

JAMES WALKER GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

Registered Number: 00176600



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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

BUSINESS REVIEW

James Walker Group Limited is the Parent Company of a group, made up of three Strategic Business Units ("SBU"), whose principal activities during the year continue to be the design, manufacture and distribution of sealing products and services, together with rail systems and bonded cork products.

The overall impact of the pandemic eased during the year; however, growth in sales and profit was restricted by several factors. These included the impact of Covid-19 on labour availability and productivity, supply chain and logistics difficulties along with high input cost inflation, which reduced margins and required adjustment to pricing. Group turnover increased by 11.4% to £181,379k (2021: £162,878k) whilst the order book increased by 26%. Group profit before tax decreased by 6.6% to £3,882k (2021: £4,158k).

James Walker SBU sales increased 4.9% compared to the prior year, despite healthy order input, due to output constraints. Within this moderate growth it was pleasing to see a substantial increase in pharmaceutical sales.

Project Keystone, the multi-year investment in global business process change and IT, is now live across approximately 10% of the target population although this has proceeded at a slower pace than planned. Key resources have been enhanced to levels that are expected to recover some of the delays incurred to date.

In accordance with the earn-out plan developed at the time of acquisition in 2012, our equity in James Walker Inmarco Industries Pvt. Limited, India, increased from 69% to 90% on 22 July 2021.

As part of a consolidation of the spiral wound gasket supply chain, we ceased operations in August 2021 at the Rayong, Thailand facility.

Sales increased by 27.1% in the edilon)(sedra SBU compared to the prior year, driven by a growth in track segment projects in Europe, North America and Asia. Raw material availability and inflationary forces were challenges during the period. A number of large orders were secured leading to a healthy order book for both the track and technical concrete businesses.

Tiflex SBU sales increased by 19.9%, with growth in the rail track segment offsetting ongoing subdued conditions in flooring. The order book had a short-term character; however, an outstanding fourth quarter recovered the financial performance in the year.

As we converted favourable foreign exchange hedges mark-to-market reporting had a negative impact on profit before tax of £155k (2021: £268k gain).

Profit after tax was consistent with the prior year at £3,216k (2021: £3,251k), supported by an overall effective tax rate of 17.2% (2021: 21.8%) due to the introduction of increased UK capital allowances and the booking of previously unrecognised tax losses.

Capital expenditure was £4,349k (2021: £3,065k) which included plant and machinery and initial investment in solar panels at Tiflex. Additionally, a £524k capital commitment to a £1,120k large press at Cockermonth was made for delivery in 2023.

Net assets decreased to £105,242k (2021: £107,910k) mostly due to the further investment in India, within which net liquid funds reduced to £26,340k (2021: £28,718k). Net cash flow from operating activities of £7,294k was lower than the prior year (2021: £9,394k) due to movements in working capital.

The UK defined benefit pension schemes' funding position improved during the year, from a £0.5m deficit on one scheme and an unrecognised surplus on the other to both having an unrecognised surplus. A de-risking exercise was carried out between November 2021 and April 2022 which offered deferred members aged 55 and over support to access flexible retirement options. This resulted in transfers out of the schemes of £5.2m and an estimated 9% reduction in uninsured liabilities.

The 2022 global customer satisfaction survey saw the Group placed in the top quartile when benchmarked against manufacturing companies.

Whilst we are seeing signs of recovery we remain in challenging times and the Board wishes to record its appreciation for the hard work and commitment of all employees across the Group.

DIVIDEND

The Board is proposing to maintain the full year dividend payable in the 2022 financial year at the 2021 level of 49.0 pence per share. A first interim dividend of 12.0 pence per share was declared and paid in April 2022, a second interim dividend of 12.0 pence per share will be paid in August 2022 and a final dividend of 25.0 pence per share will be proposed for payment after the Annual General Meeting ("AGM") to be held in October 2022.

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FOR THE YEAR ENDED 31 MARCH 2022**

FUTURE PROSPECTS

The Group remains in a healthy financial position with a strong cash balance and limited external debt. The Group is therefore well placed to maintain a strong trading position in the future and remains sufficiently robust to address anticipated economic developments within its core operating regions and sectors.

We are in the second year of our three-year strategic plan. The Group strategy is structured into seven themes: people, health and safety, environment, customer, product innovation, digitalisation and financial. Each SBU is measuring progress towards goals within the themes.

As further detailed under the principal risks and uncertainties section within this report, materials supply, cost inflation and labour availability are particular challenges for the year ahead. Fiscal and monetary tightening is underway across many territories in response to inflation and this, combined with geopolitical tensions, may adversely impact demand. However, strong order intake across a range of markets has resulted in an historically high order book and a positive short-term trading outlook.

The UK corporate fiscal environment is becoming less favourable. During April 2022 employer national insurance contributions increased by 1.25% percentage points with an estimated adverse impact on the business of £380k in the current year. From 1 April 2023 UK corporation tax is expected to increase from 19% to 25%.

Our participation in formal government job retention schemes for Covid-19 has now ceased. The schemes were successful in preserving jobs and minimising redundancies.

James Walker SBU

James Walker SBU continues to focus on growing sales and developing the sales teams and channels for its range of sealing products and services. We are increasing focus on products, sectors and geographies where we have competitive advantage. We also prioritise continuous optimisation of production costs and are working on providing our customers with timely delivery of product.

We have grown inventory in the past year and plan to continue this in order to reduce lead times and increase supply chain resilience. Whilst continuing to service the oil and gas market, we are intensifying our efforts to diversify into other, non-carbon industries, including wind power generation and pharmaceuticals. The next-generation Walkersele,

which was launched in early 2020, continues to receive a favourable response in the market for large rotary applications, particularly in wind energy, and has received its first patent grant in 2022. We are increasing our emphasis on new product development, in order to increase the proportion of sales derived from products launched in recent years, with more customer-led projects and dedicated staff.

We plan to continue higher than average levels of expenditure on IT. Over the coming years we will improve the digital effectiveness and efficiency of our processes globally through Project Keystone. This involves deployment of a single cloud-hosted enterprise resource planning platform. This will facilitate improved customer experience and enhanced profitability.

We anticipate increased capital expenditure, with investment in plant and machinery and facilities. We have recently approved solar energy projects at four UK manufacturing sites.

We continue to explore expansion opportunities for our operation in the Middle East.

Our emphasis and focus on manufacturing excellence, quality improvements and customer experience will continue, supporting both the sustainability and the future growth of the business.

edilon)(sedra SBU

edilon)(sedra SBU has, for several years, increased focus on the technical solutions aspect of its rail fixing systems, through investing in project engineering and advancing the development of its own in-house knowledge centre. Projects continue to be won on the basis of our technical capabilities.

The market outlook for track infrastructure investment is promising; however, current circumstances, including raw materials shortages, inflation and the war in Ukraine are impacting our ambition to achieve robust and sustainable growth. We anticipate that the market for track infrastructure projects will develop for many decades, driven primarily by global growth in urban population centres, with associated congestion and environmental strain, and also the need for renovation of existing infrastructure. We will focus on developing those markets where we have greatest potential competitive advantage. This will require increased staff presence of our sales and technical resources outside of Europe.

There continues to be high demand for concrete repair and road joint installation services offered by Technobeton B.V.; however, a shortage of labour and engineering talent is restricting our ability to

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FOR THE YEAR ENDED 31 MARCH 2022**

grow the business in the short term. Investment in strengthening the organisation will continue in order to enable sustainable growth over the medium and long term. Some projects carry higher levels of risk than in other parts of the Group, although with proactive risk controls in place, these can yield attractive returns.

Tiflex SBU

Tiflex SBU will continue to focus on its core rail, industrial and flooring markets. We are increasing external sales activity by focusing on building long-term cooperation and partnerships, replicating the success of recent contracts, as a reliable and proactive solution provider.

We are making strong progress in research and development work for new product lines and have initial approvals that will permit us to expand in the defence sector. In early 2022 we gained acoustic products approvals which provide a major opportunity as we develop this sector as an expanding division within the SBU.

Group

The committed and flexible response of our employees to the restrictions imposed during the Covid-19 pandemic has epitomised the long-term values and behaviours of the Group.

The pandemic required rapid adaptation to new working practices and locations. Looking ahead, we recognise the importance and value of finding sustainable and efficient ways for our employees to work flexibly and we recognise the importance of managing all aspects of this, particularly in supporting the mental health and well-being of our employees and their families.

We are further expanding the coverage and functionality of a human resources system to manage and support our processes more effectively. This includes online training which facilitates keeping knowledge and skills up-to-date.

The 2021 triennial valuations of the UK defined benefit pension schemes are under way and provisional results indicate positive progress since the 2018 valuation. Having completed the flexible retirement options exercise, we continue to work with the Trustees of the UK defined benefit pension schemes to mitigate interest rate, inflation and mortality risks.

FINANCIAL KEY PERFORMANCE INDICATORS

The following key performance indicators are measured and reviewed on a regular basis and enable the business to set and communicate its

performance targets and monitor its performance against these targets.

Revenue growth – annual growth rate of revenue: 11.4% growth (2021: 10.3% reduction). Using constant exchange rates turnover would have been £185,899k, a growth of 14.1%.

Order book: the 31 March 2022 order book increased 26% to £63,862k compared to the prior year (2021: £50,500k).

Operating margin – operating profit as a percentage of revenue: 2.1% (2021: 2.5%).

Average working capital – stocks plus debtors less creditors falling due within one year as a percentage of revenue: 19.3% (2021: 22.4%).

Net assets: £105,242k (2021: £107,910k). The decrease was mainly due to the investment in India.

Capital expenditure: the Group invested £4,349k (2021: £3,065k) equating to 103% of tangible asset depreciation.

OTHER KEY PERFORMANCE INDICATORS

The following additional key performance indicators are measured and reviewed on a regular basis by the Directors to provide visibility of the Group's performance from a non-financial information perspective.

