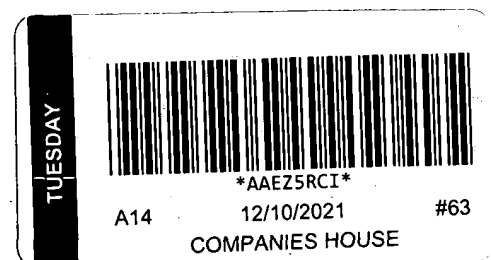


JAMES WALKER GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

Registered Number: 00176600



JAMES WALKER GROUP LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

BUSINESS REVIEW

James Walker Group Limited is the Parent Company of a group 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.

Covid-19 had a significant impact on business performance across each of the three Strategic Business Units ("SBUs") with social distancing and remote working being required for much of the year in many countries. Group turnover decreased by 10.3% to £162,878k (2020: £181,667k).

Our factories and operations continued to function throughout the Covid-19 pandemic with output being deemed essential to a number of customers in critical industries including healthcare, energy, utilities and food. The risks and impact of the pandemic were mitigated through the introduction of Covid-19 safety protocols, disciplined control of costs and attention to the needs of customers. In order to prevent the excess loss of skilled labour we accessed government support schemes, direct receipts from which totalled £3,426k. Consequently, redundancies, during a year of exceptional challenge, were limited to 4.3% of the workforce.

James Walker SBU sales reduced 14.8% compared to the prior year, with Covid-19, oil price volatility and Brexit all impacting demand. Order intake declined to a low point in August 2020 and then recovered in the second half of the year. Early in 2021 the combination of a second wave of Covid-19 in the UK and the implementation of Brexit challenged our supply lines. A charge of £1,324k was taken for redundancies which included the closure of the Dudley site and the transfer of Rotabolt manufacturing to Bingley.

Project Keystone, the multi-year investment in global business process change and IT, was sustained reflecting an ongoing effort to improve customer satisfaction and efficiencies through all aspects of the organisation.

Whilst sales grew by 2.9% in the edilon)(sedra SBU compared to the prior year, this was still short of our expectations. The track segment continued to experience ongoing delays and rephasing of project work, partly due to labour access to sites during the pandemic and the complexities of customers' remote working. The project to replace in-house manufacturing at Haarlem and Winschoten was completed. The technical concrete repair and road joint segments continued the progress of recent years with further growth.

Tiflex SBU sales reduced by 4.5% within which rail flooring sales declined most, leading to a reduced labour requirement. The order book had a short-term character throughout the year. A combination of employee flexibility and furloughing enabled retention of the labour force.

Mark-to-market reporting of foreign exchange hedges had a positive impact on profit before tax of £268k (2020: negative £362k).

Group profit before tax decreased by 10.1% to £4,158k (2020: £4,627k) reflecting the difficult rail trading conditions. Profit after tax decreased by 5.7% to £3,251k (2020: £3,448k), supported by an overall effective tax rate of 21.8% (2020: 25.5%).

Capital expenditure was heavily constrained during the year at £3,065k (2020: £5,377k) reflecting reduced demand and a desire to preserve liquidity through the crisis period.

Net assets increased to £107,910k (2020: £102,890k) mostly due to £6,271k of properties revaluation. Net liquid funds grew to £28,718k (2020: £24,379k). Net cash flow from operating activities of £9,394k (2020: £12,302k) was mainly driven by ongoing improvements in stock management.

The combined net deficit of the UK defined benefit pension schemes' remained at £0.5m. The requirement to equalise James Walker Pension Scheme male/female benefits due to the Barber window ruling is estimated to result in an additional liability of £3.4m and this is fully reflected in the pension liability at 31 March 2021.

In such a challenging year for all of our stakeholders, the Board particularly wishes to record its appreciation for the hard work and commitment of all employees across the Group.

