effect from 27 June 2024. As an interim measure, David has taken over the role of Committee Chairman while the Board Chairman, Martin Wright, has been co-opted to the Committee as the other member as a matter of expediency. As also noted in the Chairman's statement, we anticipate appointing two new Independent Non-Executive Directors both of whom have recent and relevant financial experience and will become Audit Committee members.

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

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

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

Meetings
There were six formal meetings of the Committee during the year. The Committee members' meeting attendances are set out in the Report by the Directors on corporate governance matters on page 39. The Company Secretary acts as Secretary to the Committee.

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

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

Committee activities
The work of the Committee during the year ended 31 March 2024 fell into three main areas:

1. ***Accounting, financial and non-financial reporting***
   The Committee reviewed the:

   a. annual and interim financial statements, reports and preliminary announcements;
   b. significant financial reporting policy disclosures, estimates and judgements;
   c. appropriateness of the preparation of the financial statements on a going concern basis;
   d. viability statement prior to Board approval;
   e. basis of formulation and scope of the Group's Internal Capital and Risk Assessment (ICARA);
   f. TCFD disclosures; and
   g. Annual Report to consider whether, taken as a whole, it is fair, balanced and understandable, includes all required disclosures and provides information relevant to shareholders' assessment of the Group's position and performance, business model and strategy.

Audit Committee report continued

year ended 31 March 2024

2. ***Internal controls***
   The Committee:

   a. monitored the integrity, effectiveness and enhancement of the Group's internal controls, including those over fraud and financial crime and the security of client assets, through consideration of key risks and mitigating controls, and reports and presentations from internal audit, external audit and the Heads of Group Compliance and Group Risk;
   b. agreed with the internal audit service providers the programme of internal audit reviews and any modifications thereto;
   c. reviewed actions taken, and challenged the appropriateness of deadlines for implementation, in response to reports on internal controls in order to address matters identified; and
   d. considered the effectiveness of the systems established to identify, manage and monitor financial and non-financial risk.

3. ***External audit***
   The Committee:

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

There have been no interactions between the Company and the FRC during the period. When reviewing the preparation, content and presentation of the Annual Report, the Committee considers, and challenges Management on actions to take account of, the key matters raised by the FRC for 2022/23 reports.

External auditor
PKF was reappointed as the Group's external auditor by shareholders' resolution at the 2023 AGM to serve until the conclusion of the next meeting at which accounts are laid. Accordingly, a resolution to reappoint PKF as auditor will be put to shareholders at the forthcoming AGM.

PKF has reported to the Committee on how it complies with professional and regulatory requirements to ensure its independence. PKF also carried out a desktop review of the Group's Interim Report and reports to the FCA on CASS compliance for relevant Group companies. No other services have been provided by the auditor during the year. Details of external audit and non-audit fees are disclosed in note 8 to the financial statements on page 86.

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

The Committee reviews specific reports and good practice suggestions presented by the external auditor. The Committee discusses and acts upon the external auditor's comments relating to internal financial control and on the preparation of the financial statements. The Committee reports any issues directly to the Board after each meeting. The Committee also meets with the external auditor without management being present at least once a year.

The statutory audit has not resulted in any significant control issues or matters that required material adjustment to the accounts. Attention is drawn to the Auditor's report on pages 64 to 68.

Internal audit
Grant Thornton UK LLP (Grant Thornton) have held the appointment as the Group's internal auditors since replacing Evelyn Partners LLP (formerly Smith & Williamson LLP with effect from 1 December 2022 and have proved highly effective in this role.

The internal audit function reports directly to the Committee. The internal audit plan and scope of work is reviewed and approved by the Committee as a matter of course each year and is modified, as necessary, during the course of the year in the event of changed priorities. The budget is agreed between the Committee Chairman and Group Finance Director having regard to the planned scope of work. To support the effectiveness of assurance coverage across the second and third lines of defence, internal audit presents a three-year rolling plan.

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

During the year, Grant Thornton completed its reviews and reported to the Committee on the implementation of the fraud and financial crime controls enhancement project, regulatory transaction reporting by and the cyber security controls of the Group's main operating company, Walker Crips Investment Management Limited (WCIM), as well as WCIM's structured investments business and the Group's pensions business. It was also well advanced at the year end towards reporting on its review of conduct and culture, the Group's corporate governance framework and WCIM's risk-based client and product suitability review procedures.

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

Going concern and longer-term viability statement

Disclosures regarding the adoption of the going concern basis of financial statement preparation and the Directors' viability statement are found on pages 41 to 42. In considering these disclosures, the Committee reviewed the Group's strategic priorities, projections for the forthcoming year and medium term, current business performance against those projections, the stress and reverse stress scenarios updated to reflect current market conditions and the continuing effects of the Ukraine and Middle East conflicts, current financial resources and capital expenditure plans, together with ongoing compliance with regulatory prudential requirements. The Committee challenged the reasons for the period adopted for the viability statement and the consideration given to key assumptions and dependencies.

The Committee noted and/or challenged in particular:

- the Group's performance during the year and post-year end, market outlook, financial plans and projections, and budgets;
- the actions Management continues to take to strengthen the control environment and mitigate instances of control failings resulting in significant liabilities that have occurred in recent years and are described elsewhere in this and prior reports;
- dividend proposals and policy;
- Group liquidity, noting that 100% of the Group's regulatory financial resources at 31 March 2024 are held in cash or cash equivalents and there are no material restrictions on accessing or utilising required liquidity throughout the Group;
- the Group's regulatory capital at 31 March 2024 and the date of this report noting that it comfortably exceeds its regulatory capital requirement and all regulated entities within the Group held capital in excess of their solo regulatory requirements;
- the Group's principal debt obligations are the lease liabilities arising from the adoption of IFRS 16;
- an intra-day credit line is made available by our principal bankers to enable daily net settlement of market transactions in an orderly fashion; and
- the stress scenario analyses, key assumptions and Management actions demonstrating the Group meets projected solvency and liquidity requirements to continue as a going concern.

Financial reporting and significant financial judgements

The main areas considered by the Committee are set out below:

Matter considered	Action
Carrying value of Walker Crips Group plc's investment in subsidiaries	
The carrying value of the Parent Company's investment in subsidiaries, including the value attributed to client lists arising from these acquisitions, amounts to £22.4 million. This significantly exceeds the market value of the Group as determined by reference to the quoted share price. This situation has persisted for several years.	As part of the impairment review work the discrepancy in values was again considered and the conclusion reached that the carrying value remains supported based upon valuations of the principal trading subsidiaries. Reasons for the discrepancy include the overheads incurred at the Parent Company level, the small size of the Group and illiquidity in the market for the Company's shares. The Committee also considered the procedures performed by the external auditor in respect of the carrying value, which has been identified by them as a key risk, but not a key audit matter.
Impairment of goodwill and intangible assets	
The consolidated statement of financial position includes goodwill of £4.4 million, client lists of £3.6 million and software licences of £0.15 million. These principally arise on business combinations or hiring of individuals or teams of investment managers and purchase of software licences. The goodwill arose on, and has been allocated to, the acquisitions of London York Fund Managers Limited (£2.9 million) and Barker Poland Asset Management LLP (£1.5 million), which continue as identifiable cash-generating units ("CGUs"). The year-end amortised value of client lists attributed to these CGUs are £nil and £0.6 million, respectively, with the remaining balance being attributable to individuals or teams of investment managers hired separately and software licences.	Management assesses any impairment of goodwill by comparing the book value of assets attributable to the CGUs to the higher of their fair value less cost to sell or value-in-use. The Committee reviewed Management's papers supporting the conclusion there is no impairment, with particular challenge regarding the assumptions used and the proposed disclosures (see note 16). The Committee also considered the procedures performed by the external auditor (see the independent auditor's report on pages 64 to 68). The values attributed to client lists are amortised over their estimated useful lives, being periods of between three and twenty years. Management assesses any further indicators of impairment by reference to the continuing value of Assets Under Management and Administration, peer comparisons, the loss of investment managers, the loss rate of clients, and other causes of possible outflows. In the year, the Group accelerated the amortisation related to one client list due to the resignation of the investment manager who was expected to leave the Group in April 2024. This resulted in an additional amortisation charge of £0.18 million in the year which has not been treated as an exceptional charge.

Audit Committee report continued

year ended 31 March 2024

Matter considered	Action
Provisions	
The financial statements include provisions in respect of dilapidations (£0.69 million) and estimated obligations in respect of Stamp Duty Reserve Tax ("SDRT") (£0.36 million). These amounts are estimated with varying degrees of certainty.	The Committee considered and challenged Management's determination of the amounts provided, accounting treatment and related disclosures (see note 26 on page 96), concluding they were appropriate based upon the information presently available.
Exceptional items and alternative performance measures	
The Group classifies certain material items as exceptional and presents alternative performance measures ("APMs") to provide a clearer understanding of the underlying trading performance of the business. In 2023/24, the Group has reported exceptional credit totalling £225,000 (2022/23: exceptional charge £554,000). The exceptional credit arises from the conclusion of the SDRT investigation which is disclosed in note 9 on page 86. APMs presented are operating profit before exceptional items, profit before tax and exceptional items, adjusted EBITDA and underlying cash generation from operations.	The Committee requested, received and considered explanations from Management setting out the description of items that would fall to be exceptional (see note 9 on page 86), the reasons therefore and the proposed disclosures, including the reconciliations provided in the Finance Director's review on page 17 between the IFRS reported results and the APMs. The Committee challenged Management regarding (i) the prominence and equal presentation of the IFRS results and APMs, (ii) the nature of the exceptional items and their consistency with the Group's accounting policy, and (iii) the disclosure of and references to the exceptional items in note 9, the Financial highlights, the Chairman's statement, the CEO's statement, the Finance Director's review and elsewhere in the Annual Report and Accounts, including the restatement of prior years' reported results. The Committee also considered the external auditor's findings in respect of these matters. Based on its deliberations, the Committee is satisfied with the presentation and explanations of the exceptional items and APMs.

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

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

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

David Gelber
Audit Committee Chairman

31 July 2024

Remuneration report

year ended 31 March 2024

Introduction

This report details the Directors' remuneration for the year ended 31 March 2024 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the 2018 UK Corporate Governance Code (referred to below as the Code), the Listing Rules and the Directors' shareholder-approved Remuneration Policy applicable to that year.

The report is in three parts:

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

The Remuneration Policy applicable to the year ended 31 March 2024 was approved by shareholders at the 2021 Annual General Meeting for a maximum period of three years from that date (28 September 2021). Both the 2021 approved Policy and its predecessor Policies approved in 2017 and 2020 respectively are available for inspection on the Group's website at walkercrips.co.uk where the former can be found on pages 39 to 42 of the 2020 Annual Report and the latter on pages 49 to 53 of the 2021 Annual Report.

As explained below, a proposed Remuneration Policy to supersede the 2021 Policy will be put to shareholders for approval at the forthcoming AGM.

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

Part A – Annual Statement from the Remuneration Committee Chairman

My predecessor as Chairman of the Remuneration Committee, Clive Bouch, held this role throughout the year and until 26 June 2024 when, as noted in the Chairman's statement on page 5, he left the Board and I was appointed as the interim Committee's Chairman. However, I have served on the Committee for a number of years and participated fully alongside Clive in its proceedings during the year. I therefore feel sufficiently well qualified to present this report on the Directors' remuneration for 2023/24 on behalf of the Board.

Having said that, I wish to thank Clive for chairing the Committee in such a diligent and effective way since his appointment in 2019 and for the advances he promoted in making the Directors' and wider Group's reward structures competitive and fit for purpose in an ever changing regulatory and economic environment.

Among the main areas of focus by the Committee in the year were detailed consideration, challenge and approval of Group-wide policies on employee remuneration, the maximum ratio between variable and fixed pay and the application of malus and clawback to variable pay. Further, at the start of the year, a comprehensive review of staff salaries across the Group was undertaken against industry benchmarks and employment market trends to ensure that reward packages are competitive and supportive of staff retention. In addition, the Committee approved base salary increases of 10% to the two Executive Directors, whose remuneration had remained unchanged for a number of years and a realignment and increase in fees for the Non-Executive Directors and Chairman were approved by the Board and Committee respectively, as shown in the table on page 50, again reflecting the fact that they had been unchanged for a similar period.

The Committee also considered and approved the bonus pools recommended by Management in respect of those employees eligible to receive such awards, taking into account input from our Risk and Compliance functions as to whether any reductions were necessary for poor conduct or other relevant reasons.

As was mentioned in last year's Statement, the current Directors' Remuneration Policy, approved by shareholders at the 2021 AGM, is due to expire on 28 September 2024 and, accordingly, a new policy will be proposed for shareholder approval at the forthcoming AGM.