Health, safety and environment – the management of these risks forms an important part of the Directors' review of the businesses. During the year there was a decrease in accidents involving absence from work per 1,000 staff (2022: 9.2; 2021: 10.1). This improvement was driven by improvements in Tiflex SBU where the in-house development and roll-out of a web-based portal increased near miss and hazard identification reporting. The health and safety steering team is facilitating the sharing of good practice across the Group.

Customer satisfaction – providing excellent customer service remains a cornerstone of our activities. A customer satisfaction survey was conducted worldwide in early 2022 with a weighted overall score of 84.4% (2020: 83.4%). This is the second time in ten years that the Group has reached the top quartile benchmark of manufacturing companies.

The edilon)(sedra and Tiflex SBUs saw improvements in ratings from their customers against the previous survey results, remaining in the top quartile whilst James Walker SBU experienced

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

a slight reduction but continued to be in the second quartile. Identified areas for improvement include lead times, proactivity of information on late deliveries and complaint handling.

Carbon reporting – the Group’s greenhouse gas (“GHG”) emissions, as measured by an intensity ratio of tonnes of carbon dioxide equivalent (“CO₂e”) per £1 million revenue, reduced by 7.7% in the year to 39 tonnes CO₂e per £1 million revenue (2021 (as restated): 42.5 tonnes). This was driven by decarbonisation of the UK electricity generation mix, offset by additional natural gas-based emissions, mostly originating from more five-days-per-week steam operations within the Tiflex SBU. Absolute emissions increased by 2.8% (2022: 7,188 tonnes; 2021: 6,923 tonnes). These measures include both Scope 1 ‘direct’ emissions (originating from combustion of natural gas and transportation), and Scope 2 ‘indirect’ emissions (based upon purchased electricity).

Emissions are calculated following the UK Government GHG Conversion Factors for Company Reporting 2021 and the UK Government Environmental Reporting Guidelines. For consistency and accuracy, prior year emissions have been restated upwards by 4%, principally to correct a conversion factor applying to natural gas. Emissions are based on the Group’s global sales and operations.

Source of emissions	As restated	
	2022	2021
	Tonnes CO ₂ e	Tonnes CO ₂ e
Direct emissions (Scope 1)		
Gas	3,373	2,979
Transport	478	357
Indirect emissions (Scope 2)		
Electricity	3,267	3,586
Gross emissions	<u>7,118</u>	<u>6,923</u>
Global sales £m	181	163
Tonnes CO₂e per £1 million revenue	<u><u>39.2</u></u>	<u><u>42.5</u></u>

Employee engagement – we conducted a global survey during the year, the first since 2018 due to the pandemic. Our employee engagement indicator fell slightly to 58% (2018: 59%). Although it was disappointing not to make overall progress the feedback is valuable in prioritising actions. We are targeting a significant improvement by year three of the strategic plan.

CORPORATE GOVERNANCE

The Company seeks to implement good corporate governance practices, reflecting both the size and private nature of the Group. We continue to progress towards adoption of the Wates Corporate Governance Principles for Large Private Companies where they are relevant and appropriate to our business. As part of this process our three-year strategic plan, corporate governance policy and risk policy have been adopted during the year.

The Board of Directors comprises two Executive Directors, a Chairman and three further Non-executive Directors (two of whom are considered independent).

The Remuneration Committee consists of the Non-executive Directors and is chaired by an independent Director.

Companies Act 2006 – section 172

The Board and individual Directors place continued and serious emphasis upon their duties towards the full range of stakeholders in the Company. Such duties are conducted in accordance with section 172 of the Companies Act 2006, and in a manner to best promote the success of the Company for the benefit of these stakeholders. The Board seeks to conduct the Company’s business to best serve its customers, staff, shareholders and business partners. This includes consideration of a wide range of other related interests such as environmental, societal and other sustainability obligations.

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We set out below how the Board and Directors have had regard to these matters when performing their duties under section 172:

Employees

Employment – management of the Group's activities to ensure the Group as a whole can continue to provide employment opportunities to current staff and future employees.

Health and safety – detailed health and safety metrics are reviewed at each Board meeting; appropriate actions are taken to prevent future occurrences and to promote a strong culture of health and safety.

Engagement – employee surveys are conducted regularly, the most recent having taken place in early 2022, with results and follow-on actions being discussed and agreed by the Board. Additionally, other forms of interaction are maintained, including employee forums where appropriate, site visits, newsletters and briefings.

Suppliers

Relationships – managing the Group's businesses to ensure suppliers are paid in accordance with agreed terms and to foster long-term, mutually productive, relationships.

Customers

Customer experience – customer experience data are reviewed at each Group Board meeting with actions for improvement agreed. Detailed customer satisfaction surveys are conducted periodically, the most recent having taken place in early 2022.

Relationships – managing the Group's businesses to ensure continuity and stability of supply of products to customers.

Communities and environment

Employment – management of the Group's businesses to ensure the Group as a whole can continue to provide employment opportunities within the communities in which it operates.

Environment – nine of the United Nations ("UN") 17 Sustainable Development Goals have been embedded into the three-year strategic plan. Of these nine, four directly relate to addressing our environmental impact.

Carbon reporting – by monitoring our GHG emissions and reducing these where possible, the Group seeks to reduce its overall environmental impact.

Shareholders

Managing the Group's businesses to ensure the Group continues to provide income through dividends to its shareholders, whilst operating in a responsible manner, having due regard for other stakeholder groups and for the history and culture of the Group.

Shareholder relations

Responsibility for shareholder relations rests with the Chairman, supported by the CEO and Group Finance Director. The Group is committed to communicating regularly and openly with shareholders, the AGM being the principal forum for this.

We were pleased to personally welcome shareholders back to the AGM in 2021 with the meeting also streamed online for those unable to attend. Additional written updates to shareholders are made at appropriate intervals throughout the year. Shareholders also have access to a private shareholder portal which includes further corporate information.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group Board has determined a conservative risk appetite in relation to financial, legal and compliance and information security risks. The Board has a moderate risk appetite towards its strategic and operational risks.

Risks are categorised according to materiality and trend, with an arrow indicating the perceived change in the risk in the past 12 months.

Strategic and operational risks

Inflation: high ↑

The Group's input costs, including energy, materials and labour, are increasing at their highest rates for decades. Due to the nature of the order book, contracts and markets immediately raising prices as a countermeasure is not always possible. Other competitors, in different geographies and markets, may not be as exposed to these changes in costs. We aim to mitigate this through cost savings, including through investment in solar energy, operational efficiencies and passing residual cost increases on to customers.

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Covid-19 pandemic: high ↓

Covid-19 continues to be a risk to the business. Although social distancing, quarantine and lockdown measures have generally been eased, further restrictions could be reintroduced. The impact of Covid-19 can include unavailability of staff due to self-isolation, sickness or lockdowns, restricted availability of materials and reduced demand from customers. The Group continues to follow public health guidelines strictly. The business benefits from the diversity of industries, geographies and customers it serves and from a relatively strong balance sheet and cash management position.

Supply chain disruption: high ↑

Geopolitical factors including the war in Ukraine, pandemic restrictions in China and the ongoing impact of the global pandemic are disrupting the availability of specific raw and semi-finished materials. We are seeing restricted availability of transport for inbound and outbound logistics. If the situation continues this could impact the growth of sales and margins. The Board continues to focus on increasing resilience in this area.

Climate change: medium →

A warming, changing climate presents both medium and long-term risks and opportunities for the Group. More extreme weather events have already necessitated additional flood protection measures at our facility in Cockermouth. The transition towards net zero carbon, including policies to encourage decarbonisation, will, in future, require us to provide additional support and products to customers as they shift away from fossil fuel based operation. Customers' environmental expectations of their supply chains are expected to become more demanding. The Group is responding to the UN Sustainable Development Goals and is developing projects to reduce our energy intensity through better energy management, more efficient equipment and investment in sustainable energy sources.

Ukraine/Russia: medium ↑

Prior to the invasion of Ukraine the Group had limited direct exposure to Russia and Ukraine from both a sales (<£0.5m p.a.) and supply chain perspective. We have no staff or operations in these territories and have now ceased taking any orders destined for Russia. Indirect exposure includes the risk of input cost inflation, including significantly increased energy prices, supply chain disruption, reduced sales where customers are trading with Russia, recession in some of the markets that Group companies serve and greater cyber risk.

Commercial: medium →

The Group operates in competitive markets around the world and is diversified across a variety of industries and customers. No single industry accounts for more than 26.6% of turnover and no customer accounts for more than 3.2% of turnover. This provides a degree of Group-level impact mitigation from the potential commercial challenges and market disruptions that face each of the SBUs. The Group further mitigates commercial risk through continuing to invest in research and development for future product expansion, quality improvements, production efficiencies, IT and people.

Business interruption: medium →

The Group is exposed to business interruption risk, and has in place business continuity plans which are reviewed regularly.

Information security risks

Cyber-attack: high ↑

Like many businesses we perceive an increased general threat of cyber-attack. If the Group were to lose critical information or critical systems availability the business would be impacted or could suffer reputational damage. We protect our IT systems from cyber-attack through educating colleagues, process design and utilisation of technology. Considerable focus has been given to this area in recent years. We have the UK government endorsed Cyber Essentials Plus accreditation and continue to make extra investments to enhance our security. In order to comply with certain customer requirements, where relevant, we are ensuring the physical location of servers meets their needs.

Financial risks

Appreciation of sterling: medium →

A significant appreciation of sterling would reduce operating margins and sterling-translated profit. Foreign currency risk is managed by continuous monitoring of foreign exchange markets and utilising hedging instruments to sterling, principally in our most exposed currency, the euro. Internal hedging arrangements between individual companies within the Group are also used to mitigate the risk, with internal prices set based upon the expected rates for the financial year. The need for mark-to-market valuation of hedging instruments increases the overall volatility of the Company's Income Statements.