DIVIDEND

Given the economic uncertainties surrounding the pandemic in April 2020, the Board decided not to pay an interim dividend at that time. The regular August and October dividends were approved and paid. Given an improving position, a special dividend was paid in February 2021 bringing total dividends to 49.0 pence (2019: 49.0 pence). A first interim dividend of 12.0 pence per share was declared and paid in April 2021, a second interim dividend of 12.0 pence per share will be paid in August 2021 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 2021.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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.

A new three year strategic plan has recently been launched with actions for implementation developed by each SBU. The strategy is structured into seven themes: people, health and safety, environment, customer, product innovation, digitalisation and financial.

As further detailed under the principal risks and uncertainties section within this report, Covid-19 remains a risk, with materials supply and cost inflation particular challenges for the year ahead. However, order intake continues to be steady, demonstrating good recovery towards pre-pandemic levels across a range of markets.

Our participation in formal government job retention schemes for Covid-19 has now been significantly reduced. We expect to retain limited participation in such schemes where we consider it appropriate for the minimisation of any 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 focus on continuous optimisation of production costs and in providing our customers with timely delivery of product.

A sales recovery plan has been implemented as a response to the Covid-19 pandemic and the associated economic downturn in a number of sectors which we serve. 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. A next-generation Walkersele was launched in early 2020 and has received favourable response in the market for large rotary applications, particularly in wind energy. We are increasing our emphasis on new product development, with more customer-led projects and dedicated staff increasing the proportion of sales derived from products launched in recent years.

Our need to implement a remote working environment through Covid-19 has heightened the importance of technology to our business,

particularly the effectiveness of data analysis tools. We plan to continue higher than average levels of expenditure on IT over the coming years as we 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.

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 will increase from 69% to 90% later this month.

We remain committed to exploring a suitable joint venture manufacturing opportunity in the Middle East.

We continue to evaluate further rationalisation of locations in order to optimise performance and efficiency.

Our emphasis and focus on manufacturing excellence and customer experience will continue, supporting both the sustainability and also 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.

Market developments in the track industry have proven particularly challenging in recent years, with many rail projects being delayed, resulting in increased competitiveness across the sector. The short-term project pipeline is still not at a level which we desire. However, we continue to 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.

We remain positive on the medium and long-term prospects for our track business.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The outlook for Technobeton B.V. is highly dependent upon government decision making following easing of the pandemic lockdown restrictions and potential financial stimulus packages directed towards infrastructure. There is currently a high demand for our services; however, a shortage of labour is restricting our ability to grow the business in the short-term. The investment made in aqua demolition has been successful in its first year, with considerable utilisation of the equipment. We anticipate further investment in this area.

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.

The 2019 factory extension continues to be used to accommodate social distancing in our response to Covid-19.

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. We recognised the unique physical and mental challenges this presented to our employees, and were able to adapt our human resources and support systems to these new challenges. 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 as the pandemic situation eases, 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, remote training which facilitates keeping training up-to-date.

We continue to work with the UK defined benefit pension schemes' Trustees to mitigate interest rate, inflation and mortality risks. A bulk de-risking exercise is planned in 2021, offering qualifying deferred pensioners company-funded access to

selected independent financial advisors, in support of accessing flexible retirement options. The triennial valuations of the schemes will commence in late 2021.

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: 10.3% reduction (2020: 8.9% reduction). Using constant exchange rates turnover would have been £162,853k, a decline of 10.4%.

Order book: the 31 March 2021 order book declined 4.0% to £35,442k compared to the prior year (2020: £36,908k). Although this is a modest reduction, it reflects a challenging period and is an improvement compared to the low point during the year.

Operating margin – operating profit as a percentage of revenue: 2.5% (2020: 2.5%).

Average working capital – stocks plus debtors less creditors falling due within one year as a percentage of revenue: 22.4% (2020: 22.4%).

Net assets: £107,910k (2020: £102,890k). The increase in the year was mostly due to the £6,271k increase in valuation of properties offset by foreign exchange translation movements.