In reviewing the existing policy, its effectiveness and the proposed basis for its renewal, the Committee has addressed a range of factors, including the following in accordance with Provision 40 of the Code:

- Clarity – The Committee considers that the existing policy provides clarity to all stakeholders on the remuneration arrangements for the Executive Directors and the relationship between pay and performance.
- Simplicity – The Committee considers that the existing remuneration arrangements for the Executive Directors are simple and straightforward and that the rationale underpinning them and how they operate should be readily understood by both the Executive Directors themselves and the Group's stakeholders. It should be noted that the Executive Directors did not receive a bonus for the financial year which clearly demonstrates the link between pay and performance as the company reports poor profitability for the year.
- Risk – The Committee considers that the existing incentive arrangements do not encourage inappropriate risk taking. The Executive Directors' service contracts contain malus and clawback provisions which apply to all elements of variable pay. The Committee also has full discretion over bonus awards to ensure they are appropriate.
- Predictability and proportionality – The Committee considers that the existing policy clearly sets out the range of potential rewards to the individual Executive Directors and the limits within which the Committee may exercise its discretion over the level of performance-related awards, from zero to a maximum of 100% of basic pay. Variable pay is linked to measures aligned with the Group's long-term strategy and objectives.
- Alignment to culture – The remuneration performance targets set by the Committee are designed to drive good behaviours across the Group and to encourage The Executive Directors to focus on the creation of long-term shareholder value.

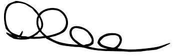
Remuneration report continued

year ended 31 March 2024

Part A – Annual Statement from the Remuneration Committee Chairman continued

Consequently, the Committee has concluded that, subject to minor amendment to accord with current regulations and practice, the existing policy continues to be appropriate and has served both shareholders and Directors well over its period of application. The proposed new policy set out in Part C of this report, commencing on page 55, reflects this conclusion and will be submitted to shareholders for approval at the forthcoming AGM on that basis.

I hope that you find the information in this report provides a clear insight into the Committee's decisions and operations and look forward to your support for approval of the following Annual Remuneration Report and proposed Remuneration Policy at the forthcoming AGM.



David Gelber
Remuneration Committee Chairman

31 July 2024

Part B – Annual Remuneration Report

The Remuneration Committee presents its Annual Remuneration Report, which will be put to an advisory shareholder vote at the 2024 AGM. Sections which have been subject to audit are noted accordingly.

Summary of Remuneration Policy and implementation in the year ended 31 March 2024

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

Element	Policy	How implemented in 2023/24
Salaries/Fees	Executive Directors' salaries are to reflect the value of their roles, skills and experience, avoiding excessive risk arising from over-reliance on variable income. Non-Executive Directors' fees are to reflect their skills, experience and roles.	The base salaries of the two Executive Directors were increased by 10% from 1 April 2023. The fees of the Chairman were increased from £42,559 pa to £55,000 pa and those for David Gelber and Clive Bouch, both Non-Executive Directors, from £42,559 pa and £38,570 pa respectively to £50,000 pa each, all also with effect from 1 April 2023.
Annual Profit Share (discretionary allocation from annual bonus pool)	Executive Directors are to be incentivised to deliver annual financial and operational goals through participation in a formulaically determined profit pool aimed at achieving demanding targets for Group profit before tax and increasing shareholder value.	The 2023/24 bonus pool thresholds were 5% of Group profit before tax in excess of £584,000 and 15% of Group profit before tax in excess of £1,460,000. These profit pool thresholds were not triggered and consequently no annual profit share awards made in the year.
Discretionary Bonus	The Remuneration Committee may make a discretionary award to the Executive Directors in addition to any allocation, or where no award is made, from the Annual Profit Share to reflect exceptional individual performance and contribution to the Group.	No discretionary bonuses were awarded in the year.
Pension	Employer contributions of 5–10% of base salary paid to a pension scheme of the Executive Director's choice. Approved salary sacrifice arrangements in place.	Employer contributions were made at 10% of base salary for Sean Lam and 7% of base salary for Sanath Dandeniya. Additional salary sacrifice contributions of £nil and £6,600 were made for Sean Lam and Sanath Dandeniya respectively.
Share Incentive Plan ("SIP")	Directors are eligible to participate in the Group's tax efficient approved SIP (available to all employees and Directors) under which the Company may match contributions made by the employee or Director to purchase Company shares.	Matching, which had been suspended with effect from 1 April 2020, was reinstated from 1 April 2021 at the rate of half a Matching Share for every share purchased by the employee. On review, the matching rate was increased to one to one from 1 April 2023.
Other benefits	Additional benefits provided for Executive Directors consist of life cover of four times base salary, permanent health insurance and family medical insurance cover. Non-Executive Directors are reimbursed for expenses incurred in the performance of their duties, grossed up for income tax and national insurance where appropriate.	Benefits maintained in the year at levels in line with those of other full-time employees. There were no expense claims made in the year.

Remuneration report continued

year ended 31 March 2024

Part B – Annual Remuneration Report continued

Remuneration for the year ended 31 March 2024 (audited information)

The table below sets out the remuneration received by the Directors in the year ended 31 March 2024 together with prior year comparatives and includes a single figure for the total remuneration due, or which will become due, to each Director.

		Fixed Remuneration				Variable Remuneration			
Name of Director	Year	Basic salary/ Fees (Note 1) £	Taxable benefits (Note 2) £	Pension contri- butions (Note 3) £	Total Fixed £	Bonus £	SIP matching shares £	Total Variable £	Total £
Executive									
Sean Lam	**2024**	**242,000**	**2,502**	**24,200**	**268,702**	**–**	**1,800**	**1,800**	**270,502**
	2023	220,000	2,124	22,000	244,124	–	900	900	245,024
Sanath Dandeniya	**2024**	**165,000**	**2,294**	**11,550**	**178,844**	**–**	**1,800**	**1,800**	**180,644**
	2023	150,000	1,950	10,500	162,450	–	900	900	163,350
Non-Executive									
Hua Min Lim	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–	–
Clive Bouch	**2024**	**50,000**	**–**	**–**	**50,000**	**_**	**1,800**	**1,800**	**51,800**
	2023	38,570	–	–	38,570	–	900	900	39,470
Martin Wright*	**2024**	**55,000**	**–**	**–**	**55,000**	**–**	**–**	**_**	**55,000**
	2023	42,599	–	–	42,599	–	–	–	42,599
David Gelber	**2024**	**50,000**	**–**	**–**	**50,000**	**–**	**1,800**	**1,800**	**51,800**
	2023	42,559	–	–	42,559	–	900	900	43,459
Total	**2024**	**562,000**	**4,796**	**35,750**	**602,546**	**–**	**7,200**	**7,200**	**609,746**
	2023	493,688	4,074	32,500	530,262	–	3,600	3,600	533,862

* Charles Russell Speechlys LLP received fees of £55,000 (2023: £42,599) for the services of Martin Wright who was a partner in that firm.

Note 1: Basic salary/Fees

The amounts shown for the Executive Directors are prior to any pension contributions made by the Company in respect of any salary sacrifices made.

Note 2: Taxable benefits

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

Note 3: Pension contributions

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

Annual and deferred bonuses for the year ended 31 March 2024

Based on the Group's results and profitability, the Committee has not awarded any discretionary annual bonuses for 2023/24, whether payable in cash or equity, to the Executive Directors.

Outstanding share awards

There were no share options outstanding at 31 March 2024 or 31 March 2023. There are no share option schemes or Long-Term Incentive Plans in place for the Directors. However, shareholders' approval was obtained at the 2022 AGM to the introduction of the Walker Crips Group Deferred Bonus Plan 2022, an employee share scheme to facilitate the payment of bonus awards partly in shares.

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 2023	**Beneficially owned at 31 March 2024**	**Beneficially owned at 30 June 2024**
Hua Min Lim	12,359,803	**12,359,803**	**12,359,803**
Sean Lam	660,133	**675,496**	**692,438**
Sanath Dandeniya	57,874	**74,356**	**78,350**
David Gelber	227,715	**246,557**	**250,551**
Clive Bouch (resigned with effect from 27 June 2024)	71,898	**88,453**	**–**
Martin Wright	16,129	**16,129**	**16,129**

The Remuneration Policy approved by shareholders at the 2021 AGM includes a requirement for future share awards to be retained by Executive Directors until a shareholding equal to one year's base salary is achieved, such shares also being subject to a two-year post-employment holding period.

Share Incentive Plan ("SIP")
Employees are eligible to participate in the SIP following three months of service. Employees may contribute a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £150) to acquire Ordinary Shares in the Parent Company (Partnership Shares).

Partnership Shares are acquired monthly. For every Partnership Share purchased, the intention is that the employee receives one Matching Share (but see the restrictions imposed below).

On 1 April 2020, the Directors, as part of the Covid-19 response to preserve cash and liquidity, suspended the matching option. This continued until 1 April 2021 from when it was decided to reintroduce matching at the rate of half a Matching Share for every Partnership Share purchased. On further review, the matching rate was increased to its pre-pandemic level of one-to-one from 1 April 2023 and was maintained at this level throughout the year.

A total of 869,753 (2023: 587,948) new Ordinary Shares were issued to the 95 employees who participated in the SIP during the year. At 31 March 2024, 4,016,022 (2023: 3,864,027) shares were held in the SIP on their behalf, in the employee's name. There were no forfeited shares not allocated to any specific employee.

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

Director	31 March 2023	**31 March 2024**
Sean Lam	22,203	**29,056**
Sanath Dandeniya	20,132	**27,664**
David Gelber	60,686	**68,215**
Clive Bouch	21,393	**28,924**

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

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

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

Remuneration report continued

year ended 31 March 2024

Part B – Annual Remuneration Report continued

Chief Executive remuneration

Percentage change in the remuneration of the Chief Executive

	2023		**2024**	
Chief Executive	£	Change	**£**	**Change**
Salary	220,000	5.3%	**242,000**	**10.00%**
Bonus	–	–	**–**	
Benefits	2,124	10.00%	**2,502**	**17.80%**
Average per employee (£)				
Salary	48,441	5.40%	**53,740**	**10.94%**
Bonus	7,109	–11.70%	**6,112**	**–14.02%**

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

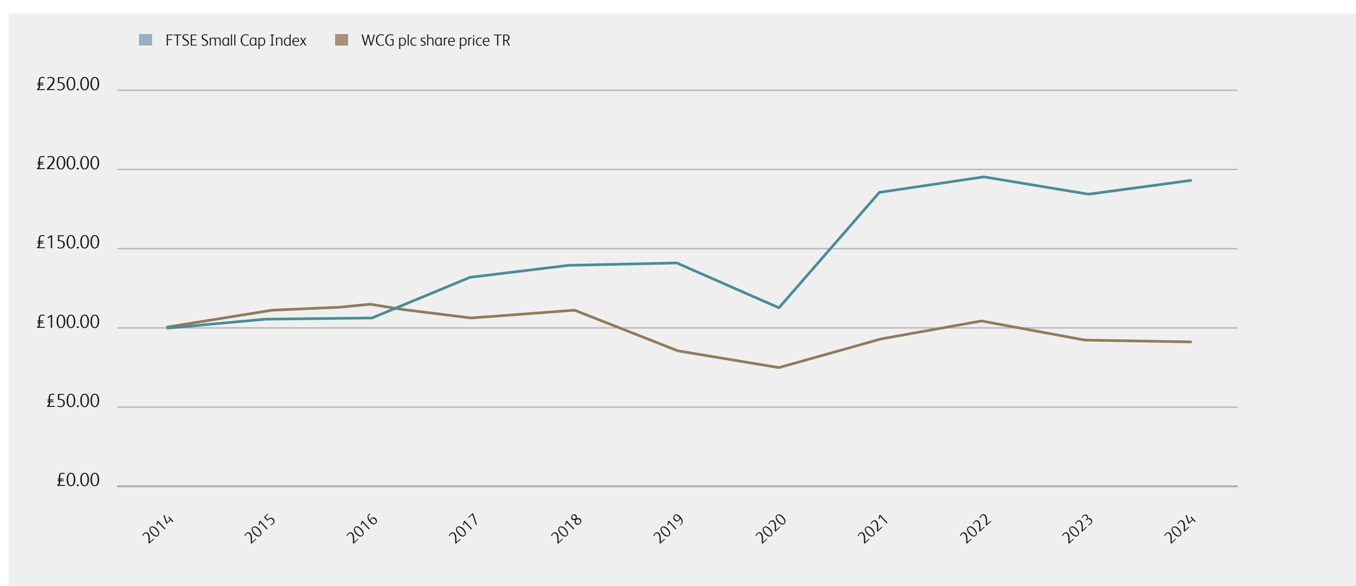
The table below shows the total remuneration for each of the individuals who has performed the role of Chief Executive during each of the past 10 financial years. The total remuneration figure includes any bonuses awarded based on performance in those years, such bonuses being discretionary within the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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**Year ended 31 March 2024**
Sean Lam	–	–	–	–	£133,610	£245,517	£245,504	£231,650	£244,824	£245,025	**£270,502**
Rodney FitzGerald	£186,769	£187,176	£189,264	£196,119	£69,843	–	–	–	–	–	**–**
Total remuneration	£186,769	£187,176	£189,264	£196,119	£203,453	£245,517	£245,504	£231,650	£244,824	£245,025	**£270,502**

Performance graph

The graph below shows a comparison between the Group's total shareholder return ("TSR") performance compared with the companies in the FTSE Small Cap Index. The graph compares the value, at 31 March 2024, of £100 invested in Walker Crips Group plc on 31 March 2013 with the value of £100 invested over the same period in the FTSE Small Cap Index. This Index has been chosen to give a comparison with the average returns that shareholders could have received by investing in a range of other small UK public companies.