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Credit: medium →

Credit risk is managed by monitoring payment performance of counterparties and applying appropriate levels of credit to limit the Group's exposure.

Legal and compliance risks

Contract and product risk: medium →

As a global engineering and manufacturing business supplying components into critical

applications the Group is exposed to liabilities arising from the use of its products.

Ineffective contract and product risk management could result in liabilities for the Group. We mitigate these product risks through rigorous quality control processes, balanced contract negotiations, the application of a delegation of authority framework, the use of in-house contract expertise and external lawyers and appropriate insurances.

This report was approved by the Board of Directors and signed on its behalf.

Peter G Needham

P G Needham
Chairman

12 July 2022

Lion House
Oriental Road
Woking
Surrey
GU22 8AP

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2022.

BUSINESS ETHICS AND CONDUCT

The Board is committed to maintaining the highest standards of business ethics and policies and procedures are documented and communicated across all employees on an appropriate basis.

HEALTH AND SAFETY AT WORK

The Group continues to carry out its responsibilities for securing the health, safety and welfare at work of employees and every reasonable effort is made to provide safe working conditions.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Group Strategic Report, the Directors' 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Parent Company and the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and 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 Parent Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

Directors' profiles can be found on the corporate website at www.jameswalkergroup.com. The Directors and their interests in the shares of the Parent Company as at 31 March 2022 are as set out below:

Director	Interest	Ordinary shares of £1 each			
		Holdings		Options	
		2022	2021	2022	2021
P G Needham +	Beneficial	134,204	143,264	-	-
	Trustee	208,800	208,800	-	-
D B M Jackson	Beneficial	26,737	22,987	-	3,750
	Trustee	208,800	208,800	-	-
D Neeb	Beneficial	102,522	100,902	-	-
A D D Cook +	Beneficial	798,380	786,040	-	-
	Trustee	334,243	334,243	-	-
N J Coxwell +	Beneficial	754	742	-	-
	Trustee	4,253	4,253	-	-
K D Reid +	Beneficial	500	-	-	-
	Trustee	-	-	-	-

+ Non-executive Directors

* considered independent

The Directors retiring by rotation at the forthcoming AGM is Mr D Neeb and Mr A D D Cook who, being eligible, offer themselves for re-election.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

EMPLOYEE COMMUNICATION

The Directors recognise the need to ensure effective communications with employees. During the year, employees were provided with financial and other information affecting the Parent Company and its various operations, by means of briefings and newsletters. Employee forums in different parts of the Group enabled the views of employees to be heard and considered when making decisions likely to affect their interests. Further details are provided in the section 172 statement included in the Strategic Report.

BUSINESS RELATIONSHIPS

Details on how the Directors have had regard to the need to foster the Parent Company's business relationships with suppliers, customers and others are provided in the section 172 and key performance indicators sections of the Strategic Report.

EQUALITY, DIVERSITY AND INCLUSION

The Group is committed to equal opportunities in employment. We will not discriminate on age, gender, pregnancy, colour, race, nationality, ethnic or national origins, sexual orientation or religion or belief or because someone is married or is a civil partner. We report on gender pay gaps for James Walker & Co. Limited in line with government requirements and publish this on our corporate website.

It is the practice of all the Group's companies to facilitate the employment of disabled persons and to provide, whenever possible, opportunities for training, career development and promotion. Where employees become disabled whilst in service, every effort is made to rehabilitate them to their former jobs or some other suitable alternative and to provide appropriate training and specialist advice.

RESEARCH AND DEVELOPMENT

The policy of the Group is that each SBU is responsible for research and development within

its activities by investing in new products, processes and materials to satisfy the present and future needs of its customers. Further information is provided within the future prospects section of the Strategic Report.

ENVIRONMENTAL MATTERS

We are committed to minimising the impact that our products and processes have on the environment and to providing a safe working environment for our employees. Greenhouse gas emissions performance is covered earlier in the Strategic Report.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable contributions made during the year amounted to £11k (2021: £8k). No contributions were made for political purposes.

AUDIT INFORMATION

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Parent Company's auditors are unaware; and
- that Director has taken all steps that ought to have been taken as a director in order to be aware of any information needed by the Parent Company's auditors in connection with preparing their report and to establish that the Parent Company's auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre LLP, will be proposed for reappointment at the forthcoming AGM in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board of Directors and signed on its behalf.

Peter G Needham

P G Needham
Chairman

12 July 2022

Lion House
Oriental Road
Woking
Surrey
GU22 8AP

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JAMES WALKER GROUP LIMITED**

OPINION

We have audited the financial statements of James Walker Group Limited ("the Parent Company") and its subsidiaries (the "Group") for the year ended 31 March 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent Company Statement of Financial Position and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statement 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements for the year ended 31 March 2022 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JAMES WALKER GROUP LIMITED**

- the Group 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 light of our knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' 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 auditors' 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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for manufacturing businesses, such as health and safety and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JAMES WALKER GROUP LIMITED**

- reviewing sales either side of the year end to ensure that income has been recognised in the correct financial period;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates, particularly in respect of the valuation of stock, the recognition of deferred tax assets, the valuation of the defined benefit pension schemes and the valuation of all properties in the Group, as well as the recoverability of intercompany debtors and the valuation of investments in subsidiaries in the Parent Company.

Due to 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

SWilks

Simon Wilks (Senior Statutory Auditor)
for and on behalf of **Haysmacintyre LLP**, Statutory Auditors

12 July 2022

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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Parent Company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

10 Queen Street Place
London
EC4R 1AG

JAMES WALKER GROUP LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £000	2021 £000
Turnover	3	181,379	162,878
Change in stocks of finished goods and work in progress		4,140	(1,794)
Other operating income	4	1,520	4,284
Raw materials and consumables		(69,992)	(51,879)
Other external charges		(35,517)	(31,060)
Staff costs	6	(73,313)	(74,048)
Depreciation and amortisation	13,14	(4,442)	(5,000)
Fair value movements	19,27	75	755
Operating profit	5	3,850	4,136
Interest receivable	8	54	47
Interest payable	9	(14)	(15)
Pension finance expenses		(8)	(10)
Profit before tax		3,882	4,158
Tax on profit	10	(666)	(907)
Profit after tax		3,216	3,251
Profit after tax attributable to:			
Non-controlling interests		223	327
Owners of the parent company		2,993	2,924
		3,216	3,251

JAMES WALKER GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £000	2021 £000
Profit after tax		3,216	3,251
Other comprehensive income			
Unrealised gain on revaluation of tangible fixed assets		-	6,271
Unrealised gain on translation adjustment to the revaluation reserve		194	49
Currency translation differences on non-controlling interests		47	(131)
Actuarial gain/(loss) on defined benefit pension schemes	34	7,696	(3,977)
Movement in pension surplus not recognised	34	(7,198)	3,989
Unrealised gain/(loss) on translation adjustment to the profit and loss account		492	(863)
Other comprehensive income for the year		1,231	5,154
Total comprehensive income for the year		4,447	8,405
Total comprehensive income attributable to:			
Non-controlling interest		270	196
Owners of the parent company		4,177	8,209
		4,447	8,405

JAMES WALKER GROUP LIMITED
REGISTERED NUMBER: 00176600

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Intangible assets	13	860	1,115
Tangible assets	14	44,104	44,885
Investment property	15	215	215
		<u>45,179</u>	<u>46,215</u>
Current assets			
Stocks	17	26,899	21,341
Debtors: amounts falling due after more than one year	18,26	3,726	3,824
Debtors: amounts falling due within one year	18	43,397	39,045
Current asset investments	19	8,108	5,378
Cash at bank and in hand	20	18,274	23,486
		<u>100,404</u>	<u>93,074</u>
Creditors: amounts falling due within one year	21	(36,705)	(27,074)
		<u>63,699</u>	<u>66,000</u>
Net current assets		<u>63,699</u>	<u>66,000</u>
Total assets less current liabilities		<u>108,878</u>	<u>112,215</u>
Creditors: amounts falling due after more than one year	22	(2,575)	(2,612)
Provisions for liabilities	24,26	(1,061)	(1,693)
		<u>105,242</u>	<u>107,910</u>
Net assets		<u>105,242</u>	<u>107,910</u>
Capital and reserves			
Called up share capital	28	6,318	6,314
Share premium account	29	1,654	1,628
Revaluation reserve	29	14,091	14,517
Profit and loss account	29	82,134	83,515
		<u>104,197</u>	<u>105,974</u>
Equity attributable to owners of the parent company		<u>104,197</u>	<u>105,974</u>
Non-controlling interests		1,045	1,936
		<u>105,242</u>	<u>107,910</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 12 July 2022.

Peter G Needham

P G Needham
Chairman

David Jackson

D B M Jackson
Director

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £000	As restated 2021 £000
Fixed assets			
Tangible assets	14	3,749	3,852
Investments	16	38,614	42,392
Investment property	15	1,750	1,750
		<u>44,113</u>	<u>47,994</u>
Current assets			
Debtors: amounts falling due after more than one year	18	6,840	3,752
Debtors: amounts falling due within one year	18	13,343	13,887
Current asset investments	19	8,108	5,378
Cash at bank and in hand	20	7,696	11,982
		<u>35,987</u>	<u>34,999</u>
Creditors: amounts falling due within one year	21	(24,829)	(21,892)
Net current assets		<u>11,158</u>	<u>13,107</u>
Total assets less current liabilities		<u>55,271</u>	<u>61,101</u>
Provisions for liabilities	24,26	(42)	(504)
Net assets		<u><u>55,229</u></u>	<u><u>60,597</u></u>
Capital and reserves			
Called up share capital	28	6,318	6,314
Share premium account	29	1,654	1,628
Revaluation reserve	29	1,148	1,148
Profit and loss account	29	46,109	51,507
		<u><u>55,229</u></u>	<u><u>60,597</u></u>

The loss of the Parent Company for the year was £2,872k (2021 (as restated): loss of £2,456k).