Capital expenditure: the Group invested £3,065k (2020: £5,377k) equating to 64.3% 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. Disappointingly, during the year there was an increase in accidents involving greater than seven days' absence from work per 1,000 staff (2021: 5.3; 2020: 2.6). This resulted from a mixture of causes. We are reinvigorating the approach to safety and have established a health and safety steering team in order to facilitate the sharing of good practice across the Group.

JAMES WALKER GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Carbon reporting – the Group's greenhouse gas ("GHG") emissions, as measured by an intensity ratio of carbon dioxide equivalent ("CO₂e") per £1 million revenue, reduced by 11.1% in the year. This was mostly driven by more efficient use of natural gas and reduced travel. Absolute emissions reduced by 20.2% (2021: 6,654 tonnes; 2020: 8,340 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 2020 and the UK Government Environmental Reporting Guidelines. Emissions are based on the Group's global sales and operations.

	2021	2020
Source of emissions	Tonnes CO ₂ e	Tonnes CO ₂ e
Direct emissions (Scope 1)		
Gas	2,721	3,453
Transport	357	850
Indirect emissions (Scope 2)		
Electricity	3,576	4,037
Gross emissions	<u>6,654</u>	<u>8,340</u>
Sales £m	163	182
Tonnes CO ₂ e per £1 million revenue	<u>40.8</u>	<u>45.9</u>

Note: 2020 emissions have been restated to reflect the correct transport emissions in that year.

Customer satisfaction – providing excellent customer service remains a cornerstone of our activities. A biennial customer satisfaction survey is usually conducted, with the most recent one having been performed in early 2020; where edilon)(sedra SBU and Tiflex SBU were in top quartile and James Walker SBU experienced a reduction in rating from its customers against the previous survey results and remained in the second quartile overall. We therefore increased our focus to address the feedback, with activities to improve customer facing processes including lead times, consistency of delivery, problem handling, complaint management and project reviews. The next survey will be conducted in early 2022.

Average monthly headcount – 1,904 (2020: 1,979). The reduction in headcount was mostly due to redundancies, together with some natural attrition.

Employee engagement – we continue to focus actions to support employee engagement including increased management briefings, enhanced electronic newsletters and video communication,

whilst further empowering our staff to make operating decisions at an appropriate level. We will have key performance indicator information when we conduct a survey in late 2021.

CORPORATE GOVERNANCE

The Company seeks to implement good corporate governance practices, reflecting both the size and private nature of the Group. We are actively working towards the adoption of the Wates Corporate Governance Principles for Large Private Companies where they are relevant and appropriate to our business. As previously reported, the role of Chairman and Chief Executive Officer ("CEO") was split in April 2020, with Peter Needham and Diederik Neeb being appointed as Non-executive Chairman and CEO respectively. A formal remuneration committee was established in November 2020, chaired by Naomi Coxwell, an independent Non-executive Director. Kenneth Reid was appointed as an independent Non-executive Director from April 2021, following the departure of Murray Steele in September 2020.

The Board of Directors now comprises two Executive Directors and four Non-executive Directors (two of whom are considered independent).

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.

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.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

- Engagement – employee surveys are conducted regularly 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 broadcasts.

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.
- 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.
- 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 Non-executive 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 shareholders.

Given the global pandemic constraints, the 2020 AGM included online participation. 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

Covid-19 pandemic: high ↓

Covid-19 continues to be the most significant immediate risk to the business, albeit with potential impacts expected to be reducing compared to one year ago as the pandemic situation comes under increasing control. Although lockdown measures are generally being eased, some restrictions, including social distancing and international travel quarantines, will probably be sustained throughout most of the next year. Whilst economies are now rebounding compared to 2020, the risk remains that a stable situation will take some years to achieve.