Total shareholder return compared to FTSE Small Cap Index



Relative importance of the spend on pay

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

	2023 £'000	**2024 £'000**	Change
Staff costs	14,475	**16,898**	25.52%
Dividends paid	617	**213**	–65.48%

The total dividends paid in 2023/24 consisted of a final dividend for 2022/23 of 0.25 pence per share (2021/22: 1.20 pence per share) and an interim dividend for 2023/24 of 0.25 pence per share (2022/23: 0.25 pence per share). As explained on page 5, the Directors are recommending a final dividend for 2023/24 of 0.25 pence per share, which equates to a total amount payable for the year of £213,000.

Remuneration Committee governance

The Committee is governed by formal terms of reference agreed by the Board. The terms of reference were reviewed during the year and revised to ensure they reflect the remit of the Committee and accord with proportionate application of current requirements and good practice, taking into account the size and nature of the business. The Committee's current terms of reference approved by the Board on 20 July 2021 can be viewed on the Group's website.

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

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

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

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

- Review of information on wider workforce pay including salaries, budgets and incentive outcomes
- Review and discussion of the remuneration benchmarking survey
- Determination of the remuneration of the Chairman and Executive Directors
- Annual review of remuneration for material risk takers across the Group
- Review of annual risk and compliance reports on variable pay awards to ensure alignment with the firm's risk appetite
- Review of the general principles of the regulatory Remuneration Policy
- Review and approval of the Directors' Remuneration report for shareholder approval
- Review of the Group's MIFIDPRU 8 governance, remuneration, risk management and financial strength annual public disclosures
- Review and approval of the Group's employee remuneration, variable to fixed pay ratio and malus and clawback policies
- Review of the Committee's terms of reference

External directorships

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

How the Remuneration Policy will be applied for the year from 1 April 2024 onwards

As stated in the Remuneration Committee Chairman's statement on page 47, a proposed new Directors' Remuneration Policy, as set out on pages 55 to 59, will be put to shareholders for approval at the 2024 AGM with immediate effect and will apply for the year to 31 March 2025.

Having exercised its discretionary powers, in approving basic salary increases of 10% to each of the two Executive Directors from 1 April 2023, the Committee has approved limited awards to them of an inflation increase of 3% to base salary, with effect from 1 July 2024 in line with similar awards from the Group's senior managers. There are no plans to review the Executive Directors' salaries before 1 April 2025.

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

Remuneration report continued

year ended 31 March 2024

Part B – Annual Remuneration Report continued

Fees for the Chairman and Non-Executive Directors

The Group's approach to setting Non-Executive Directors' fees is summarised on page 57. These fees are reviewed periodically by the Board and revisions were previously made that took effect from 1 April 2023. A summary of fees for Non-Executive Directors in respect of the year ended 31 March 2024 is as follows:

	Annual Directors' fees as at 31 March 2024 £
Martin Wright (Board Chairman)	**55,000**
Clive Bouch (Audit Committee and Remuneration Committee Chairman and Senior Independent Director)	**50,000**
David Gelber	**50,000**

Clive Bouch having resigned his Directorship with effect from 27 June 2024, the Board and the Remuneration Committee have decided not to review the fees of the Chairman or the remaining Non-Executive Directors at this stage but will review this decision when new Independent Non-executive Directors are appointed, as referenced in the Chairman's statement on page 5.

Martin Wright, the Group Chairman, has a letter of appointment as a Non-Executive Director dated 9 July 2000 and accepted on 10 July 2000 for a term of not less than two years commencing on 9 July 2000 and terminable by either party on not less than three months' notice in writing or otherwise in accordance with the Group's Articles of Association. His fees were increased to £42,559 per annum with effect from his appointment as Chairman on 9 September 2020 and remained at that level until increased by the Board to £55,000 per annum from 1 April 2023. He is also reimbursed for expenses incurred on behalf of the Group. His fees have been payable to Charles Russell Speechlys LLP, in which he was is a partner, quarterly in arrears and are subject to VAT. However, since relinquishing his partnership and becoming a Senior Counsel for that firm, his fees have been paid to him directly subject to statutory deductions.

David Gelber was appointed as a Non-Executive Director and Chairman of the Group by a letter of agreement dated 11 May 2007 for a term commencing on 11 May 2007 of not less than two years and thereafter terminable by either party on at least six months' notice in writing or otherwise in accordance with the Group's Articles of Association. He stood down as Chairman at the conclusion of the AGM on 9 September 2020 but has continued to serve as a Non-Executive Director. His fees, which were set from 1 April 2021 at £42,559 per annum, remained at that level until increased to £50,000 per annum from 1 April 2023. He is also reimbursed for expenses incurred on behalf of the Group and receives a contribution by the Group to the SIP.

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

Clive Bouch was appointed as a Non-Executive Director and later as Chairman of the Audit Committee by a letter of agreement dated 24 March 2017 for a term commencing on 31 March 2017 of not less than three years, save that the appointment could be terminated by either party on at least three months' notice in writing or otherwise in accordance with the Group's Articles of Association. He replaced Martin Wright as Remuneration Committee Chairman and Senior Independent Director on Martin Wright's appointment as Group Chairman on 9 September 2020. His fees of £38,570 per annum for the year remained unchanged from 2021/22 but were increased to £50,000 per annum from 1 April 2023. He was also reimbursed for expenses incurred on behalf of the Group and received a contribution by the Group to the SIP. As noted above, Clive resigned from the Board and departed from the Group with effect from 27 June 2024.

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

LTIP for Executive Directors

There are no LTIP arrangements in place at 31 March 2024 or proposed.

Statement of shareholder voting at General Meetings

At the 2023 and 2022 Annual General Meetings, the Directors' Remuneration report received the following proxy votes from shareholders:

	Directors' Remuneration report	
	Number	Percentage
2023 AGM		
Votes in favour	19,507,009	99.7%
Votes cast against	14,198	0.1%
Abstentions	36,932	0.2%
2022 AGM		
Votes in favour	15,483,543	99.9%
Votes cast against	8,424	0.1%
Abstentions	Nil	0.0%

Part C – Directors' Proposed Remuneration Policy – for approval by shareholders at the 2024 AGM

The proposed Remuneration Policy ("the Policy") set out below is intended to supersede the Remuneration Policy approved by the shareholders at the 2021 AGM ("the current Policy") and will be put to shareholders for approval at the 2024 AGM. The Policy is set to apply, subject to shareholders' approval, from the conclusion of the AGM and therefore in respect of the year ending 31 March 2025.

The Policy

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

Executive Directors

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

Remuneration report continued

year ended 31 March 2024

Part C – Directors' Proposed Remuneration Policy – for approval by shareholders at the 2024 AGM continued

The Policy continued

Non-Executive Directors continued

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

The Policy continued

Non-Executive Directors

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

Annual Profit Share and Discretionary Bonus

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

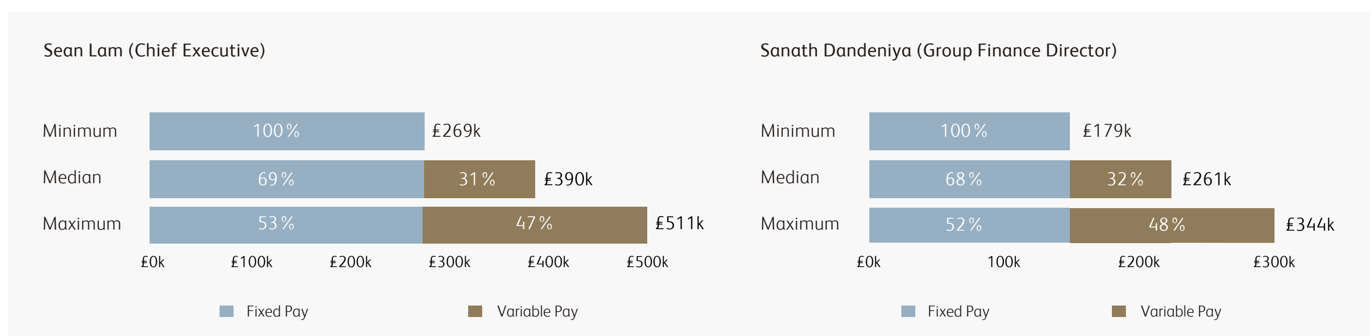
The Discretionary Bonus was introduced on the appointment of Sean Lam as Chief Executive Officer to provide an effective reward mechanism in circumstances where the Remuneration Committee considers this appropriate based on financial and non-financial considerations. Such awards are subject to good governance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

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

Application of the Remuneration Policy

The charts below indicate the level of remuneration that each Executive Director could receive in the first year to which the Policy applies (i.e. the year to 31 March 2025), at different levels of performance.

For this purpose, Fixed Pay includes base salary and Company pension contributions at their prevailing rates and taxable benefits at their cost to the Company in 2023/24. As both the Annual Profit Share and Discretionary Bonus awards are entirely at the discretion of the Remuneration Committee and are capped in aggregate at 100% of base salary, they have been combined as Variable Pay for illustration of the median and maximum levels of total remuneration that could be received. No account has been taken of SIP matching share awards.



Remuneration report continued

year ended 31 March 2024

Part C – Directors' Proposed Remuneration Policy – for approval by shareholders at the 2024 AGM continued

Remuneration Committee discretion

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

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

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

Minimum shareholding

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

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

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

Differences in remuneration for Executive Directors compared to other employees

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

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

Benchmarking

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

How the views of shareholders are taken into account

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

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

Consideration of employment conditions elsewhere in the Group

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

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

External Non-Executive Director positions

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

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

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

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

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

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

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

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

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

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

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

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

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

David Gelber
Remuneration Committee Chairman

31 July 2024

Directors’ report

for the year ended 31 March 2024

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 2024.

Results and dividends

Results, distributions and retained profits are as follows:

	2024 £’000	2023 £’000
Retained earnings at 1 April	**10,104**	10,303
Profit/(loss) for the year after	**368**	418
taxation Dividends paid	**(213)**	(617)
Retained earnings at 31 March	**10,259**	10,104

The Directors, having considered the investments needed to improve the Group’s Operational and regulatory control framework and Group’s liquidity requirements, recommend the payment of a final dividend of 0.25 pence per share (2023: 0.25 pence). The proposed final dividend is subject to shareholder approval at the AGM on 27 September 2024. If approved by shareholders, this will be paid on 4 October 2024 to shareholders on the Company’s shareholder register at the close of business on 19 September 2024. The total dividend paid and proposed in the year was 0.50 pence per share (2023: 0.50 pence).

Capital structure

Details of the Group’s share capital are shown in note 28. The Group has one class of Ordinary Share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Group.

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

Where shares have been issued as consideration to new investment advisers in return for the rights to or purchase of a client list upon commencement with the Group, these shares are restricted from sale for periods of four to six years.

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

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

Brief biographies of the Directors eligible and standing for election at the Annual General Meeting are set out on pages 34 to 35.

Directors’ interests

Directors’ emoluments and beneficial interests in the shares of the Company are disclosed in the Directors’ Remuneration report on page 51. Other than noted on page 61, there are no other situations where a Director had a material interest in a contract to which the Company or any of its subsidiaries was a party (other than their own service contract), requiring disclosure under the Companies Act 2006.

Related party transactions

Details of related party transactions are disclosed in note 32.

Ethical responsibility

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

Employment policy

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

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

We report that at 31 March 2024: No Directors of the Group’s Parent Company were women (2023: nil); 32% of senior managers, being individuals with responsibility for planning, directing or controlling, were women (2023: 24%); and 38% of the Group’s employees were women (2023: 38%).

Health and safety policy

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

None of the Group's activities involve any significant health and safety risks. During the year there were no injuries, illnesses or dangerous occurrences which needed to be reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. Eligible employees can benefit from the Group's permanent health insurance scheme in the event of long-term illness preventing them from carrying out their function.

Insurance and indemnification of Directors

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

Ordinary and special business

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

The Companies Act 2006 permits a public group to purchase its own shares in accordance with the powers contained in its Articles of Association and with the authority of a resolution of shareholders. The Directors believe that the Group should be authorised to take advantage of these provisions and, therefore, pursuant to the power contained in the Group's Articles of Association, it is intended to propose a special resolution at the forthcoming Annual General Meeting to confer authority on the Group to purchase up to a maximum in aggregate of 10% of the Ordinary Shares of $6^{2}/_{3}$ pence each in the share capital of the Group at a price or prices which will not be less than $6^{2}/_{3}$ pence and which will not be more than 5% above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the 10 business days before the relevant purchase is made.