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 12 July 2022.

Peter G Needham

P G Needham
Chairman

David Jackson

D B M Jackson
Director

JAMES WALKER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2022**

	Share capital £000	Share premium £000	Revaluation reserve £000	Profit and loss account £000	Equity attributable to owners of parent £000	Non-controlling interests £000	Total equity £000
At 1 April 2021	6,314	1,628	14,517	83,515	105,974	1,936	107,910
Comprehensive income for the year							
Profit for the year	-	-	-	2,993	2,993	223	3,216
Currency translation differences on non-controlling interests	-	-	-	-	-	47	47
Net actuarial gain on defined benefit pension schemes	-	-	-	498	498	-	498
Transfer to profit and loss account	-	-	(620)	620	-	-	-
Unrealised gain on translation adjustment to the revaluation reserve	-	-	194	-	194	-	194
Unrealised gain on translation adjustment to the profit and loss account	-	-	-	492	492	-	492
Contributions by and distributions to owners							
Dividends	-	-	-	(3,085)	(3,085)	(262)	(3,347)
Purchase of own shares	-	-	-	61	61	-	61
Shares issued in the year	4	26	-	-	30	-	30
Acquisition of non-controlling interest	-	-	-	(2,960)	(2,960)	(899)	(3,859)
At 31 March 2022	<u>6,318</u>	<u>1,654</u>	<u>14,091</u>	<u>82,134</u>	<u>104,197</u>	<u>1,045</u>	<u>105,242</u>

JAMES WALKER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2021**

	Share capital £000	Share premium £000	Revaluation reserve £000	Profit and loss account £000	Equity attributable to owners of parent £000	Non-controlling interests £000	Total equity £000
At 1 April 2020	6,247	1,492	8,474	84,766	100,979	1,911	102,890
Comprehensive income for the year							
Profit for the year	-	-	-	2,924	2,924	327	3,251
Currency translation differences on non-controlling interests	-	-	-	-	-	(131)	(131)
Net actuarial gain on defined benefit pension schemes	-	-	-	12	12	-	12
Transfer to profit and loss account	-	-	(93)	93	-	-	-
Unrealised gain on revaluation of tangible fixed assets	-	-	6,271	-	6,271	-	6,271
Unrealised gain on translation adjustment to the revaluation reserve	-	-	49	-	49	-	49
Unrealised loss on translation adjustment to the profit and loss account	-	-	-	(863)	(863)	-	(863)
Deferred tax movements	-	-	(184)	-	(184)	-	(184)
Contributions by and distributions to owners							
Dividends	-	-	-	(3,090)	(3,090)	(171)	(3,261)
Purchase of own shares	-	-	-	(191)	(191)	-	(191)
Shares issued in the year	67	136	-	-	203	-	203
Equity participation scheme	-	-	-	(136)	(136)	-	(136)
At 31 March 2021	<u>6,314</u>	<u>1,628</u>	<u>14,517</u>	<u>83,515</u>	<u>105,974</u>	<u>1,936</u>	<u>107,910</u>

JAMES WALKER GROUP LIMITED

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2022**

	Share capital £000	Share premium £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2021	6,314	1,628	1,148	51,507	60,597
Comprehensive income for the year					
Loss for the year	-	-	-	(2,872)	(2,872)
Net actuarial gain on defined benefit pension schemes	-	-	-	498	498
Contributions by and distributions to owners					
Dividends	-	-	-	(3,085)	(3,085)
Sale of own shares	-	-	-	61	61
Shares issued in the year	4	26	-	-	30
At 31 March 2022	<u>6,318</u>	<u>1,654</u>	<u>1,148</u>	<u>46,109</u>	<u>55,229</u>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2021**

	Share capital £000	Share premium £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2020 (as previously stated)	6,247	1,492	589	57,446	65,774
Reclassification (see note 37)	-	-	78	(78)	-
At 1 April 2020 (as restated)	<u>6,247</u>	<u>1,492</u>	<u>667</u>	<u>57,368</u>	<u>65,774</u>
Comprehensive income for the year					
Loss for the year	-	-	-	(2,456)	(2,456)
Net actuarial gain on defined benefit pension schemes	-	-	-	12	12
Surplus on revaluation of freehold property	-	-	481	-	481
Contributions by and distributions to owners					
Dividends	-	-	-	(3,090)	(3,090)
Purchase of own shares	-	-	-	(191)	(191)
Shares issued in the year	67	136	-	-	203
Equity participation scheme	-	-	-	(136)	(136)
At 31 March 2021	<u>6,314</u>	<u>1,628</u>	<u>1,148</u>	<u>51,507</u>	<u>60,597</u>

JAMES WALKER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022	2021
	£000	£000
Cash flows from operating activities		
Profit for the financial year	3,216	3,251
Tax charge	666	907
Net interest received	(40)	(32)
Amortisation and depreciation charge	4,442	5,000
Profit on disposal of tangible fixed assets	(54)	(9)
(Increase)/decrease in stocks	(5,558)	3,774
Increase in debtors	(4,428)	(440)
Increase/(decrease) in creditors	9,335	(357)
Fair value movements	(75)	(755)
Corporation tax paid	(690)	(1,006)
Translation adjustment	451	(754)
Equity participation scheme	-	(136)
Defined benefit pension schemes' costs	283	197
Pension contributions	(254)	(246)
	<u>7,294</u>	<u>9,394</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,349)	(3,065)
Sale of tangible fixed assets	1,238	557
Purchase of short-term listed investments	(2,500)	(1,500)
Sale of short-term listed investments	-	925
Acquisition of non-controlling interest	(3,836)	-
Interest received	54	47
	<u>(9,393)</u>	<u>(3,036)</u>
Cash flow from financing activities		
Issue of ordinary shares	30	203
Investment in own shares	61	(191)
Repayment of loans	(105)	-
Dividends paid	(3,085)	(3,090)
Interest paid	(14)	(15)
	<u>(3,113)</u>	<u>(3,093)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(5,212)</u>	<u>3,265</u>
Cash and cash equivalents at the beginning of year	<u>23,486</u>	<u>20,221</u>
Cash and cash equivalents at the end of year	<u>18,274</u>	<u>23,486</u>
Cash and cash equivalents at the end of year comprise:		
Bank and cash balances	<u>18,274</u>	<u>23,486</u>
	<u>18,274</u>	<u>23,486</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

James Walker Group Limited is a private company, limited by shares, registered in England and Wales.

The registered office is:

Lion House
Oriental Road
Woking
Surrey
GU22 8AP

The financial statements have been prepared under the historical cost convention as modified by the revaluation of tangible fixed assets and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland', and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Parent Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of James Walker Group Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

For the year ending 31 March 2022 the subsidiary companies listed below are exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts as James Walker Group Limited has provided a guarantee under section 479A of the Act:

<i>Subsidiary name</i>	<i>Companies House registration number</i>
James Walker Rotabolt Limited	01545486
James Walker Sealing Products and Services Limited	00264191
James Walker Viceroy Limited	00578161

1.3 Going concern

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Substantially, all of the Group's turnover is derived from short-term contracts for the provision of products and services. A smaller portion of the Group's revenue relates to Technobeton B.V., which is a project-based business. Revenue for these contracts is recognised in line with fulfilment of contractual performance obligations stated in the contract and is not significant.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life; however, the amortisation period shall not exceed fifteen years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets (continued)

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. Depreciation is provided on the following basis:

Plant and equipment	- 10% straight line method
Property	- 2-5% straight line method

1.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Income Statement.

1.8 Investment property

Investment property is carried at fair value determined annually derived from the current market rents and investment property yields for comparable property, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income Statement.

1.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset, or cash-generating unit ("CGU") to which the asset has been allocated, is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.10 Operating leases: lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Quoted investments are remeasured to fair value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the Income Statement for the period.

1.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Income Statement.

1.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

1.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

1.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.18 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised in creditors as deferred income.

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except where a charge is attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity. In such cases the charge is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Parent Company and the Group operate and generate income and any adjustment to tax payable in respect of previous years.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, where deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and the laws that have been enacted or substantively enacted by the reporting date.

1.20 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.20 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement within 'Fair value movements'. The Group does not currently apply hedge accounting for foreign exchange derivatives.

1.21 Foreign currency translation

Functional and presentation currency

The Group's functional and presentation currency is sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses, resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an AGM.

1.23 Share based payments

The Group operates an Equity Participation Scheme in which employees of the Group are awarded share options based upon the profitability of the Group. The fair value of the employee services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of share options each year depending upon Group profits and therefore the Group recognises the expense of these options in the corresponding year.

1.24 Pensions

Defined contribution pension schemes

The Group operates various defined contribution schemes for its employees. A defined contribution scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the scheme are held separately from the Group in independently administered funds.

Defined benefit pension schemes

The Group operates defined benefit schemes for certain employees. A defined benefit scheme defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised in the Statement of Financial Position in respect of the defined benefit schemes is the present value of the defined benefit obligations at the end of the reporting date less the fair value of the schemes' assets at the reporting date.

Annually the Group engages independent actuaries to calculate the obligations. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments.

The fair value of schemes' assets is measured in accordance with the FRS 102 fair value hierarchy.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on schemes' assets, less amounts included in net interest, are disclosed as 'Interest on deficit brought forward'.

The cost of these defined benefit schemes, recognised in the Consolidated Income Statement as employee costs, comprises the increase in net pension benefit liability arising from employee service during the period, and the cost of plan introductions, benefit changes, curtailments and settlements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

1.24 Pensions (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of schemes' assets. This cost is recognised in the Income Statement as a 'Pension finance expense'.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying its accounting policies, the Group is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the Group evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the estimates and judgements the Group believes to have the most significant impact on the annual results under FRS 102.