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 and has made significant changes to its operating procedures. Since the pandemic emerged, the Directors have regularly assessed business performance under a range of different scenarios. The Group benefits from the diversity of industries, geographies and customers it serves and from a relatively strong balance sheet and cash management position. In light of reduced demand during the Covid-19 pandemic, government support schemes, where available, have been accessed to preserve jobs across the Group. Further cost-saving measures have been implemented to reduce operating expenses.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Supply chain disruption: high ↑

In addition to other factors, the pandemic has impacted the availability and prices of specific raw and semi-finished materials. We are seeing significant price increases and also 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 and performance 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 United Nations 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.

Brexit: low ↓

UK membership of the European Union ("EU") terminated on 31 January 2020. Following a transition period a Trade and Cooperation Agreement became effective on 1 January 2021 significantly clarifying and also reducing perceived adverse risks for the Group.

The Group spent time preparing for a range of outcomes. Following the implementation of the Agreement there were delays to inbound and outbound logistics, although these have since lessened. Extra administration relating to customs and tax formalities is expected to persist for the foreseeable future. The terms of trade with many European customers have changed, increasing working capital requirements.

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 20.9% of turnover and no customer accounts for more than 3.9% 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, information technology 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.

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 other 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.

Sterling has appreciated modestly against the euro since the EU/UK Trade and Cooperation Agreement was established in December 2020.

Credit: medium →

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

JAMES WALKER GROUP LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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 Needham

P G Needham
Chairman

15 July 2021

Lion House
Oriental Road
Woking
Surrey
GU22 8AP

JAMES WALKER GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2021.

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

The Directors and their interests in the shares of the Parent Company as at 31 March 2021 are as set out below:

Director	Interest	Ordinary shares of £1 each			
		Holdings		Options	
		2021	2020	2021	2020
P G Needham +	Beneficial	143,264	140,324	-	-
	Trustee	208,800	208,800	-	-
D B M Jackson	Beneficial	22,987	12,964	3,750	13,773
	Trustee	208,800	208,800	-	-
D Neeb	Beneficial	100,902	89,691	-	11,211
A D D Cook +	Beneficial	786,040	779,040	-	-
	Trustee	334,243	375,994	-	-
N J Coxwell +	Beneficial	742	500	-	-
	Trustee	4,253	-	-	-
+ Non-executive Directors					

The Director retiring by rotation at the forthcoming AGM is Mrs N J Coxwell who, being eligible, offers herself for re-election.

Mr K D Reid was appointed to the Board with effect from 1 April 2021 and, in accordance with article 19.1 of the Parent Company's articles of association, shall offer himself for election at the forthcoming AGM. Mr W M B Steele resigned from the Board with effect from 15 September 2020.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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 with 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 £8k (2020: £7k). 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 Needham

P G Needham
Chairman

15 July 2021

Lion House
Oriental Road
Woking
Surrey
GU22 8AP

JAMES WALKER GROUP LIMITED

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 2021 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 2021 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 2021 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

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

statements are prepared is consistent with the financial statements; and

- 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;

JAMES WALKER GROUP LIMITED

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

- evaluating management's controls designed to prevent and detect irregularities;
- 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.

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.

S Wilks

Simon Wilks (Senior Statutory Auditor)

for and on behalf of **Haysmacintyre LLP**, Statutory Auditors

15 July 2021

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 2021**

	Note	2021 £000	2020 £000
Turnover	3	162,878	181,667
Change in stocks of finished goods and work in progress		(1,794)	(445)
Other operating income	4	4,233	968
Raw materials and consumables		(51,879)	(57,825)
Other external charges		(31,060)	(36,154)
Staff costs	6	(74,048)	(77,089)
Depreciation and amortisation	13,14	(5,000)	(5,918)
Fair value movements	19,27	755	(654)
Operating profit	5	4,085	4,550
Profit/(loss) on disposal of fixed assets		9	(9)
Gain on revaluation of investment property	15	42	-
Interest receivable	8	47	123
Interest payable	9	(15)	(37)
Pension finance expenses		(10)	-
Profit before tax		4,158	4,627
Tax on profit	10	(907)	(1,179)
Profit after tax		3,251	3,448
Profit after tax attributable to:			
Non-controlling interests		327	378
Owners of the parent company		2,924	3,070
		3,251	3,448