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

Financial instruments and risk management

The risk management objectives and policies of the Group are set out in note 24 to the financial statements.

Substantial shareholdings

As at 31 March 2024, there were no interests, excluding those of Directors, in excess of 3% of the Ordinary Share capital of the Group.

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

As at 30 June 2024, the following interests, excluding those of Directors, in excess of 3% of the Ordinary Share capital of the Group were held:

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

MIFIDPRU 8 disclosures

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

Carbon emission reporting

The Board recognises its responsibility to help protect the planet. We are committed to minimising the Group's environmental impact and to support those working to improve global environmental sustainability. The Group's environmental strategy and carbon emissions are reported within the Environmental strategy report on pages 30 to 33.

Directors' report continued

for the year ended 31 March 2024

Audit information

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

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware;
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information; and
- a resolution to reappoint the auditor, PKF Littlejohn LLP, will be put to the AGM on 27 September 2024.

Auditor

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

Going concern

The Group's forecasts and projections show sufficient cash resources, working capital and regulatory financial resources for its present requirements covering a period extending more than 12 months (see note 2 on page 74 for further details). Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Subsequent events

Details of significant events occurring after the end of the reporting period are given in note 34.

Approval

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

Sanath Dandeniya FCCA
Director

31 July 2024

Statement of Directors' responsibilities

for the year ended 31 March 2024

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

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

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

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

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

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

Website publication

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

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.

Approval

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

Sanath Dandeniya FCCA
Director

31 July 2024

Independent auditor's report

to the members of Walker Crips Group plc

Opinion

We have audited the financial statements of Walker Crips Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, the parent company balance sheet, the parent company statement of changes in equity and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process. We also engaged with management to ensure all key factors were considered in their assessment.
- Obtaining management's going concern assessment, including the cash forecast for a period exceeding twelve months from the date on which the financial statements were approved by the directors.
- Reviewing and assessing the key assumptions and inputs included in the cash forecast for appropriateness; and
- Reviewing the group's going concern disclosures included in the annual report in order to evaluate whether the disclosures were appropriate and in conformity with the reporting standards.

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

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

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We determined materiality for the financial statements as a whole to be £237,000 (2023: £158,000) for the consolidated financial statements using 0.75% (2023: 0.5%) of group revenue based on the 31 March 2024 financial statements. We consider group revenue to be the most stable benchmark and the most relevant determinant of the group's performance used by shareholders.

Materiality for the parent company financial statements was set at £116,000 (2023: £112,000). Each significant component of the group was audited to an overall materiality ranging between £30,000 and £201,000 (2023: between £7,000 and £137,000).

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. Performance materiality for the group was set at 75% (2023: 70%) of overall materiality at £177,000 (2023: £110,600). Performance materiality for the parent company was set at 75% at £87,000 (2023:78,400). Performance materiality was also set at 75% (2023: 70%) of overall materiality for each significant component.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of 5% (2023: 5%) of overall materiality at £11,800 (2023: £7,900) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Our approach to the audit

Our audit approach was developed by obtaining an understanding of the group's activities and the key subjective judgements made by the directors. In particular, we looked at areas involving significant accounting estimates, and considered future events that are inherently uncertain. We considered the areas of significant accounting estimates and judgement to be impairment of goodwill and impairment of intangible assets.

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

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

Key audit matters

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

Area	Key audit matter	How our scope addressed this matter
Revenue recognition **Refer to notes 3 (accounting policy) and 5 (financial disclosures) of the group financial statements.**	Revenue is the most relevant determinant of the group's performance used by shareholders. Inaccurate or incomplete revenue could have a material impact on group performance. The group's revenue amounting to £31,574,000 (2023: £31,612,000) consists of broking income and non-broking income from the following activities: - Stockbroking; - Investment management; - Wealth management; - Pensions administration; and - Interest income For broking income, there is a significant risk that the IT system does not record trades accurately. For non-broking income, there is a significant risk that the calculation is not in accordance with the signed agreements or contracts.	We obtained an understanding and evaluated the design and implementation of controls that the group has established in relation to the recognition of revenue. We placed reliance on IT controls operating effectively on the group's systems. In addition, we tested key manual controls in the revenue business cycle in Walker Crips Investment Management Limited ("WCIM"), Walker Crips Financial Planning Limited ("WCFP"), EBOR Trustees Limited ("EBOR") and Barker Poland Asset Management LLP ("BPAM") to ensure they were operating effectively. We also performed the following tests of details tailored to each revenue stream: **Broking income** - We used data analytics to verify the commission balances in the underlying system. The commissions revenue data was extracted and reconciled to the figures in the final statements providing assurance over completeness of the balance; - For a sample of trade commissions, compliance charges and other commissions, we traced revenue recorded to contract notes and deductions from client accounts; and - We sample tested key controls to ensure these were operating effectively including monthly reconciliations, approval of client fees by the Investment Manager, approval of client fee changes on the IT system and approval of manual adjustments. **Non-broking income** - The client fees data was extracted and reconciled to the figures in the final statements providing assurance over completeness of the balance; - For a sample of fees, we obtained invoices and rate confirmation letters/signed client agreements to agree the amount, cut off and % fee applied to the client's Assets Under Management ("AUM"), as well as tracing the revenue to deductions from client accounts or bank receipts. The share prices used for AUM valuations in the sample were agreed to third-party sources such as the London Stock Exchange; and - We agreed a sample of accrued fees at the year end to invoices to recalculate the amount accrued, as well as tracing post year end settlement to deduction from the client accounts or bank receipts. **Key observations:** Based on the procedures performed, we did not identify any material misstatements in relation to revenue.

Independent auditor's report continued

to the members of Walker Crips Group plc

Area	Key audit matter	How our scope addressed this matter
Impairment of goodwill **Refer to notes 4 (accounting policy) and 16 (financial disclosures) of the group financial statements.**	Goodwill amounting to £4,388,000 (2023: £4,388,000) arose from the acquisitions of London York Fund Management Limited and Barker Poland Asset Management LLP in previous years. Impairment of goodwill is considered a significant risk as significant judgement is required to be exercised by the directors in determining the underlying assumptions used in the annual impairment reviews. Key assumptions include discount rate, long-term growth rates, Enterprise Value/ Asset Under Management ("EV/AUM") and Price/Earnings ("P/E") ratios. The significant judgement in assumptions gives rise to the risk of material misstatement in the carrying value of goodwill.	We obtained an understanding and tested the design and implementation of the group's controls over the goodwill impairment assessment process. We evaluated the appropriateness of management's identification of the group's cash-generating units. We challenged management on the appropriateness of the impairment models and reasonableness of the assumptions used through performing the following: - Benchmarked the group's key market-related assumptions in the models, including discount rates, long-term growth rates, EV/AUM and P/E ratios, against external data; - Assessed the reliability of any forecasts through a review of actual past performance and compared to previous forecasts; - Tested the mathematical accuracy of the models and performed sensitivity analyses of the forecasts; - Assessed and challenged management's sensitivity analysis showing the impact of a plausible changes in underlying assumptions; - Performed our own sensitivity analysis using a range of plausible assumptions; and - Evaluated the adequacy of the disclosures within the financial statements. **Key observations:** Based on the procedures performed, we consider management's assessment of no impairment on goodwill to be reasonable and did not identify any material misstatements in the impairment of goodwill.
Recognition and Impairment of intangible assets (client lists) **Refer to notes 4 (accounting policy) and 17 (financial disclosures) of the group financial statements.**	Intangible assets (Client lists) amounting to £3,596,000 (2023: £4,507,000) arise in respect of acquired client lists. Impairment of intangible assets (client lists) is material and there is significant judgement exercised by the directors in assessing whether the estimated useful life is appropriate.	We obtained an understanding and tested the design and implementation of the group's controls over the intangibles impairment assessment process. For intangible assets (client lists), we performed the following: - Verified amounts capitalised in the year against supporting agreements (contract notes); - Performed an assessment on the appropriateness of the useful life; - Reviewed and challenged management's assessment of impairment indicators, considering both internal and external sources of information; and - Assessed the sufficiency of the sensitivity analyses performed by management, focusing on what we considered to be plausible changes in key assumptions. - Review of the financial statements of disclosure and agree to supporting evidence. **Key observations:** Based on the procedures performed, we did not identify any material misstatements in the impairment of intangible assets (client lists).

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

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

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 42;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate on page 41;
- Directors' statement on whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities set out on page 63;
- Directors' statement that they consider the annual report and the financial statements, taken as a whole, to be fair, balanced and understandable set out on page 63;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 40;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 40; and
- The section describing the work of the audit committee set out on page 43.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

Auditor’s responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Other matters which we are required to address
We were appointed by the Audit Committee on 14 December 2020 to audit the financial statements for the period ending 31 March 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 March 2021 and 31 March 2024.

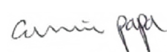
The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

In addition to the audit, we provided CASS audit services to three subsidiaries within the group. CASS audit services are audit-related services and the threat to auditor independence is deemed to be insignificant.

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

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report
This report is made solely to the parent company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the parent company and the parent company’s members as a body, for our audit work, for this report, or for the opinions we have formed.



Carmine Papa
Senior Statutory Auditor

For an on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

31 July 2024

Consolidated income statement

year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Revenue	5	**31,574**	31,612
Commissions and fees paid	7	**(5,769)**	(7,264)
Gross profit		**25,805**	24,348
Administrative expenses	8	**(25,967)**	(23,169)
Exceptional items	9	**225**	(554)
Operating profit		**63**	625
Investment revenue	10	**446**	95
Finance costs	11	**(122)**	(88)
Profit before tax		**387**	632
Taxation	13	**(19)**	(214)
Profit for the year attributable to equity holders of the Parent Company		**368**	418
Earnings per share			
Basic and diluted	15	**0.86p**	0.98p

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

Consolidated statement of comprehensive income

year ended 31 March 2024

	2024 **£'000**	2023 £'000
Profit for the year	**368**	418
Total comprehensive income for the year attributable to equity holders of the Parent Company	**368**	418

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

Consolidated statement of financial position

as at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Goodwill	16	**4,388**	4,388
Other intangible assets	17	**3,741**	4,648
Property, plant and equipment	18	**815**	989
Right-of-use assets	19	**2,075**	2,340
Total non-current assets		**11,019**	12,365
Current assets			
Trade and other receivables	21	**31,902**	36,301
Investments – fair value through profit or loss	20	**538**	1,276
Cash and cash equivalents	22	**13,863**	13,138
Total current assets		**46,303**	50,715
Total assets		**57,322**	63,080
Current liabilities			
Trade and other payables	25	**(31,961)**	(36,849)
Current tax liabilities		**(242)**	(269)
Deferred tax liabilities	23	**(260)**	(371)
Provisions	26	**(355)**	(878)
Lease liabilities	27	**(718)**	(341)
Deferred cash consideration	35	**(25)**	(94)
Total current liabilities		**(33,561)**	(38,802)
Net current assets		**12,742**	11,913
Long-term liabilities			
Deferred cash consideration	35	**(15)**	(71)
Lease liabilities	27	**(1,736)**	(2,389)
Provision	26	**(689)**	(652)
Total non-current liabilities		**(2,440)**	(3,112)
Net assets		**21,321**	21,166
Equity			
Share capital	28	**2,888**	2,888
Share premium account	28	**3,763**	3,763
Own shares	29	**(312)**	(312)
Retained earnings	29	**10,259**	10,104
Other reserves	29	**4,723**	4,723
Equity attributable to equity holders of the Parent Company		**21,321**	21,166

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

The financial statements of Walker Crips Group plc (Company registration no. 01432059) were approved by the Board of Directors and authorised for issue on 31 July 2024.