Property, plant and equipment ("PPE")

The estimated useful economic lives of PPE are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of PPE investment to the Group, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The Group is required to evaluate the carrying values of PPE for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. An impairment review requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the cash generating units under review.

Property valuations

The Group owns a number of properties in both the UK and overseas and the valuation of these properties are a significant area of estimation. Properties are normally externally valued every three years; these valuations are inherently subjective as they are based upon valuers' assumptions and assessment of market conditions, which may prove to be inaccurate. In the interim years management review the property valuations relative to the local property market and consider whether there has been any significant movement, both positive and negative. Where the potential for a material movement is identified in the interim years an external valuation is sought. This requires management judgement in assessing the property valuation relative to the local market.

Impairment of goodwill and acquired intangible assets

The estimated useful economic lives of intangible assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of intangible assets investment to the Group, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)**

The annual impairment assessment in respect of goodwill and acquisition intangibles requires estimates of the value in use (or fair value less costs to sell) of cash-generating units to which goodwill and acquisition intangibles have been allocated. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows.

The carrying value of goodwill is £860k (2021: £1,115k). Following the annual impairment review, an impairment charge of £nil has been recorded against goodwill (2021: £nil).

Retirement benefits

The Group operates defined benefit schemes which are independent of the Group's finances. Actuarial valuations of the schemes are carried out as determined by the Trustees at intervals of not more than three years. The pension cost under FRS 102 is assessed in accordance with the advice of a firm of actuaries based on the latest actuarial valuation and assumptions determined by the actuary.

The assumptions are based on information supplied to the actuary by the Group, supplemented by discussions between the actuary and Directors. The assumptions are disclosed in note 34. Profit before tax and net assets are affected by the actuarial assumptions used. The key assumptions include discount rates, mortality and increases to pensions in payment and deferred pensions, and may differ from actual results due to changing market and economic conditions and longer or shorter lives of participants.

Stock valuation

The Group includes, within the value of work in progress and finished goods stock, a percentage of overheads judged by the Directors to be incurred in direct relation to its manufacturing activities. The overhead absorption rate is a fixed percentage of labour costs and general overheads that is applied consistently year-on-year, subject to annual review for reasonableness by management.

At each financial year end, the Group recognises an impairment against stock. The provision recognised includes a fixed percentage of each stock-line based on its ageing. This methodology is applied across the Group although the exact percentage applied, based on the ageing of stock, varies from subsidiary to subsidiary based on the nature of the particular stock held by each subsidiary.

Income from large projects

For partly completed projects, the Group includes estimates of accrued income based on the percentage of work completed and costs incurred at the end of the financial year. Management judgement is required to determine the percentage of work complete and any variances between the estimated and actual work completed could impact the work in progress accrued, both positively and negatively. This is most relevant for Technobeton B.V. projects.

Deferred tax

The Group has recognised deferred tax assets of £2,158k (2021: £1,739k) relating to losses. The decision to recognise deferred tax assets requires management judgement in determining whether the Group will be able to utilise historical tax losses in future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. ANALYSIS OF TURNOVER

An analysis of turnover by Strategic Business Unit is as follows:

	2022	2021
	£000	£000
James Walker	117,463	111,991
edilon)(sedra	51,207	40,284
Tiflex	12,709	10,603
	<u>181,379</u>	<u>162,878</u>

A description of the principal activities is included in the Group Strategic Report.

An analysis of turnover by destination is as follows:

	2022	2021
	£000	£000
United Kingdom	36,712	30,441
Rest of Europe, Middle East and Africa	100,537	93,452
The Americas	14,180	10,571
Asia Pacific	29,950	28,414
	<u>181,379</u>	<u>162,878</u>

4. OTHER OPERATING INCOME

	2022	2021
	£000	£000
Government grants – Covid-19 support	336	3,426
Other government grants	242	217
Research and development tax credits	355	368
Sale of scrap metal	267	179
Other	320	94
	<u>1,520</u>	<u>4,284</u>

During the year the Group took advantage of government Covid-19 support schemes and received £336k (2021: £3,426k) in relation to this, including £171k (2021: £2,202k) in relation to the UK Coronavirus Job Retention Scheme. The Group has accounted for all government support schemes under the accrual model, such that grant income relating to staff costs is recognised as income on a systematic basis over the periods which the Group recognises the related costs for which the grant is intended to compensate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. OPERATING PROFIT

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

	2022	2021
	£000	£000
Depreciation of tangible fixed assets (see note 14)	4,212	4,766
Amortisation of intangible assets, including goodwill (see note 13)	230	234
Foreign exchange loss	466	102
Government grants	(242)	(217)
Government grants – Covid-19 support	(336)	(3,426)
Operating lease rentals	2,779	2,482
Research and development	3,911	4,190
Auditors' remuneration	257	256
	<u>257</u>	<u>256</u>
Fees payable to the Group's auditor in respect of:		
The audit of the Group's annual accounts	49	43
The auditing of accounts of associates of the Group pursuant to legislation	148	143
Other services relating to taxation	48	47
All other services	12	23
	<u>257</u>	<u>256</u>

6. EMPLOYEES

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

	2022	2021
	£000	£000
Wages and salaries	60,917	60,947
Social security costs	7,657	7,810
Cost of defined benefit schemes	275	187
Cost of defined contribution schemes	4,464	5,104
	<u>73,313</u>	<u>74,048</u>

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

	2022	2021
	No.	No.
Direct manufacturing	744	749
Indirect manufacturing	372	390
Sales, office, management and other	744	765
	<u>1,860</u>	<u>1,904</u>

Indirect manufacturing includes quality control, maintenance and production support.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. DIRECTORS' REMUNERATION

	2022 £000	2021 £000
Directors' emoluments	855	755
Parent company contributions to defined contribution pension schemes	29	28
	<u>884</u>	<u>783</u>

	2022 No.	2021 No.
Number of Directors who:		
Are members of a defined contribution pension scheme	2	2
Exercised options over shares in the parent company	1	2
Had awards receivable in the form of shares under a long-term incentive scheme	-	1
	<u>-</u>	<u>1</u>

	2022 £000	2021 £000
Remuneration of the highest paid Director		
Emoluments	371	322
Parent company contributions to defined contribution pension schemes	28	27
	<u>399</u>	<u>349</u>

The highest paid Director did not exercise any share options in the current year.

The Group does not consider any individuals other than the Directors of James Walker Group Limited to be key management personnel.

8. INTEREST RECEIVABLE

	2022 £000	2021 £000
Bank deposit	5	3
Other interest receivable	49	44
	<u>54</u>	<u>47</u>

9. INTEREST PAYABLE

	2022 £000	2021 £000
Bank overdraft and short-term loans	14	15
	<u>14</u>	<u>15</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. TAXATION

	2022 £000	2021 £000
Current tax		
UK corporation tax	44	130
Foreign tax	741	720
Under/(over)-provision in respect of prior periods	49	(404)
	<u>834</u>	<u>446</u>
Deferred tax		
Origination and reversal of timing differences	519	687
Tax losses previously not recognised	(265)	(85)
Current year tax losses	(301)	-
Adjustment in respect of prior year	(121)	(141)
	<u>(168)</u>	<u>461</u>
Taxation on profit	<u><u>666</u></u>	<u><u>907</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £000	2021 £000
Profit before tax	<u>3,882</u>	<u>4,158</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	738	790

Effects of:

Expenses not deductible for tax purposes	47	153
Non-taxable income	(67)	(24)
Higher rate taxes on overseas earnings	212	224
Adjustments to tax charge in respect of prior periods	(72)	(545)
Deferred tax asset not recognised	622	316
Tax losses previously not recognised	(265)	(85)
Utilisation of tax losses previously not recognised	(404)	(83)
Other differences leading to a (decrease)/increase in the tax charge	(145)	161
	<u>666</u>	<u>907</u>
Total tax charge for the year	<u><u>666</u></u>	<u><u>907</u></u>

Factors that may affect future tax charges

In March 2021 the UK government announced its intention to increase the main rate of corporation tax in the UK from 19% to 25% after 1 April 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. DIVIDENDS

	2022 £000	2021 £000
First interim dividend 12.0p (2021: 12.0p)	751	758
Second interim dividend 12.0p (2021: 0.0p)	758	-
	<u>1,509</u>	<u>758</u>
Final dividend 25.0p (2021: 25.0p)	1,576	1,578
Special dividend 0.0p (2021: 12.0p)	-	754
	<u>3,085</u>	<u>3,090</u>

12. PARENT COMPANY PROFIT FOR THE YEAR

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

13. INTANGIBLE ASSETS

Group

	Goodwill £000	Patents and trademarks £000	Total £000
Cost			
At 1 April 2021	11,579	194	11,773
Foreign exchange movement	(17)	-	(17)
	<u>11,562</u>	<u>194</u>	<u>11,756</u>
At 31 March 2022	11,562	194	11,756
Amortisation			
At 1 April 2021	10,464	194	10,658
Charge for the year	230	-	230
Foreign exchange movement	8	-	8
	<u>10,702</u>	<u>194</u>	<u>10,896</u>
At 31 March 2022	10,702	194	10,896
Net book value			
At 31 March 2022	<u>860</u>	<u>-</u>	<u>860</u>
At 31 March 2021	<u>1,115</u>	<u>-</u>	<u>1,115</u>

The amortisation charge of £230k (2021: £234k) and the impairment charge of £nil (2021: £nil) are included within depreciation and amortisation in the Consolidated Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £000	Long leasehold property £000	Plant and equipment £000	Total £000
Cost or valuation				
At 1 April 2021 (as previously stated)	22,638	4,984	86,988	114,610
Reclassification	1,515	-	-	1,515
At 1 April 2021 (as restated)	24,153	4,984	86,988	116,125
Additions	35	-	4,314	4,349
Disposals	-	(1,000)	(3,648)	(4,648)
Foreign exchange movement	227	-	382	609
At 31 March 2022	24,415	3,984	88,036	116,435
Depreciation				
At 1 April 2021	-	204	71,036	71,240
Charge for the year	404	120	3,688	4,212
Disposals	-	-	(3,464)	(3,464)
Foreign exchange movement	5	-	338	343
At 31 March 2022	409	324	71,598	72,331
Net book value				
At 31 March 2022	24,006	3,660	16,438	44,104
At 31 March 2021	22,638	4,780	15,952	44,885