JAMES WALKER GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Profit after tax		3,251	3,448
Other comprehensive income			
Unrealised gain on revaluation of tangible fixed assets	14	6,271	159
Unrealised gain/(loss) on translation adjustment to the revaluation reserve		49	(278)
Currency translation differences on non-controlling interests		(131)	(51)
Actuarial (loss)/gain on defined benefit pension schemes	34	(3,977)	7,892
Movement in pension surplus not recognised	34	3,989	(8,572)
Unrealised (loss) on translation adjustment to the profit and loss account		(863)	(309)
Deferred tax movement	26	(184)	79
Other comprehensive income/(expenditure) for the year		5,154	(1,080)
Total comprehensive income for the year		8,405	2,368
Total comprehensive income attributable to:			
Non-controlling interest		196	327
Owners of the parent company		8,209	2,041
		8,405	2,368

JAMES WALKER GROUP LIMITED
REGISTERED NUMBER: 00176600

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	1,115	1,470
Tangible assets	14	43,370	39,196
Investment property	15	1,730	1,863
		<u>46,215</u>	<u>42,529</u>
Current assets			
Stocks	17	21,341	25,115
Debtors: amounts falling due after more than one year	18,26	3,824	3,623
Debtors: amounts falling due within one year	18	39,045	38,807
Current asset investments	19	5,378	4,316
Cash at bank and in hand	20	23,486	20,221
		<u>93,074</u>	<u>92,082</u>
Creditors: amounts falling due within one year	21	<u>(27,074)</u>	<u>(26,935)</u>
Net current assets		<u>66,000</u>	<u>65,147</u>
Total assets less current liabilities		<u>112,215</u>	<u>107,676</u>
Creditors: amounts falling due after more than one year	22	(2,612)	(2,965)
Provisions for liabilities	24,26	(1,693)	(1,821)
Net assets		<u><u>107,910</u></u>	<u><u>102,890</u></u>
Capital and reserves			
Called up share capital	28	6,314	6,247
Share premium account	29	1,628	1,492
Revaluation reserve	29	14,517	8,474
Profit and loss account	29	83,515	84,766
Equity attributable to owners of the parent company		<u>105,974</u>	<u>100,979</u>
Non-controlling interests		<u>1,936</u>	<u>1,911</u>
		<u><u>107,910</u></u>	<u><u>102,890</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 15 July 2021.

Peter Needham

P G Needham
Chairman

David Jackson

D B M Jackson
Director

JAMES WALKER GROUP LIMITED
REGISTERED NUMBER: 00176600

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	4,087	3,736
Investments	16	42,392	42,431
Investment property	15	1,515	1,480
		<u>47,994</u>	<u>47,647</u>
Current assets			
Debtors: amounts falling due after more than one year	18	3,752	4,247
Debtors: amounts falling due within one year	18	13,887	15,954
Current asset investments	19	5,378	4,316
Cash at bank and in hand	20	11,982	10,128
		<u>34,999</u>	<u>34,645</u>
Creditors: amounts falling due within one year	21	(21,892)	(15,988)
Net current assets		<u>13,107</u>	<u>18,657</u>
Total assets less current liabilities		<u>61,101</u>	<u>66,304</u>
Provisions for liabilities	24,26	(504)	(530)
Net assets		<u>60,597</u>	<u>65,774</u>
Capital and reserves			
Called up share capital	28	6,314	6,247
Share premium account	29	1,628	1,492
Revaluation reserve	29	1,052	589
Profit and loss account	29	51,603	57,446
		<u>60,597</u>	<u>65,774</u>

The loss of the Parent Company for the year was £2,438k (2020: profit of £1,649k).