Signed on behalf of the Board of Directors

Sanath Dandeniya FCCA
Director

31 July 2024

Consolidated statement of cash flows

year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Operating activities			
Cash generated from operations	30	**970**	3,539
Tax paid		**(157)**	(120)
Net cash generated from operating activities		**813**	3,419
Investing activities			
Purchase of property, plant and equipment		**(114)**	(150)
Sale/(Purchase) of investments held for trading		**642**	(205)
Consideration paid on acquisition of intangible assets		**(104)**	(183)
Dividends received	10	**19**	47
Interest received	10	**427**	48
Net cash generated from/(used in) investing activities		**870**	(443)
Financing activities			
Dividends paid	14	**(213)**	(617)
Interest paid	11	**(23)**	(2)
Repayment of lease liabilities**		**(623)**	(246)
Repayment of lease interest**		**(99)**	(86)
Net cash used in financing activities		**(958)**	(951)
Net increase in cash and cash equivalents		**725**	2,025
Net cash and cash equivalents at beginning of period		**13,138**	11,113
Net cash and cash equivalents at end of period		**13,863**	13,138

** Total repayment of lease liabilities under IFRS 16 in the period was £722,000 (2023: £332,000).

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

Consolidated statement of changes in equity

year ended 31 March 2024

	Share capital £'000	Share premium account £'000	Own shares held £'000	Capital redemption £'000	Other £'000	Retained earnings £'000	Total equity £'000
Equity as at 31 March 2022	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**10,303**	**21,365**
Comprehensive income for the year	–	–	–	–	–	418	418
Total comprehensive income for the year	–	–	–	–	–	418	418
Contributions by and distributions to owners							
Dividends paid	–	–	–	–	–	(617)	(617)
Total contributions by and distributions to owners	–	–	–	–	–	(617)	(617)
Equity as at 31 March 2023	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**10,104**	**21,166**
Comprehensive income for the year	–	–	–	–	–	368	368
Total comprehensive income for the year	–	–	–	–	–	368	368
Contributions by and distributions to owners							
Dividends paid	–	–	–	–	–	(213)	(213)
Total contributions by and distributions to owners	–	–	–	–	–	(213)	(213)
Equity as at 31 March 2024	**2,888**	**3,763**	**(312)**	**111**	**4,612**	**10,259**	**21,321**

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

Notes to the accounts

year ended 31 March 2024

1. General information

Walker Crips Group plc ("the Company") is the Parent Company of the Walker Crips group of companies ("the Company"). The Company is a public limited company incorporated in the United Kingdom under the Companies Act 2006 and listed on the London Stock Exchange. The Group is registered in England and Wales. The address of the registered office is Old Change House, 128 Queen Victoria Street, London EC4V 4BJ.

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

2. Basis of preparation

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

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

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

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

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

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

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

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

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

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

Going concern

The financial statements of the Group have been prepared on a going concern basis. At 31 March 2024, the Group had net assets of £21.3 million (2023: £21.2 million), net current assets of £12.7 million (2023: £11.9 million) and cash and cash equivalents of £13.9 million (2023: £13.1 million). The Group reported an operating profit of £63,000 for the year ended 31 March 2024 (2023: £625,000), inclusive of operating exceptional income of £225,000 (2023: operating exceptional expense of £554,000), and net cash inflows from operating activities of £0.9 million (2023: £3.5 million).

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

- The Group's three-year base case projections based on current strategy, trading performance, expected future profitability, liquidity, capital solvency and dividend policy.
- The outcome of stress scenarios applied to the Group's base case projections prior to deployment of management actions.
- The principal risks facing the Group and its systems of risk management and internal control.
- The Group's ability to generate positive operating cash flow during the year to 31 March 2024 and projected future cash flows.

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

- Trading commission is expected to be flat for the foreseeable future and management fee growth expectation of 2.5% has been set, while also having adjusted for expected client attrition in respect of the recent self-employed investment manager departures (see Finance Director's review).
- UK base rate to remain at 5.25% for a main part of 2024 and see a gradual reduction over the next 24 months to 4%.
- Inflation to remain below 3% for the foreseeable future.

Key stress scenarios that the Directors have then considered include:

- A "bear stress scenario": representing a 10% reduction in management fees, trading commissions, and interest income with the consequent reduction in revenue sharing based costs, compared to the base case in the reporting periods ending 31 March 2025 and 31 March 2026.
- A "severe stress scenario": representing a 20% fall in management fees, trading commissions, and interest income with the consequent reduction in revenue sharing based costs, compared to the base case in the reporting periods ending 31 March 2025 and 31 March 2026.

2. Basis of preparation continued

Going concern continued

Liquidity and regulatory capital resource requirements exceed the minimum thresholds in both the base case and bear scenarios. In the severe stress scenario, although the Group has positive liquidity throughout the period, the negative impact on our prudential capital ratio is such that it is projected to fall below the regulatory requirement in February 2026. The Directors consider the severe stress scenario to be remote in view of the prudence built into the base case projections and that further mitigations available to the Directors are not reflected therein. Such mitigating actions within Management's control include reduction in proprietary risk positions, delayed capital expenditure, further reductions in discretionary spend, not paying planned dividends and reductions in employee headcount. Other mitigating actions may include disposal of businesses, stronger cost reductions and potential to seek shareholder support.

Based on the assessment of the Group's financial position and its ability to meet its obligations as and when they fall due, the Directors do not consider there are material uncertainties that cast significant doubt on the Group's ability to continue as a going concern in the twelve-month period from the date of approval of the Annual Report and Accounts.

Standards and interpretations affecting the reported results or the financial position

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

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

3. Significant accounting policies

Basis of consolidation

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

Entities where the interest is 49% or less are assessed for potential treatment as a Group company against the control tests outlined in IFRS 10, being power over the investee, exposure or rights to variable returns and power over the investee to affect the amount of investors' returns. At the reporting date there were no entities where the Group had an interest below 49%.

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

Business combinations

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

Acquisition-related costs are expensed as incurred.

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

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

Interests in associate

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

Intangible assets

(a) Goodwill

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

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

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

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

Notes to the accounts continued
year ended 31 March 2024

3. Significant accounting policies continued
Intangible assets continued

(b) Client lists

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

Intangible assets classified as client lists are recognised when acquired as part of a business combination, when separate payments are made to acquire clients' assets by adding teams of investment managers, or when acquiring the ownership of client relationships from retiring in-house self-employed investment managers.

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

The cost of acquired client lists and businesses generating revenue from clients and investment managers are capitalised. These costs are amortised on a straight-line basis over their expected useful lives of three to twenty years at inception. The amortisation period and amortisation method for intangible assets are reviewed at least each financial year end. All client list intangible assets have a finite useful life. Client lists associated with self-employed investment managers were revised in 2023 so that no client list was amortised for periods longer than six years from 1 April 2022.

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

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

(c) Software licences

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

Impairment of non-financial assets

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

Own shares held

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

Revenues recognised under IFRS 15

Revenue from contracts with customers:

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

Other incomes:

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

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

3. Significant accounting policies continued

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

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

Such items include:

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

The separate disclosure of these items allows a clearer understanding of the Group's trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group. The exceptional items arising in the current period are explained in note 9.

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

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

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

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

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

Computer hardware	$33^1/_3$% per annum on cost
Computer software	between 20% and $33^1/_3$% per annum on cost
Leasehold improvements	over the term of the lease
Furniture and equipment	$33^1/_3$% per annum on cost

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

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

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

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

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

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

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

Notes to the accounts continued
year ended 31 March 2024

3. Significant accounting policies continued

Taxation continued

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

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

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

Financial assets and liabilities

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

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

The Group does not use hedge accounting.

a) Financial assets

Classification and subsequent measurement

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

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

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

(i) Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

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

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

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

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

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

Reclassification

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

3. Significant accounting policies continued

Financial assets and liabilities continued

a) Financial assets continued

(i) Debt instruments continued

Impairment

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

The measurement of ECL reflects:

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

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

(ii) Equity instruments

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

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

(iii) Cash and cash equivalents

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

Derecognition

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

b) Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost.

Financial liabilities are derecognised when they are extinguished.

Financial liabilities and equity

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

Trade payables

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

Bank overdrafts

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

Equity instruments

Ordinary shares are classified as equity.

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

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

Share Incentive Plan ("SIP")

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

The matching option was reinstated to one-to-one from 1 April 2023 from the previous one-half for every Partnership Share purchased. All shares awarded under this scheme have been purchased in the market by the Trustees of the SIP.

Notes to the accounts continued

year ended 31 March 2024

3. Significant accounting policies continued

Financial assets and liabilities continued

b) Financial liabilities continued

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.

Long-term liabilities – deferred cash and shares consideration

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

Pension costs

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

Dividends paid

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

Leases

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

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

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

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

3. Significant accounting policies continued

Financial assets and liabilities continued

b) Financial liabilities continued

Leases continued

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

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

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

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

Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 15).

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

Share-based payments

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

Equity-settled share-based payments to employees are measured at fair value of the equity instruments at the date of grant. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 36.

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

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

4. Key sources of estimation uncertainty and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill – estimation and judgement

Determining whether goodwill is impaired requires an estimation of the fair value less costs to sell and the value-in-use of the cash-generating units to which goodwill has been allocated. The fair value less costs to sell involves estimation of values based on the application of earnings multiples and comparison to similar transactions. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and apply a discount rate in order to calculate present value. The assumptions used and inputs involve judgements and create estimation uncertainty. These assumptions have been stress-tested as described in note 16. The carrying amount of goodwill at the balance sheet date was £4.4 million (2023: £4.4 million) as shown in note 16.

Other intangible assets – judgement

Acquired client lists are capitalised based on current fair values. When the Group purchases client relationships from other corporate entities, a judgement is made as to whether the transaction should be accounted for as a business combination, or a separate purchase of intangible assets. In making this judgement, the Group assesses the acquiree against the definition of a business combination in IFRS 3. The useful lives are estimated by assessing the historic rates of client retention, the ages and succession plans of the investment managers who manage the clients and the contractual incentives of the investment managers. There were no new purchases of client lists during the year.

Key assumptions in this regard consist of the following:

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

Notes to the accounts continued

year ended 31 March 2024

4. Key sources of estimation uncertainty and judgements continued

Provisions – estimation and judgement

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

IFRS 16 "Leases" – estimation and judgement

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

The Group has opted to use single discount rates for leases with reasonably similar characteristics. The discount rates used have had an impact on the right-of-use assets' values, lease liabilities on initial recognition and lease finance costs included within the income statement.

Where a lease includes the option for the Group to extend the lease term, the Group has exercised the judgement, based on current information, that such leases will be extended to the full length available, and this is included in the calculation of the value of the right-of-use assets and lease liabilities on initial recognition and valuation at the reporting date.

Provision for dilapidations – estimation and judgement

The Group has made provisions for dilapidations under six leases for its offices. The Group entered into one new property lease in the period, which was the renewal of an existing lease that had ended in the period. The amounts of the provisions are, where possible, estimated using quotes from professional building contractors. The property, plant and equipment elements of the dilapidations are depreciated over the terms of their respective leases. The obligations in relation to dilapidations are inflated using an estimated rate of inflation and discounted using appropriate gilt rates to present value. The change in liability attributable to inflation and discounting is recognised in interest expense.

Provision for stamp duty liability – estimation and judgement

The Group, in the previous year, identified an obligation in respect of stamp duty reserve tax which has arisen over a number of years. An initial provision of £878,000 was made in the previous year and subsequently upon management investigation and external tax advice, the liability including professional fees outstanding, is estimated to be £355,000 which is fully provided in the financial statements (see note 26).

5. Revenue

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

	2024			2023		
	Broking income £'000	**Non-broking income £'000**	**Total £'000**	Broking income £'000	Non-broking income £'000	Total £'000
Stockbroking commission	**4,934**	**–**	**4,934**	6,008	–	6,008
Fees and other revenue*	**–**	**24,189**	**24,189**	–	23,665	23,665
Investment Management	**4,934**	**24,189**	**29,123**	6,008	23,665	29,673
Financial Planning & Wealth Management	**–**	**2,451**	**2,451**	–	1,939	1,939
Revenue	**4,934**	**26,640**	**31,574**	6,008	25,604	31,612
Investment revenue (see note 10)	**–**	**446**	**446**	–	95	95
Total income	**4,934**	**27,086**	**32,020**	6,008	25,699	31,707
% of total income	**15.4%**	**84.6%**	**100.0%**	18.9%	81.1%	100.0%

* Includes £5.8 million (2023: £3.2 million) of interest income from managing client trading cash funds.

Timing of revenue recognition

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

2024	**Investment Management £'000**	**Financial Planning & Wealth Management £'000**	**SaaS £'000**	**Consolidated year ended 31 March 2024 £'000**
Revenue from contracts with customers				
Products and services transferred at a point in time	**8,176**	**408**	**17**	**8,601**
Products and services transferred over time	**14,959**	**2,043**	**–**	**17,002**
Other revenue				
Products and services transferred at a point in time	**153**	**–**	**–**	**153**
Products and services transferred over time	**5,818**	**–**	**–**	**5,818**
	29,106	**2,451**	**17**	**31,574**

5. Revenue continued

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

6. Segmental analysis

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

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

Walker Crips Financial Planning provides advisory and administrative services to clients in relation to their wealth management, financial planning, life insurance, inheritance tax and pension arrangements.

EnOC Technologies Limited ("EnOC") provides regulatory and admin software to their business partners, including all of the Group's regulated entities. Fees payable by subsidiary companies to EnOC have been eliminated on consolidation and are excluded from segmental analysis.