Following the closure of the Dudley site, the Group sold the Dudley property. Historic revaluation gains on this property have been transferred from revaluation reserves to the profit and loss account in the current year as a result of this sale and is recognised in the Consolidated Statement of Changes in Equity.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention at a net book value of £7,881k (2021: £9,371k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS (continued)

Parent Company

	Freehold property £000	Plant and equipment £000	Total £000
Cost or valuation			
At 1 April 2021 (as previously stated)	3,980	1,136	5,116
Reclassification	(235)	-	(235)
At 1 April 2021 (as restated)	3,745	1,136	4,881
Additions	-	53	53
Disposals	-	(678)	(678)
At 31 March 2022	3,745	511	4,256
Depreciation			
At 1 April 2021	-	1,029	1,029
Charge for the year	76	40	116
Disposals	-	(638)	(638)
At 31 March 2022	76	431	507
Net book value			
At 31 March 2022	3,669	80	3,749
At 31 March 2021	3,745	107	3,852

If the land and buildings had not been included at valuation they would have been included under the historical cost convention at a net book value of £2,087k (2021: £2,154k).

UK properties were subject to a full valuation by Lambert Smith Hampton, Chartered Surveyors, as at 31 March 2021, on the basis of market value, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

Overseas properties were valued on an equivalent basis by external valuers as at 31 March 2021.

The valuation of UK and overseas properties held by the Group at 31 March 2022 was £27,953k (2021: £28,692k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. INVESTMENT PROPERTY

Group

	Freehold investment property £000
Valuation	
At 1 April 2021 (as previously stated)	1,730
Reclassification	(1,515)
	<hr/>
At 1 April 2021 (as restated)	215
	<hr/>
At 31 March 2022	215
	<hr/> <hr/>

All UK investment properties were subject to a full valuation by Lambert Smith Hampton, Chartered Surveyors, as at 31 March 2021, on the basis of market value, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

If the investment properties had been accounted for under the historical cost accounting rules, the properties would have been included at a net book value of £5k (2021 (as restated): £5k).

Parent Company

	Freehold investment property £000
Valuation	
At 1 April 2021 (as previously stated)	1,515
Reclassification	235
	<hr/>
At 1 April 2021 (as restated)	1,750
	<hr/> <hr/>
At 31 March 2022	1,750
	<hr/> <hr/>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention at a net book value of £245k (2021 (as restated): £267k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. FIXED ASSET INVESTMENTS

Parent Company

	Investments in subsidiaries £000
Cost or valuation	
At 1 April 2021	54,485
Additions	3,500
	<hr/>
At 31 March 2022	57,985
	<hr/>
Provision for impairment	
At 1 April 2021	12,093
Amounts written off	7,278
	<hr/>
At 31 March 2022	19,371
	<hr/> <hr/>
Net book value	
At 31 March 2022	38,614
	<hr/> <hr/>
At 31 March 2021	42,392
	<hr/> <hr/>

Subsidiary undertakings

The details of all subsidiary undertakings are included in the Appendix to the Financial Statements.

17. STOCKS

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Raw materials and consumables	7,188	5,770	-	-
Work in progress	3,028	2,451	-	-
Finished goods and goods for resale	16,683	13,120	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	26,899	21,341	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment of £327k (2021: £717k) was recognised in raw materials and consumables against stock during the year due to slow-moving and obsolete stock.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. DEBTORS

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Due after more than one year				
Amounts owed by group undertakings	-	-	6,840	3,752
Other debtors	1,405	1,527	-	-
Deferred tax asset (see note 26)	2,321	2,297	-	-
	<u>3,726</u>	<u>3,824</u>	<u>6,840</u>	<u>3,752</u>

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Due within one year				
Trade debtors	34,956	31,939	-	-
Amounts owed by group undertakings	-	-	13,004	13,329
Other debtors	1,926	1,590	94	147
Prepayments and accrued income	5,774	4,577	168	183
Tax recoverable	685	728	21	17
Derivatives (see note 27)	56	211	56	211
	<u>43,397</u>	<u>39,045</u>	<u>13,343</u>	<u>13,887</u>

19. CURRENT ASSET INVESTMENTS

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Listed investments – at fair value	8,108	5,378	8,108	5,378
	<u>8,108</u>	<u>5,378</u>	<u>8,108</u>	<u>5,378</u>

The listed investments are primarily invested in fixed interest securities, equities and alternative investments.

The fair value gain of £230k (2021: £487k) is shown within 'Fair value movements' in the Income Statement.

During the year there were net investments of £2,500k (2021: £575k).

JAMES WALKER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. CASH AND CASH EQUIVALENTS

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Cash at bank and in hand	18,274	23,486	7,696	11,982
	<u>18,274</u>	<u>23,486</u>	<u>7,696</u>	<u>11,982</u>

21. CREDITORS: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Loans	-	105	-	-
Trade creditors	18,072	12,325	47	44
Amounts owed to group undertakings	-	-	24,031	21,271
Corporation tax	495	394	-	-
Other taxation and social security	3,154	2,700	-	-
Other creditors	4,290	4,453	36	13
Accruals and deferred income	10,694	7,097	715	564
	<u>36,705</u>	<u>27,074</u>	<u>24,829</u>	<u>21,892</u>

22. CREDITORS: amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Loans	42	41	-	-
Other creditors	510	423	-	-
Accruals and deferred income	2,023	2,148	-	-
	<u>2,575</u>	<u>2,612</u>	<u>-</u>	<u>-</u>

Accruals and deferred income wholly relate to government grants in respect of the installation of flood defences at the Cocker mouth facility. The balance will be recognised in the Consolidated Income Statement at the same rate as depreciation of the assets to which the grant relates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. LOANS

The loan outstanding at 31 March 2022 related to unsecured loans from non-controlling parties to a subsidiary.

Amounts fall due as follows:

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Less than one year				
Loans	-	105	-	-
Between two and five years				
Loans	42	41	-	-

24. PROVISIONS FOR LIABILITIES

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Deferred tax (see note 26)	1,061	1,224	42	35
Pension (see note 34)	-	469	-	469
	<u>1,061</u>	<u>1,693</u>	<u>42</u>	<u>504</u>

25. ANALYSIS OF CHANGES IN NET LIQUID FUNDS

	Cash at bank and in hand £000	Loans due within one year £000	Loans due after one year £000	Current asset investments £000	Net liquid funds £000
At 1 April 2021	23,486	(105)	(41)	5,378	28,718
Cash flows	(5,399)	104	-	2,500	(2,795)
Exchange rate movements	187	1	(1)	-	187
Changes in market value	-	-	-	230	230
At 31 March 2022	<u>18,274</u>	<u>-</u>	<u>(42)</u>	<u>8,108</u>	<u>26,340</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

26. DEFERRED TAXATION

Group	2022 £000	2021 £000
Deferred tax asset (see note 18)	2,321	2,297
Provision for deferred tax (see note 24)	(1,061)	(1,224)
Net deferred tax	<u>1,260</u>	<u>1,073</u>
		Deferred tax £000
At 1 April 2021		1,073
Credited to the income statement		168
Translation adjustment		19
At 31 March 2022		<u>1,260</u>

The deferred tax is made up as follows:

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
(Accelerated)/decelerated capital allowances	(6)	444	-	-
Tax losses carried forward	2,158	1,739	-	-
Other short-term timing differences	491	302	(42)	(35)
Gains on property valuations	(1,383)	(1,412)	-	-
	<u>1,260</u>	<u>1,073</u>	<u>(42)</u>	<u>(35)</u>

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or other entity within the Group.

The deferred tax asset relating to losses has been recognised on the basis of strong evidence of future taxable profits against which the unutilised tax losses can be relived.

During the year beginning 1 April 2022 the net reversal of deferred tax assets and liabilities is expected to be £561k.

The Group has unrecognised deferred tax relating to losses amounting to £8,350k (2021: £9,037k). There is no expiry date on these losses; however, they have not been recognised due to uncertainty over the timing of when they can be recovered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

27. FINANCIAL INSTRUMENTS

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Financial assets measured at fair value through the Income Statement	8,164	5,589	8,164	5,589
Financial assets measured at amortised cost	38,287	35,056	19,938	17,228
	<u>46,451</u>	<u>40,645</u>	<u>28,102</u>	<u>22,817</u>
Financial liabilities measured at amortised cost	(22,914)	(17,347)	(24,114)	(21,328)
	<u>(22,914)</u>	<u>(17,347)</u>	<u>(24,114)</u>	<u>(21,328)</u>

Financial assets measured at fair value comprise of current asset investments and derivatives.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, amounts owed to group undertakings, bank overdrafts and other loans.

During the year the Group entered into derivative financial instruments to manage foreign exchange risks, principally between sterling and euro, arising from the Group's operations. The following table details the forward foreign currency contracts outstanding as at the year ended 31 March 2022:

	Contractual exchange rate £1 =	Amount contracted €000
Outstanding contracts to sell euro in the period:		
April 2022 – June 2022	€1.1544	415
April 2022 – June 2022	€1.1639	493
April 2022 – September 2022	€1.1536	573
April 2022 – September 2022	€1.1604	649
April 2022 – December 2022	€1.1589	890
April 2022 – December 2022	€1.1629	790
April 2022 – March 2023	€1.1735	2,265

The fair value of these euro derivative instruments at 31 March 2022 was £55k. This has been recognised in these financial statements (2021: £211k). Additionally, the Group entered into derivative financial instruments to manage non-euro foreign currency exchange risks. The fair value of these derivative instruments at 31 March 2022 was £1k (2021: £nil). The movement in fair value of £155k is shown in the Consolidated Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

28. SHARE CAPITAL

	2022 £000	2021 £000
Allotted, called up and fully paid		
6,317,958 (2021: 6,314,208) ordinary shares of £1 each	6,318	6,314

During the year 3,750 ordinary shares were issued to satisfy obligations under the Group's Employee Share Option Scheme at a price of £1.00 per share for a total consideration of £30k.