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

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

2024	**Investment Management £'000**	**Financial Planning & Wealth Management £'000**	**SaaS £'000**	**Consolidated year ended 31 March 2024 £'000**
Revenue				
Revenue from contracts with customers	**23,135**	**2,451**	**17**	**25,603**
Other revenue	**5,971**	**–**	**–**	**5,971**
Total revenue	**29,106**	**2,451**	**17**	**31,574**
Results				
Segment result	**1,632**	**(629)**	**(490)**	**513**
Unallocated corporate expenses				**(450)**
Operating profit				**63**
Investment revenue				**446**
Finance costs				**(122)**
Profit before tax				**387**
Tax				**(19)**
Profit after tax				**368**

Notes to the accounts continued

year ended 31 March 2024

6. Segmental analysis continued

2024	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2024 £'000
Other information				
Capital additions	463	24	–	487
Depreciation	261	27	–	288
Statement of financial positions				
Assets				
Segment assets	54,333	1,279	406	56,018
Unallocated corporate assets				1,304
Consolidated total assets				57,322
Liabilities				
Segment liabilities	37,984	315	242	38,541
Unallocated corporate liabilities				(2,540)
Consolidated total liabilities				36,001

2023	Investment Management £'000	Financial Planning & Wealth Management £'000	SaaS £'000	Consolidated year ended 31 March 2023 £'000
Revenue				
Revenue from contracts with customers	26,399	1,938	16	28,353
Other revenue	3,258	1	–	3,259
Total revenue	29,657	1,939	16	31,612
Results				
Segment result	1,553	(310)	(128)	1,115
Unallocated corporate expenses				(490)
				625
Investment revenue				95
Finance costs				(88)
Profit before tax				632
Tax				(214)
Profit after tax				418

6. Segmental analysis continued

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

The following table analyses the above segmental breakdown without cancelling intercompany transactions to show the value of each segment to the Group itself. Since EnOC acquired the intellectual property of the Advance Walkers Online platform on 1 April 2023, it has become a profitable entity, reflecting its value to the Group.

2024	**Investment Management £'000**	**Financial Planning & Wealth Management £'000**	**SaaS £'000**	**Consolidated year ended 31 March 2024 £'000**
Revenue				
Revenue from contracts with customers	**23,135**	**2,544**	**609**	**26,288**
Other revenue	**5,971**	**–**	**–**	**5,971**
Total revenue	**29,106**	**2,544**	**609**	**32,259**
Results				
Segment result	**947**	**(536)**	**102**	**513**
Unallocated corporate expenses				**(450)**
				63
Investment revenue				**446**
Finance costs				**(122)**
Profit before tax				**387**
Tax				**(19)**
Profit after tax				**368**

7. Commissions and fees paid

Commissions and fees paid comprises:

	2024 £'000	2023 £'000
To authorised external agents	**–**	3
To self-employed certified persons	**5,769**	7,261
	5,769	7,264

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year ended 31 March 2024

8. Profit for the year

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

	2024 £'000	2023 £'000
Depreciation of property, plant and equipment (see note 18)	288	331
Depreciation of right-of-use assets (see note 19)	636	771
Amortisation of intangibles (see note 17)	1,011	970
Staff costs (see note 12)	16,898	14,475
Recharge of staff costs	(278)	(248)
Settlement costs	1,029	994
Communications	1,385	1,387
Computer expenses	1,000	831
Other expenses	3,736	3,442
Auditor's remuneration	262	216
	25,967	23,169

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

	2024 £'000	2024 %	2023 £'000	2023 %
Audit services				
Fees payable to the Company's auditor for the audit of its annual accounts	113	43	84	39
The audit of the Company's subsidiaries pursuant to legislation – current year	119	45	119	55
Non-audit services				
FCA client assets reporting	30	12	13	6
	262	100	216	100

9. Exceptional items

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

	2024 £'000	2023 £'000
Exceptional items included within operating profit		
SDRT liability to HMRC	(225)	131
Accelerated amortisation	–	423
Total exceptional items	(225)	554

In the current year, the final SDRT liability to HMRC has been disclosed to HMRC, which HMRC is examining. This adjustment reflects the restatement of the final expected liability, net of actual and estimated professional costs.

In the prior year, the following items were classified as exceptional items due to their materiality and non-recurring nature. These were:

a) SDRT liability to HMRC resulting from a system monitoring error where stamp duty was omitted from a small number of client contracts.

b) Amortisation of client list intangible assets of £423,000.

10. Investment revenue

Investment revenue comprises:

	2024 £'000	2023 £'000
Interest on bank deposits	**427**	48
Dividends from equity investment	**19**	47
	446	95

11. Finance costs

Finance costs comprises:

	2024 £'000	2023 £'000
Interest on lease liabilities	**(99)**	(86)
Interest on dilapidation provisions	**(2)**	3
Interest on overdue liabilities	**(21)**	(5)
	(122)	(88)

12. Staff costs

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

	2024 £'000	2023 £'000
Wages and salaries	**13,891**	11,943
Social security costs	**1,328**	1,262
Share incentive plan	**43**	60
Other employment costs	**1,636**	1,210
	16,898	14,475

Staff costs do not include commissions payable, as these costs are included in total commissions payable to self-employed certified persons disclosed in note 7. At the end of the year there were 26 certified self-employed account executives (2023: 32).

The average number of staff employed during the year was:

	2024 Number	2023 Number
Executive Directors	**2**	2
Certification and approved staff	**60**	49
Other staff	**157**	155
	219	206

The table incorporates the staff classification in accordance with the Senior Managers and Certification Regime ("SM&CR").

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year ended 31 March 2024

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

	2024 £'000	2023 £'000
UK corporation tax at 25% (2023: 19%)	218	228
Prior year adjustments	(175)	(7)
Origination and reversal of timing differences during the current period	(24)	(46)
	19	175

Corporation tax is calculated at 25% (2023: 19%) 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:

	2024 £'000	2023 £'000
Profit before tax	387	632
Tax on profit on ordinary activities at the standard rate UK corporation tax rate of 25% (2023: 19%)	97	120
Effects of:		
Tax rate changes for deferred tax	–	(8)
Expenses not deductible for tax purposes	9	64
Prior year adjustment*	(175)	(14)
Fixed asset differences	168	65
Non taxable income**	(93)	–
Other	13	(13)
	19	214

* The prior year adjustment only relates to tax disclosure where the Group received capital allowances on capital expenditure that were previously not available due to expenditure recorded in the loss-making parent entity. Since the assets were transferred to a profit-making subsidiary on 1 April 2022, capital allowances claimed with HMRC and deductions received.

** This relates to the above matter where a landlord contribution write-down was incorrectly taxed in prior years, which was subsequently by our tax advisers and reversed, with the credit recognised in the current year.

Current tax has been provided at the rate of 25%. Deferred tax has been provided at 25% (2023: 25%).

The exceptional credit of £225,000 (2023: the exceptional charge of £554,000), disclosed separately on the consolidated income statement, is taxable to the value of £56,250 (2023: tax deductible of £105,000) of corporation tax. Classifying these credits/costs as exceptional has no effect on the tax liability.

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

	2024 £'000	2023 £'000
Final dividend for the year ended 31 March 2023 of 0.25p (2022: 1.20p) per share	107	511
Interim dividend for the year ended 31 March 2024 of 0.25p (2023: 0.25p) per share	106	106
	213	617
Proposed final dividend for the year ended 31 March 2024 of 0.25p (2023: 0.25p) per share	106	106

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 £368,000 (2023: £418,000) and divided by 42,577,328 (2023: 42,577,328) Ordinary Shares of $6^{2}/_{3}$ pence, being the weighted average number of Ordinary Shares in issue during the year.

No dilution to earnings per share in the current year or in the prior year.

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

	2024 £'000	2023 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Parent Company	**368**	418

Number of shares

	2024 Number	2023 Number
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**42,577,328**	42,577,328

This produced basic earnings per share of 0.86 pence (2023: 0.98 pence).

16. Goodwill

	£'000
Cost	
At 1 April 2022	7,056
At 1 April 2023	7,056
At 31 March 2024	**7,056**
Accumulated impairment	
At 1 April 2022	2,668
At 1 April 2023	2,668
Impaired during the year	–
At 31 March 2024	**2,668**
Carrying amount	
At 31 March 2024	**4,388**
At 31 March 2023	4,388

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

	2024 £'000	2023 £'000
London York Fund Managers Limited CGU ("London York")	**2,901**	2,901
Barker Poland Asset Management LLP CGU ("BPAM")	**1,487**	1,487
	4,388	4,388

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

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

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year ended 31 March 2024

16. Goodwill continued

The discount rate would need to increase above 28% for the London York CGU value-in-use to equal the respective carrying values. Revenues would need to fall by 63.7% per annum in present value terms for the London York CGU value-in-use to equal the respective carrying values.

The BPAM CGU recoverable amount was assessed, in accordance with IAS 36, by adopting the higher method of the fair value less cost of disposal to determine the recoverable amount (as opposed to the lower value-in-use). The recoverable amount at the year end calculated for the BPAM CGU, determined by the fair value less cost of disposal, exceeded that produced by the value-in-use calculation. The fair value less cost of disposal amounted to £13 million (2023: £10 million) with headroom, after selling costs, of £9.8 million (2023: £6.7 million) after applying price earnings multiples based on the average of the Group's and its peers' published results. Accordingly, this measurement is classified as fair value hierarchy Level 3 (note 20) having used valuation techniques not based on directly observable market data. A 36% decrease in BPAM's profit after tax across five years would result in reducing the headroom to a negligible value.

17. Other intangible assets

	Software licences £'000	Client lists £'000	Total £'000
Cost			
At 1 April 2022	2,899	10,697	13,596
Reclassification of assets relating to IFRS 16	(22)	–	(22)
Additions in the year	45	266	311
At 1 April 2023	2,922	10,963	13,885
Additions in the year	104	–	104
At 31 March 2024	**3,026**	**10,963**	**13,989**
Amortisation			
At 1 April 2022	2,644	5,200	7,844
Charge for the year	137	833	970
Charge for the year – exceptional cost (note 9)	–	423	423
At 1 April 2023	2,781	6,456	9,237
Charge for the year	100	911	1,011
At 31 March 2024	**2,881**	**7,367**	**10,248**
Carrying amount			
At 31 March 2024	**145**	**3,596**	**3,741**
At 31 March 2023	141	4,507	4,648

The intangible assets are amortised over their estimated useful lives in order to determine amortisation rates. "Client lists" are assessed on an asset-by-asset basis and are amortised over periods of three to twenty years and "Software licences" are amortised over five years.

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

18. Property, plant and equipment

Owned fixed assets	Leasehold improvement, furniture and equipment £'000	Computer hardware £'000	Total £'000
Cost			
At 1 April 2022	2,753	1,590	4,343
Additions in the year	99	52	151
At 1 April 2023	2,852	1,642	4,494
Additions in the year	59	55	114
At 31 March 2024	**2,911**	**1,697**	**4,608**
Accumulated depreciation			
1 April 2022	1,633	1,541	3,174
Charge for the year	297	34	331
1 April 2023	1,930	1,575	3,505
Charge for the year	258	30	288
At 31 March 2024	**2,188**	**1,605**	**3,793**
Carrying amount			
At 31 March 2024	**723**	**92**	**815**
At 31 March 2023	922	67	989

19. Right-of-use assets

	Offices £'000	Computer software £'000	Computer hardware £'000	Total £'000
Cost				
1 April 2023	4,650	1,067	95	5,812
Additions	100	271	–	371
At 31 March 2024	**4,750**	**1,338**	**95**	**6,183**
Accumulated depreciation				
1 April 2023	2,486	906	80	3,472
Charge for the year	480	141	15	636
At 31 March 2024	**2,966**	**1.047**	**95**	**4,108**
Carrying amount				
At 31 March 2024	**1,784**	**291**	**–**	**2,075**
At 31 March 2023	2,164	161	15	2,340

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year ended 31 March 2024

20. Investments – fair value through profit or loss

Non-current asset investments

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

Current asset investments

	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Trading investments		
Investments – fair value through profit or loss	**538**	1,276

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

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

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group's financial assets held at fair value through profit and loss under current assets fall within this category;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The Group does not hold financial instruments in this category; and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Group does not hold financial instruments in this category.

	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
At 31 March 2024				
Financial assets held at fair value through profit and loss	**538**	**–**	**–**	**538**
At 31 March 2023				
Financial assets held at fair value through profit and loss	1,276	–	–	1,276

Further IFRS 13 disclosures have not been presented here as the balance represents 0.939% (2023: 2.022%) of total assets. There were no transfers of investments between any of the levels of hierarchy during the year.

21. Trade and other receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Due from clients, brokers and recognised stock exchanges at amortised cost	**24,630**	28,554
Other debtors at amortised cost	**1,191**	2,148
Prepayments and accrued income	**6,081**	5,599
	31,902	36,301

The Group acts as an agent for clients on the trading of their investments. As an agent, the Group only recognises amounts due from or to clients, brokers and recognised stock exchanges as trade receivables and trade payables (see note 25) respectively. As a result, no underlying investments are recognised on the Group's consolidated statement of financial position.

22. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash deposits held at bank, repayable on demand without penalty	**13,863**	13,138
	13,863	13,138

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

The amount of such net deposits which are not included in the consolidated statement of financial position at 31 March 2024 was £213,695,000 (2023: £267,258,000).

The credit quality of banks holding the Group's cash at 31 March 2024 is analysed below with reference to credit ratings awarded by Fitch.