29. RESERVES

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve account

The revaluation reserve account includes all revaluation movements on land and buildings and tangible fixed assets. Deferred tax is recognised on the movements each year in the revaluation reserve.

Profit and loss account

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

30. CAPITAL COMMITMENTS

At 31 March 2022 the Group had capital commitments as follows:

	Group 2022 £000	Group 2021 £000
Contracted for but not provided for in these financial statements	2,152	485

At 31 March 2022 the Parent Company had capital commitments of £55k (2021: £nil).

31. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Group and the Parent Company had total future commitments under operating leases as follows:

	Group 2022 £000	Group 2021 £000	Parent 2022 £000	Parent 2021 £000
Not later than 1 year	2,666	2,482	-	-
Later than 1 year and not later than 5 years	4,599	3,754	-	-
Later than 5 years	50	72	-	-
	<u>7,315</u>	<u>6,308</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

32. SHARE BASED PAYMENTS

During the year 3,636 (2021: nil) options at £8.25 per share were granted under the Group's Employee Share Option Scheme.

Share options are granted under the Group's Equity Participation Scheme ("EPS") to Directors and employees of the Group. Options are conditional on the employee completing a specific length of service. The options are generally exercisable from 12 months after the grant date and lapse 15 months after the grant date.

The amount recognised in the Consolidated Income Statement during the year was £nil (2021: £nil) since no options will be granted as a result of the Group's financial performance.

The movement in the year of EPS share options held by Group employees was:

	Weighted average exercise price (pence) 2022	Number of shares 2022	Weighted average exercise price (pence) 2021	Number of shares 2021
Outstanding at the beginning of the year	-	-	-	113,684
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	(98,971)
Lapsed during the year	-	-	-	(14,713)
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at the end of the year	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

33. INVESTMENT IN OWN SHARES

The James Walker Group Limited 2004 Employee Share Trust ("the 2004 Trust") was created on 9 November 2004 and established to enable the Group to award certain current Directors and employees share options based upon performance of the Group.

The 2004 Trust disposed of nil (2021: 7,595) shares during the year ended 31 March 2022 for a total consideration of £nil (2021: £nil). The maximum number of such shares held at any time during the year was nil which represented 0.00% of the issued share capital of the Parent Company.

The value at 31 March 2022 of the ordinary shares in the 2004 Trust was £nil (2021: £nil) (representing nil shares). Since inception of the 2004 Trust the cumulative reduction to equity attributable to owners of the Parent Company is £2,092k in respect of shares purchased and sold.

The James Walker Group Limited 2016 Employee Share Trust ("the 2016 Trust") was created on 1 November 2016 and established to enable the Group to award certain current Directors and employees share options based upon performance of the Group.

The transactions of the 2016 Trust during the year ended 31 March 2022 included the purchase of 40,303 (2021: 59,228) of the Parent Company's ordinary shares with financing provided by the Group being 40,303 shares at £8.25 per share. The 2016 Trust disposed of 53,530 (2021: 37,571) shares during the year for a total consideration of £442k. The maximum number of such shares held at any time during the year was 57,166 which represented 0.90% of the issued share capital of the Parent Company.

The value at 31 March 2022 of the ordinary shares in the 2016 Trust was £318k (2021: £427k) (representing 38,553 shares). Since inception of the 2016 Trust the cumulative reduction to equity attributable to owners of the Parent Company is £738k in respect of shares purchased and sold.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

34. PENSION COMMITMENTS

The Group maintains pension schemes for all eligible employees. In the UK most employees are members of the James Walker Group Personal Pension Plan ("JWGPPP"), which is a defined contribution scheme. The James Walker Pension Scheme ("JWPS") and the James Walker Group Senior Executives' Managed Pension Plan ("SEMPP"), which are defined benefit schemes, closed to future accrual with effect from 30 April 2016 and active members of the two schemes at that date were auto-enrolled into the JWGPPP on 1 May 2016.

A de-risking exercise was carried out between November 2021 and April 2022 which offered deferred members aged 55 and over support to access flexible retirement options. By 30 April 2022 this resulted in transfers out of the schemes of £5,205k and an estimated 9% reduction in the uninsured liabilities. As at 31 March 2022 the agreed transfers values totalled £809k, with the balance of £4,396k agreed in April 2022. The difference between the transfer values agreed with members in March 2022, less the pension liability eliminated in respect of those members, resulted in a loss of £155k which has been included in experience gains and losses on liabilities below. The same accounting treatment will be applied in the year ending 31 March 2023 for the transfers agreed in April 2022.

Defined contribution pension schemes

During the year, the cost to the Group of defined contribution pension schemes was £4,464k (2021: £5,104k).

Defined benefit pension schemes

The latest actuarial valuation of the JWPS carried out as at 30 November 2018 showed that the scheme was 107% funded on an ongoing basis using the nominal gilt yield curve plus 1.5% per annum at each term pre-retirement and plus 0.25% per annum at each term post-retirement. The assets were valued at £86.0m.

The latest actuarial valuation of the SEMPP carried out as at 31 December 2018 showed that the scheme was 97% funded on an ongoing basis using the nominal gilt yield curve plus 2.5% per annum at each term pre-retirement and plus 0.25% per annum at each term post-retirement. The assets were valued at £31.4m.

The pension costs relating to these schemes are assessed in accordance with the advice of a qualified independent actuary using the projected unit method. New Schedules of Contributions were established for both the JWPS and the SEMPP in September 2019 based upon this advice.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

34. PENSION COMMITMENTS (continued)

	2022 £000	2021 £000
Reconciliation of present value of defined benefit schemes' liabilities		
Opening present value of liabilities	112,088	99,148
Interest cost	2,142	2,181
Actuarial (gains)/losses	(8,343)	11,869
Experience (gains)/losses on liabilities	(1,925)	3,406
Benefits paid	(4,508)	(4,516)
	<u>99,454</u>	<u>112,088</u>
Closing present value of liabilities	99,454	112,088
Unrecognised surplus	14,615	7,417
	<u>114,069</u>	<u>119,505</u>
At the end of the year	<u>114,069</u>	<u>119,505</u>

The assets of the JWPS exceeded the liabilities at 31 March 2022, giving a net surplus of £13,790k (2021: £7,417k). The assets of the SEMPP exceeded the liabilities at 31 March 2022 giving a net surplus of £825k (2021: net deficit £469k). The prior year deficit is recognised in provisions for liabilities in the Consolidated Statement of Financial Position (see note 24). In the opinion of the Directors the net surpluses will not be recoverable in future so has not been recognised as an asset in the Consolidated Statement of Financial Position (2021: £nil).

	2022 £000	2021 £000
Reconciliation of fair value of defined benefit schemes' assets:		
At the beginning of the year	119,036	110,024
Interest income	2,134	2,171
Return on scheme assets excluding interest income	(2,572)	11,298
Contributions – Group	254	246
Benefits paid	(4,508)	(4,516)
Schemes' administration expenses	(275)	(187)
	<u>114,069</u>	<u>119,036</u>
At the end of the year	<u>114,069</u>	<u>119,036</u>

The insured annuities generate proceeds that match the individual benefit payments due to the pensioner members of the schemes.

The value of the insured annuities are recognised as scheme assets for the purposes of FRS 102. Since the income received from the contracts exactly matches the benefit payments due to the pensioner members they are covering, the asset values attributable to the contracts are equivalent to the FRS 102 value of the corresponding liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

34. PENSION COMMITMENTS (continued)

Composition of schemes' assets:

	2022 £000	2021 £000
Equities	17,059	15,318
Diversified growth funds	13,497	13,362
Bonds	25,190	24,539
Liability driven investments	6,277	7,242
Insured annuities	51,036	57,809
Cash and cash equivalents	1,010	766
	<u>114,069</u>	<u>119,036</u>

The amount included in the Consolidated Statement of Financial Position arising from the Group's obligations in respect of its defined benefit schemes is as follows:

	2022 £000	2021 £000
Fair value of schemes' assets	114,069	119,036
Present value of schemes' liabilities	(99,454)	(112,088)
Unrecognised surplus	(14,615)	(7,417)
	<u>-</u>	<u>(469)</u>

The amounts recognised in the Consolidated Income Statement are as follows:

	2022 £000	2021 £000
Schemes' administration expenses	(275)	(187)
Interest on deficit brought forward	(8)	(10)
	<u>(283)</u>	<u>(197)</u>

The Group expects to contribute £261k administration expenses to its defined benefit pension schemes in the financial year ending 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

34. PENSION COMMITMENTS (continued)

	2022 £000	2021 £000
Analysis of actuarial gain/(loss) recognised in other comprehensive income		
Return on schemes' assets excluding interest income	(2,572)	11,298
Experience gain/(loss) on liabilities	1,925	(3,406)
Changes in assumptions underlying the present value of the schemes' liabilities	8,343	(11,869)
	<u>7,696</u>	<u>(3,977)</u>

Principal actuarial assumptions at the Statement of Financial Position date:

	2022 %	2021 %
Discount rate	2.65	1.95
Future pension increases not subject to 3% minimum	3.50	3.15
Future pension increases subject to 3% minimum	3.80	3.65
Inflation assumption	2.95	2.35
Mortality rate (years)		
- male aged 65 now	20.2	20.60
- male at age 65 (aged 45 now)	21.5	21.90
- female aged 65 now	23.0	23.30
- female at age 65 (aged 45 now)	24.6	24.80

35. CONTINGENT ASSET

At 31 March 2022 a Group subsidiary, Technobeton B.V., was party to an insurance claim relating to costs incurred on a project. Although it was probable that economic benefits would derive from the claim, as at 31 March 2022, there was uncertainty as to the amount and timing. The net economic benefit was confirmed in May 2022 at €575k (£489k) and this will be recognised in the financial statements for the year ending 31 March 2023.

36. CONTINGENT LIABILITIES

At 31 March 2022 the Parent Company was party to multilateral guarantees to the value of £2,000k (2021: £2,000k) in respect of the indebtedness of other Group companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

37. PRIOR YEAR ADJUSTMENTS

Parent company

Following a review of the accounting treatment of freehold property leased to Group companies, a prior year adjustment has been made to recognise £1,750k of property within the investment property rather than within tangible fixed assets, as previously reported at 31 March 2021. In addition, following a review of the accounting treatment of mixed use freehold property, which is defined as property occupied for both trading and rental purposes, a prior year adjustment has also been made to recognise £1,515k of property within tangible fixed assets rather than investment property, as previously reported at 31 March 2021. The net effect of these adjustments is £235k.

As a result of these adjustments, there has been a £78k increase in the revaluation reserve and a £78k decrease in the profit and loss account as at 1 April 2020. In addition, there has been an £18k increase in the reported loss for the year ended 31 March 2021 and an £18k increase on the surplus of revaluation of freehold property.

Group

Following a review of the accounting treatment of mixed use freehold property, which is defined as property occupied for both trading and rental purposes, a prior year adjustment has been made to recognise £1,515k of property within tangible fixed assets rather than investment property, as previously reported at 31 March 2021. The impact on depreciation and revaluation reserves as a result of this adjustment is not material to the accounts.

38. CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

JAMES WALKER GROUP LIMITED

APPENDIX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

In accordance with section 409 of the Companies Act 2006, a full list of related undertakings, the registered office address and the percentage of equity owned as at 31 March 2022 is disclosed below.

The percentage of equity owned by the Group is 100% unless otherwise noted below. The stated ownership percentages represent the effective equity owned by the Group.

Trading companies

Name	Registered address	Direct / indirect
Devol Engineering Ltd	Unit 2, Faulds Park Industrial Estate, Faulds Park Road, Gourrock, PA19 1FB, United Kingdom	Direct
edilon)(sedra Australia Pty Ltd	Suite 506, Level 5, 22 Market Street, Sydney, 2000 NSW, Australia	Indirect
edilon)(sedra B.V.	Nijverheidsweg 23, NL-2031 CN Haarlem, Postbus 1000, NL-2003 RZ Haarlem, Netherlands	Indirect
edilon)(sedra Belgium BV	Brechtsebaan 30, 2900 Schoten, Belgium	Indirect
edilon)(sedra contracting Beheer B.V.	Molenweg 7, NL-6019 BS Wesseem, Postbus 7189, NL-6050 AD Maasbracht, Netherlands	Indirect
edilon)(sedra EBS GmbH	Schossbergstrasse 19, D-65201 Wiesbaden, Postfach 120242, D-65080 Wiesbaden, Germany	Indirect
edilon)(sedra France s.a.r.l.	10 avenue du Stade de France, Rue des Trémies, 93210 Saint Denis, France	Indirect
edilon sedra GmbH Wiesbaden	Schossbergstrasse 19, D-65201 Wiesbaden, Postfach 120242, D-65080 Wiesbaden, Germany	Indirect
edilon)(sedra Group B.V.	Nijverheidsweg 23, NL-2031 CN Haarlem, Postbus 1000, NL-2003 RZ Haarlem, Netherlands	Indirect
edilon)(sedra Iberica S.L.U.	Parque Empresarial Miniparc 1, Edificio B, Planta 1ª, Oficina 4, Calle de la Azalea, nº 1, 28109 El Soto de la Moraleja, Alcobendas (Madrid), Spain	Indirect
edilon)(sedra International B.V.	Nijverheidsweg 23, NL-2031 CN Haarlem, Postbus 1000, NL-2003 RZ Haarlem, Netherlands	Indirect
edilon)(sedra north america inc.	511 West 195th Street, Glenwood, Illinois, IL 60425, USA	Indirect
edilon)(sedra UK Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Indirect
Jaeger Seals N.V.	Mechanicalaan 14-16, 2610 Wilrijk, Belgium	Indirect
James Walker & Co. Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Asia Pacific Pte Ltd	8 Pandan Crescent, #03-03/04, Lobby 5, Singapore 128464	Indirect
James Walker Australia Pty Ltd	32 Clapham Road, Regents Park, NSW 2143, Australia	Direct
James Walker Benelux B.V.	Rontgenstraat 7-9, 3261 LK Oud-Beijerland, Netherlands	Indirect
James Walker Benelux N.V.	Mechanicalaan 14-16, 2610 Wilrijk, Belgium	Direct
James Walker Deutschland GmbH	Flughafenstrasse 54, 22335 Hamburg, Germany	Direct
James Walker do Brasil Tecnologia em Vedacoes Ltda	Avenida Robert Kennedy, 2086, São Bernardo do Campo, São Paulo, 09860-122, Brasil	Indirect
James Walker France S.A.S.	17 rue Jean Elysée Dupuy, BP 36, 69542 Champagne Cedex, France	Direct
James Walker Holding B.V.	Rontgenstraat 7, 3261 LK Oud-Beijerland, Netherlands	Direct
James Walker Iberica S.A.	CL Juan de Antxeta 11 48015, Bilbao, Spain	Direct
James Walker Inmarco Industries Pvt Ltd (90%)	104, Gayatri Commercial Complex, Behind Mittal Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059, India	Indirect

JAMES WALKER GROUP LIMITED

APPENDIX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Trading companies (continued)

Name	Registered address	Direct / indirect
James Walker Ireland Ltd	Unit 3 Richfield Business Park, Ballycurreen, Kinsale Road, Cork, T12 AD71, Ireland	Direct
James Walker Italiana s.r.l.	Via Ponte Vecchio 2/4, 20127, Milano, Italy	Direct
James Walker Mfg. Co.	511 West 195 th Street, Glenwood, Illinois, 60425, USA	Direct
James Walker Middle East FZE	Office Number FZJOA2117, Jafza One, Jebel Ali Free Zone, Dubai, United Arab Emirates	Indirect
James Walker Moorflex Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker New Zealand Ltd	Unit B 43 Lady Ruby Drive, East Tamaki, Auckland 2013, New Zealand	Direct
James Walker Norge AS	Østmarkveien 27, 0687 Oslo, Norway	Direct
James Walker Rotabolt Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Sealing Products & Services Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker (Shanghai) Sealing Technology Ltd (60%)	Room 6E, 971 Dongfang Road, Shanghai, 200122, PR China	Direct
James Walker South Africa (Pty) Ltd (90%)	Unit 5&6 Grid Iron, 45 Riverhorse Road, Riverhorse Valley, Durban, 4017, South Africa	Direct
James Walker (Thailand) Co., Ltd	106 Moo 5, Thumbon Narakaum, Amphur Muang, Rayong 21000, Thailand	Indirect
James Walker Townson Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Ubuntu (Pty) Ltd (49.5%)	Unit 5&6 Grid Iron, 45 Riverhorse Road, Riverhorse Valley, Durban, 4017, South Africa	Indirect
James Walker UK Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Viceroy Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
Kea-Flex Mouldings Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
Taumer Sp. z o.o. (50%)	31-574 Kraków, Ciepłownicza 23, Poland	Indirect
Technobeton B.V.	Molenweg 7, NL-6019 BS Wessem, Postbus 7189, NL-6050 AD Maasbracht, Netherlands	Indirect
Tiflex Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
Tines Kazakhstan (50%)	Astana, Dostyk Ave., 3, Exhibition Centre "Korme", Office 33, 010000, Republic of Kazakhstan	Indirect
Tines Manufacturing Railways Kaz (25%)	Astana, Dostyk Ave., 3, Exhibition Centre "Korme", Office 33, 010000, Republic of Kazakhstan	Indirect
Tines Russia (50%)	127247, Moscow, Dmitrovskoe Highway, 100, Floor 3, Room 1, Room number 18, Russia	Indirect
Tines S.A. (50%)	31-574 Kraków, Ciepłownicza 23, Poland	Indirect
Tines Ukraina Sp. z o.o. (50%)	01030, Kiev, Bogdan Khmel'nitskogo Street 16-22, A Flat 507/1, Ukraine	Indirect

JAMES WALKER GROUP LIMITED**APPENDIX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****Dormant companies**

Name	Registered address	Direct / indirect
D C Rowe Pty Ltd	32 Clapham Road, Regents Park, NSW 2143, Australia	Indirect
Devol Bushing Ltd	Unit 2, Faulds Park Industrial Estate, Faulds Park Road, Gourrock, PA19 1FB, United Kingdom	Indirect
Devol Cast Nylon Ltd	Unit 2, Faulds Park Industrial Estate, Faulds Park Road, Gourrock, PA19 1FB, United Kingdom	Indirect
Devol Fabrications Ltd	Unit 2, Faulds Park Industrial Estate, Faulds Park Road, Gourrock, PA19 1FB, United Kingdom	Indirect
Devol Moulding Services Ltd	Unit 2, Faulds Park Industrial Estate, Faulds Park Road, Gourrock, PA19 1FB, United Kingdom	Indirect
James Walker Engineering Services Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Metaflex Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Nominees Ltd (formerly James Walker Europe Ltd)	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Seals Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
James Walker Teadit Ltd (50%)	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Indirect
Phoenix Rollers (Otley) Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
Tico Manufacturing Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct

Trustee companies

Name	Registered address	Direct / indirect
James Walker Trustees Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
JWPS Trustees Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct
JWSEMPP Trustees Ltd	Lion House, Oriental Road, Woking, Surrey, GU22 8AP, England	Direct

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