	2024 £'000	2023 £'000
A+	**5,676**	5,400
AA-	**8,187**	7,738
	13,863	13,138

23. Deferred tax liability

	Capital allowances £'000	**Short-term temporary differences and other £'000**	**Total £'000**
At 1 April 2022	(5)	(409)	(414)
Use of loss brought forward	–	2	2
Debit to the income statement	–	41	41
At 1 April 2023	(5)	(366)	(371)
Use of loss brought forward	–	–	–
Debit to the income statement	(2)	113	111
At 31 March 2024	**(7)**	**(253)**	**(260)**

Deferred income tax assets are recognised for tax loss carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets (2023: £12,362) in respect of losses amounting to £nil (2023: £65,063) that can be carried forward against future taxable income.

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24. Financial instruments and risk profile

Financial risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Risk function. The Board receives periodic reports from the Group Risk Team through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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

The Group's risk appetite, along with the procedures and controls mentioned above, are laid out in the Group's Internal capital adequacy and risk assessment (ICARA).

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

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group considers its financial risks arising from its use of financial instruments to fall into three main categories:

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

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

(i) Credit risk management practices

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

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

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

Trade receivables (includes settlement balances)

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

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

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

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

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

Maximum exposure to credit risk:

	2024 £'000	2023 £'000
Cash	**13,863**	13,138
Trade receivables	**24,630**	28,554
Other debtors	**1,191**	2,148
Accrued interest income	**767**	591
	40,451	44,431

24. Financial instruments and risk profile continued

Financial risk management continued

(i) Credit risk management practices continued

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

At 31 March 2024	Current £'000	0-1 month £'000	2-3 months £'000	Over 3 months £'000	Carrying value £'000
Trade receivables	22,789	1,524	51	266	24,630
Cash and cash equivalent	13,863	–	–	–	13,863
Other debtors	1,188	3	–	–	1,191
Accrued interest income	767	–	–	–	767
	38,607	1,527	51	266	40,451

Expected credit loss

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

The Group undertakes a daily assessment of credit risk which includes monitoring of client and counterparty exposure and credit limits. New clients are individually assessed for their creditworthiness using external ratings where available and all institutional relationships are monitored at regular intervals.

As at 31 March 2024, the Directors of the Company reviewed and assessed the Group's existing assets for impairment using the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets and no additional impairments have been recognised on application and no material defaults are anticipated within the next 12 months.

Concentration of credit risk

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

(ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to maintain sufficient cash to allow it to meet its liabilities when they become due.

Historically, sufficient underlying cash has been prevalent in the business for many years as the Group is normally cash-generative. The risk of unexpected large cash outflows could arise where significant amounts are being settled daily of which only a fraction forms the commission earned by the Group. This could be due to clients settling late or bad deliveries to the market or CREST resulting in a payment delay from the market side. The Group also commits in advance to product providers to purchase future structured product issues at the future market price. The Group then markets such products in advance of the issue, which under normal business conditions means there is limited liquidity and market risk at the time of product launch.

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

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

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

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

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

2024	Less than 1 year £'000	Total £'000
Trade and other payables	31,961	31,961
	31,961	31,961

2023		
Trade and other payables	36,849	36,849
	36,849	36,849

As at 31 March 2024 the Group had commitments in respect of future structured product issues of £8.3 million (2023: £10.0 million).

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24. Financial instruments and risk profile continued

Financial risk management continued

(iii) Market risk

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

Fair value of financial instruments

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values as they are valued at their realisable values. The Group's financial assets that are classed as current asset and non-current asset investments (fair value through profit or loss) have been revalued at 31 March 2024 using closing market prices.

A 10% fall in the value of trading financial instruments would, in isolation, result in a pre-tax decrease to net assets of £53,800 (2023: £127,600). A 10% rise would have an equal and opposite effect.

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

25. Trade and other payables

	2024 £'000	2023 £'000
Amounts owed to clients, brokers and recognised stock exchanges	**24,315**	28,012
Other creditors	**2,704**	4,028
Contract liability	**–**	9
Accrued expenses	**4,942**	4,800
	31,961	36,849

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 9 days (2023: 11 days). The Directors consider that the carrying amount of trade payables approximates to their fair value.

The Group acts as an agent for clients on the trading of their investments. As an agent, the Group only recognises amounts due from or to clients, brokers and recognised stock exchanges as trade receivables and trade payables respectively. As a result, no underlying investments are recognised on the Group's consolidated statement of financial position.

26. Provisions

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

	Professional fees £'000	**Client payments £'000**	**Dilapidations £'000**	**Stamp Duty liability and related costs £'000**	**Total £'000**
Provisions falling due within one year					
At 1 April 2022	**455**	**650**	**32**	**747**	**1,884**
Additions	–	96	–	131	227
Reclassification to trade and other payables	(90)	(746)	–	–	(836)
Release of provisions	(20)	–	–	–	(20)
Utilisation of provisions	(345)	–	(32)	–	(377)
At 1 April 2023	**–**	**–**	**–**	**878**	**878**
Release of provisions	–	–	–	(243)	(243)
Utilisation of provisions	–	–	–	(280)	(280)
	–	**–**	**–**	**355**	**355**

26. Provisions continued

	Professional fees £'000	Client payments £'000	Dilapidations £'000	Stamp Duty liability and related costs £'000	Total £'000
Provisions falling due after one year					
At 1 April 2022	**–**	**–**	**586**	**–**	**586**
Additions	–	–	61	–	61
Interest	–	–	5	–	5
At 1 April 2023	**–**	**–**	**652**	**–**	**652**
Additions	–	–	14	–	14
Interest	–	–	23	–	23
	–	–	689	–	689
Total as at 31 March 2024	**–**	**–**	**689**	**355**	**1,044**

The Group, based on revised estimates, made an additional provision of £37,000 (including interest) for dilapidations in connection with acquired leasehold premises (2023: total additional provision of £66,000). These costs are expected to arise at the end of each respective lease.

The Group had six leased properties, all of which had contractual dilapidation requirements. The dilapidation provisions in relation to these leases range from net present values as at the year end of £12,000 to £583,000 per lease.

The Group, in the previous year, identified an obligation in respect of stamp duty reserve tax which arose over several years. An initial provision of £878,000 was made in the prior year, and subsequently upon management investigation and external tax advice, the liability including professional fees currently outstanding, is estimated to be £355,000.

27. Lease liabilities

Lease liabilities	Offices £'000	Computer software £'000	Computer hardware £'000	Total £'000
At 1 April 2023	2,562	148	20	2,730
Additions	100	271	–	371
Interest	87	12	–	99
Lease payments	(506)	(227)	(13)	(746)
At 31 March 2024	**2,243**	**204**	**7**	**2,454**

Lease liabilities profile (statement of financial position)	**2024 £'000**	2023 £'000
Amounts due within one year	**718**	341
Amounts due after more than one year	**1,736**	2,389
	2,454	2,730

Undiscounted lease maturity analysis	**2024 £'000**	2023 £'000
Within one year	**865**	426
Between one and two years	**847**	958
Between two and five years	**864**	1,549
Total undiscounted lease liabilities	**2,576**	2,933

Notes to the accounts continued

year ended 31 March 2024

28. Called-up share capital

	2024 £'000	2023 £'000
Called-up, allotted and fully paid		
43,327,328 (2023: 43,327,328) Ordinary Shares of $6^2/_3$p each	**2,888**	2,888

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

The following movements in share capital occurred during the year:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 April 2023	43,327,328	2,888	3,763	6,651
At 31 March 2024	**43,327,328**	**2,888**	**3,763**	**6,651**

The Group's capital is defined for accounting purposes as total equity. As at 31 March 2024, this totalled £21,321,000 (2023: £21,166,000).

The Group's objectives when managing capital are to:

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

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

The Group's capital, for accounting purposes, is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital at 31 March 2024 was £21.3 million (2023: £21.2 million).

Regulatory capital is derived from the Group's "ICARA", which is a requirement of the Investment Firm Prudential Regime ("IFPR"). The ICARA draws on the Group's risk management process that is embedded within all areas of the Group. The Group's objectives when managing capital are to comply with the capital requirements set by the Financial Conduct Authority, to safeguard the Group's ability to continue as a going concern.

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

Regulatory capital
No breaches were reported to the FCA during the financial years ended 31 March 2024 and 2023.

Treasury shares
The Group holds 750,000 of its own shares, purchased for total cash consideration of £312,000. In line with the principles of IAS 32 these treasury shares have been deducted from equity (note 29). No gain or loss has been recognised in the income statement in relation to these shares.

29. Reserves

Apart from share capital and share premium, the Group holds reserves at 31 March 2024 under the following categories:

Own shares held	(£312,000) (2023: (£312,000))	the negative balance of the Group's own shares, which have been bought back and held in treasury.
Retained earnings	£10,259,000 (2023: £10,104,000)	the net cumulative earnings of the Group, which have not been paid out as dividends, are retained to be reinvested in our core, or developing, companies.
Other reserves	£4,723,000 (2023: £4,723,000)	the cumulative premium on the issue of shares as deferred consideration for corporate acquisitions £4,612,000 (2023: £4,612,000) and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares.

30. Cash generated from operations

	2024 £'000	2023 £'000
Operating profit for the year	**63**	625
Adjustments for:		
Amortisation of intangibles	**1,011**	1,393
Net change in fair value of financial instruments at fair value through profit or loss***	**96**	575
Depreciation of property, plant and equipment	**288**	331
Depreciation of right-of-use assets*	**636**	771
Decrease in debtors**	**4,398**	13,662
Decrease in creditors**	**(5,522)**	(13,818)
Net cash inflow	**970**	3,539

* Lease liability payments associated with RoU assets were 722,000 (2023: £332,000).
** Cash outflow from working capital movement of £1,124,000 (2023: £156,000).
*** Revaluation profit on proprietary positions.

31. Financial commitments

Capital commitments

At the end of this year and the previous year, there were no capital commitments contracted but not provided for and no capital commitments authorised but not contracted for.

32. Related parties

Directors and their close family members have dealt on standard commercial terms with the Group. The commission and fees earned by the Group included in revenue through such dealings is as follows:

	2024 £'000	2023 £'000
Commission and fees received from Directors and their close family members	**31**	20

Other related parties include Charles Russell Speechlys, of which Martin Wright, Chairman, was a Partner and remains a consultant. Charles Russell Speechlys provides certain legal services to the Group on normal commercial terms and the amount paid and expensed during the year (including the fees paid to the firm for Mr. Wright's services as Director) was £208,000 (2023: £280,000).

Fees of £9,000 (2023: £9,000) are receivable by EnOC Technologies Ltd from CyberQuote Pte Ltd (a company, where Hua Min Lim is a shareholder) for the service provided on normal commercial terms.

Commission of £19,714 (2023: £7,043) was earned by the Group from Phillip Securities (HK) Limited (a Phillip Brokerage Pte Limited company, where Hua Min Lim is a shareholder) having dealt on standard commercial terms. Additionally, some custody services are provided by Phillip Securities Pte Ltd (in Singapore, where Hua Min Lim is a Director), again all on standard commercial terms, both these items being included in revenue. Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are accordingly not disclosed. Remuneration of the Directors who are the key Management personnel of the Group is disclosed in the table below.

	2024 £'000	2023 £'000
Key management personnel compensation		
Short-term employee benefits	**519**	459
Post-employment benefits	**36**	32
	555	491

Notes to the accounts continued

year ended 31 March 2024

33. Contingent liabilities

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

From time to time, the Group receives complaints or undertakes past business reviews, the outcomes of which remain uncertain and/or cannot be reliably quantified based upon information available and circumstances falling outside the Group's control. Accordingly, contingent liabilities arise, the ultimate impact of which may also depend upon availability of recoveries under the Group's indemnity insurance and other contractual arrangements. Other than any cases where a financial obligation is deemed to be probable and thus provision is made, the Directors presently consider a negative outcome to be remote. As a result, no further disclosure has been made in these financial statements. Provisions made remain subject to estimation uncertainty, which may result in material variations in such estimates as matters are finalised.

34. Subsequent events

There are no material events arising after 31 March 2024, which have an impact on these financial statements.

35. Deferred cash consideration

	2024 £'000	2023 £'000
Due within one year		
Amounts due to personnel under recruitment contracts/acquisition agreements	**25**	94
Due after one year		
Amounts due to personnel under recruitment contracts/acquisition agreements	**15**	71

These amounts are based on fixed contractual terms and the fair value of the liability approximates carrying value, due to the consistency of the prevailing market rate of interest when compared to the inception of liability.

36. Share-based payments

The Group recognised total expenses in the year of £15,000 (2023: £nil) related to equity-settled share-based payment transactions.

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

Share Incentive Plan ("SIP")

Employees who have been employed for longer than three months and are subject to PAYE are invited to join the SIP. Employees may use funds from their gross monthly salary (being not less than £10 and not greater than £150) to purchase ordinary shares in the Group ("Partnership Shares"). In the current year, for every Partnership Share purchased, the employee received matching shares at a rate of 100%. The matching option will remain at this rate to 31 March 2025. Employees are offered an annual opportunity to top up contributions to the maximum annual limit of £1,800 (or 10% of salary, if lower). All shares to date awarded under this scheme have been purchased in the market at the prevailing share price on a monthly basis.

Company balance sheet

as at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments measured at cost less impairment	40	**22,105**	21,907
		22,105	21,907
Current assets			
Trade and other receivables	41	**803**	801
Deferred tax asset	42	**–**	1
Cash and cash equivalents		**176**	95
		979	897
Total assets		**23,084**	22,804
Current liabilities			
Trade and other payables	43	**(4,579)**	(3,889)
		(4,579)	(3,889)
Net current liabilities		**(3,600)**	(2,992)
Net assets		**18,505**	18,915
Equity			
Share capital	45	**2,888**	2,888
Share premium account	45	**3,763**	3,763
Own shares	45	**(312)**	(312)
Retained earnings	45	**7,443**	7,853
Other reserves	45	**4,723**	4,723
Equity attributable to equity holders of the Company		**18,505**	18,915

As permitted by section 408 of the Companies Act 2006 the Parent Company has elected not to present its own profit and loss account for the year. Walker Crips Group plc reported an after-tax loss for the financial year of £197,000 (2023: after-tax profit of £89,000).

The financial statements of Walker Crips Group plc (Company registration no. 01432059) were approved by the Board of Directors and authorised for issue on 31 July 2024.

Signed on behalf of the Board of Directors:

Sanath Dandeniya FCCA
Director

Company statement of changes in equity

year ended 31 March 2024

	Called-up share capital £'000	Share premium account £'000	Own shares held £'000	Other £'000	Retained earnings £'000	Total equity £'000
Equity as at 31 March 2022	2,888	3,763	(312)	4,723	8,381	19,443
Total comprehensive income for the period	–	–	–	–	89	89
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(617)	(617)
Total contributions by and distributions to owners	–	–	–	–	(617)	(617)
Equity as at 31 March 2023	2,888	3,763	(312)	4,723	7,853	18,915
Total comprehensive loss for the period	–	–	–	–	(197)	(197)
Contributions by and distributions to owners						
Dividends paid	–	–	–	–	(213)	(213)
Total contributions by and distributions to owners	–	–	–	–	(213)	(213)
Equity as at 31 March 2024	**2,888**	**3,763**	**(312)**	**4,723**	**7,443**	**18,505**

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

Notes to the Company accounts

year ended 31 March 2024

37. Significant accounting policies

The separate financial statements of Walker Crips Group plc, the Parent Company, are presented as required by the Companies Act 2006.

The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below, and in accordance with Financial Reporting Standard (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in applying the Parent Company's accounting policies (see note 38).

The financial statements are presented in the currency of the primary activities of the Parent Company (its functional currency). For the purpose of the financial statements, the results and financial position are presented in GBP Sterling (£). The principal accounting policies have been summarised below. They have all been applied consistently throughout the year and the preceding year.

The Parent Company has chosen to adopt the disclosure exemption in relation to the preparation of a cash flow statement under FRS 102.

Going concern

After conducting enquiries, the Directors believe that the Parent Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The Parent Company's business activities, together with the factors likely to affect its future development, performance and position, have been assessed.

Property, plant and equipment

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

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

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

Impairment of non-financial assets

At each reporting date, the Parent Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Taxation

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

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax charges arising on the realisation of revaluation gains recognised in the statement of comprehensive income are also recorded in this statement.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Own shares held

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

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Parent Company becomes a party to the contractual provisions of the instrument. Section 11 of FRS 102 has been applied in classifying financial instruments depending on the nature of the instrument held.

Revenue

Income consists of profits distribution from Barker Poland Asset Management LLP, interest received or accrued over time and dividend income recorded when received.

Investments in subsidiaries

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

Debtors

Other debtors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Notes to the Company accounts continued
year ended 31 March 2024

37. Significant accounting policies continued
Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term highly liquid investments, which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Parent Company after deducting all of its liabilities. Equity instruments issued by the Parent Company are recorded at the proceeds received, net of direct issue costs.

Leases
Rentals under operating leases are charged on a straight-line basis over the lease term even if the payments are not made on such a basis. Benefits received as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

38. Key sources of estimation uncertainty and judgements
The preparation of financial statements in conformity with generally accepted accounting practice requires Management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

39. (Loss)/profit for the year
Loss for the financial year of £197,000 (2023: profit of £89,000) is after an amount of £23,000 (2023: £23,000) related to the auditor's remuneration for audit services to the Parent Company.

Particulars of employee costs (including Directors) are as shown below. Employee costs during the year amounted to:

	2024 £'000	2023 £'000
Employee costs during the year amounted to:		
Wages and salaries	**225**	186
Social security costs	**16**	14
Other costs	**4**	3
	245	203

In the current year, employee costs include the costs of the Non-Executive Directors and a proportion of Executive Directors. The remaining Executive Directors' employee costs are borne by Walker Crips Investment Management Limited.

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

	2024 Number	2023 Number
Executive Directors	**2**	2
Non-Executive Directors	**4**	4
	6	6

40. Investments measured at cost less impairment

	2024 £'000	2023 £'000
Subsidiary undertakings	**22,105**	21,907

During the year, the Company made an investment of £275,000 in Walker Crips Financial Planning Limited and £200,000 into Ebor Trustees Limited, an indirect 100% owned subsidiaries of the Group.

The decline in the net assets of Walker Crips Financial Planning Limited resulted in Walker Crips Group plc, the Company, taking an impairment charge in the current year which is reversed on consolidation. The decline in net assets of Walker Crips Financial Planning is due to the investment put in place to increase its advisor base from two to twelve in a three-year period. The subsidiary is expected to break into profitability in the coming year.

A complete list of subsidiary undertakings can be found in note 50.

41. Trade and other receivables

	2024 £'000	2023 £'000
Amounts owed by Group undertakings	803	799
Taxation and social security	–	2
	803	801

A presentational change was made in this note to exclude the deferred tax asset from this grouping and to present it in its own line on the face of the statement of financial position.

42. Deferred taxation

	2024 £'000	2023 £'000
At 1 April	1	–
Use of Group Relief	(26)	(29)
Credit/(charge) to the income statement	25	30
At 31 March	–	1

Deferred tax has been provided at 25% (2023: 25%).

43. Trade and other payables

	2024 £'000	2023 £'000
Accruals and deferred income	53	99
Amounts due to subsidiary undertakings	4,479	3,744
Other creditors	47	46
	4,579	3,889

44. Risk management policies

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

The Parent Company's risk appetite, along with the procedures and controls mentioned above, are laid out in the Group's Internal capital adequacy and risk assessment (ICARA).

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

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

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

Further information on the disclosures and policies carried out by the Parent Company and the Group is given in note 24 of the consolidated financial statements.

Notes to the Company accounts continued
year ended 31 March 2024

44. Risk management policies continued
(i) Credit risk
Maximum exposure to credit risk:

	2024 £'000	2023 £'000
Cash	176	95
Other debtors	803	799
As at 31 March	979	894

The credit quality of banks holding the Company's cash at 31 March 2024 is analysed below with reference to credit ratings awarded by Fitch.

	2024 £'000	2023 £'000
A+	176	95
As at 31 March	176	95

Analysis of other debtors due from financial institutions:

	2024 £'000	2023 £'000
Neither past due, nor impaired	803	799

None were past due.

(ii) Liquidity risk
The tables below analyse the Parent Company's future undiscounted cash outflows based on the remaining period to the contractual maturity date:

	2024 £'000	2023 £'000
Creditors due within one year	4,579	3,889
Creditors due after more than one year	–	–
As at 31 March	4,579	3,889

	2024 £'000	2023 £'000
Within one year	4,579	3,889
Within two to five years	–	–
After more than five years	–	–
As at 31 March	4,579	3,889

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

(iii) Market risk
Market risk is the risk that changes in market prices such as foreign exchange rates or equity prices will affect the Group's income.

These relate to price risk breached on available-for-sale and trading investments and closely monitored using limits to prevent significant losses.

Fair value of financial instruments
No financial instruments at fair value were held by the Parent Company in the current or prior financial year.

45. Called-up share capital

	2024 £'000	2023 £'000
Called-up, allotted and fully paid		
43,327,328 (2023: 43,327,328) Ordinary Shares of $6^2/_3$p each	**2,888**	2,888

No new shares were issued in the year to 31 March 2024 or the prior year.

The Parent Company holds 750,000 of its own shares, purchased for a total cash consideration of £312,000. In line with the principles of FRS 102, section 11, these treasury shares have been deducted from equity. No gain or loss has been recognised in the profit and loss account in relation to these shares.

The following movements in share capital occurred during the year:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 April 2023	43,327,328	2,888	3,763	6,651
At 31 March 2024	**43,327,328**	**2,888**	**3,763**	**6,651**

Apart from share capital and share premium, the Parent Company holds reserves at 31 March 2024 under the following categories:

Own shares held	(£312,000) (2023: (£312,000))	the negative balance of the Parent Company's own shares that have been bought back and held in treasury.
Retained earnings	£7,443,000 (2023: £7,853,000)	the net cumulative earnings of the Parent Company, which have not paid out as dividends, retained to be reinvested in our core or new business.
Other reserves	£4,723,000 (2023: £4,723,000)	the cumulative premium on the issue of shares as deferred consideration for corporate acquisitions £4,612,000 (2023: £4,612,000) and non-distributable reserve into which amounts are transferred following the redemption or purchase of the Group's own shares.

46. Financial commitments

Capital commitments

At the end of this year and the previous year, there were no capital commitments contracted but not provided for and no capital commitments authorised but not contracted for.

47. Related party transactions

Key Management are those persons having authority and responsibility for planning, controlling and directing the activities of the Parent Company and Group. In the opinion of the Board, the Parent Company and Group's key Management are the Directors of Walker Crips Group plc.

Total compensation to key management personnel is £555,000 (2023: £491,000).

48. Contingent liability

From time to time, the Company receives complaints or undertakes past business reviews, the outcomes of which remain uncertain and/or cannot be reliably quantified based upon information available and circumstances falling outside the Company's control. Accordingly contingent liabilities arise, the ultimate impact of which may also depend upon availability of recoveries under the Company's indemnity insurance and other contractual arrangements. Other than the complaints deemed to be probable, the Directors presently consider a negative outcome to be remote or a reliable estimate of the amount of a possible obligation cannot be made. As a result, no disclosure has been made in these financial statements.

49. Subsequent events

There are no material events arising after 31 March 2024, which have an impact on these financial statements.

Notes to the Company accounts continued
year ended 31 March 2024

50. Subsidiaries and associates

	Principal place of business	Principal activity	Class and percentage of shares held
Group			
Trading subsidiaries			
Walker Crips Investment Management Limited[1]	United Kingdom	Investment management	Ordinary Shares 100%
London York Fund Managers Limited[2]	United Kingdom	Management services	Ordinary Shares 100%
Walker Crips Financial Planning Limited[2]	United Kingdom	Financial services advice	Ordinary Shares 100%
Ebor Trustees Limited[2]	United Kingdom	Pensions management	Ordinary Shares 100%
EnOC Technologies Limited[1]	United Kingdom	Financial regulation and other software	Ordinary Shares 100%
Barker Poland Asset Management LLP[1]	United Kingdom	Investment management	Membership 100%
Non-trading subsidiaries			
Walker Crips Financial Services Limited[1]	United Kingdom	Financial services	Ordinary Shares 100%
G & E Investment Services Limited[2]	United Kingdom	Holding company	Ordinary Shares 100%
Ebor Pensions Management Limited[2]	United Kingdom	Dormant company	Ordinary Shares 100%
Investorlink Limited[1]	United Kingdom	Agency stockbroking	Ordinary Shares 100%
Walker Cambria Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
Walker Crips Trustees Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
W.B. Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB (PEP) Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB (ISA) Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
WCWB Nominees Limited[1]	United Kingdom	Nominee company	Ordinary Shares 100%
Walker Crips Consultants Limited[1]	United Kingdom	Dormant company	Ordinary Shares 100%
Walker Crips Ventures Limited[1]	United Kingdom	Financial services advice	Ordinary Shares 100%

The registered office for companies and associated undertakings is:

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

Officers and professional advisers

Directors

Executive Directors

Sean Lam FCPA (Aust.), Chartered FCSI – Chief Executive Officer
Sanath Dandeniya FCCA – Group Finance Director

Non-Executive Directors

Martin Wright – Chairman
David Gelber – Audit Committee & Remuneration Committee Chairman & Senior Independent Director
Hua Min Lim

Secretary

Rod Goddard

Registered office

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Bankers

HSBC Bank plc
London

Solicitors

Charles Russell Speechlys LLP
London

Auditor

PKF Littlejohn LLP
London

Registrars

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Neville House
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