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 15 July 2021.

Peter 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 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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2020**

	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 2019	6,239	1,466	9,840	84,731	102,276	1,791	104,067
Comprehensive income for the year							
Profit for the year	-	-	-	3,070	3,070	378	3,448
Currency translation differences on non-controlling interests	-	-	-	-	-	(51)	(51)
Net actuarial loss on defined benefit pension schemes	-	-	-	(680)	(680)	-	(680)
Transfer to profit and loss account	-	-	(1,326)	1,326	-	-	-
Unrealised gain on revaluation of tangible fixed assets	-	-	159	-	159	-	159
Unrealised loss on translation adjustment to the revaluation reserve	-	-	(278)	-	(278)	-	(278)
Unrealised loss on translation adjustment to the profit and loss account	-	-	-	(309)	(309)	-	(309)
Deferred tax movements	-	-	79	-	79	-	79
Contributions by and distributions to owners							
Dividends	-	-	-	(3,027)	(3,027)	(207)	(3,234)
Purchase of own shares	-	-	-	(273)	(273)	-	(273)
Shares issued in the year	8	26	-	-	34	-	34
Equity participation scheme	-	-	-	(72)	(72)	-	(72)
At 31 March 2020	<u>6,247</u>	<u>1,492</u>	<u>8,474</u>	<u>84,766</u>	<u>100,979</u>	<u>1,911</u>	<u>102,890</u>

JAMES WALKER GROUP LIMITED

**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
As at 1 April 2020	6,247	1,492	589	57,446	65,774
Comprehensive income for the year					
Loss for the year	-	-	-	(2,438)	(2,438)
Net actuarial gain on defined benefit pension schemes	-	-	-	12	12
Surplus on revaluation of freehold property	-	-	463	-	463
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>1,052</u>	<u>51,603</u>	<u>60,597</u>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2020**

	Share capital £000	Share premium £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
As at 1 April 2019	6,239	1,466	589	59,849	68,143
Comprehensive income for the year					
Profit for the year	-	-	-	1,649	1,649
Net actuarial loss on defined benefit pension schemes	-	-	-	(680)	(680)
Contributions by and distributions to owners					
Dividends	-	-	-	(3,027)	(3,027)
Purchase of own shares	-	-	-	(273)	(273)
Shares issued in the year	8	26	-	-	34
Equity participation scheme	-	-	-	(72)	(72)
At 31 March 2020	<u>6,247</u>	<u>1,492</u>	<u>589</u>	<u>57,446</u>	<u>65,774</u>

JAMES WALKER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the financial year	3,251	3,448
Tax charge	907	1,179
Net interest received	(32)	(86)
Gain on revaluation of investment property	(42)	-
Amortisation and depreciation charge	5,000	5,918
(Profit)/loss on disposal of tangible fixed assets	(9)	9
Decrease in stocks	3,774	2,605
(Increase)/decrease in debtors	(440)	7,469
Decrease in creditors	(315)	(6,475)
Fair value movements	(755)	654
Corporation tax paid	(1,006)	(1,764)
Translation adjustment	(754)	(388)
Equity participation scheme	(136)	(72)
Defined benefit pension schemes' costs	197	194
Pension contributions	(246)	(389)
Net cash generated from operating activities	9,394	12,302
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,065)	(5,377)
Sale of tangible fixed assets	557	890
Purchase of short-term listed investments	(1,500)	(2,300)
Sale of short-term listed investments	925	2,068
Sale of short-term unlisted investments	-	1,937
Grant income received	-	727
Interest received	47	123
Net cash used in investing activities	(3,036)	(1,932)
Cash flow from financing activities		
Issue of ordinary shares	203	34
Investment in own shares	(191)	(273)
Repayment of loans	-	(13)
Dividends paid	(3,090)	(3,027)
Interest paid	(15)	(37)
Net cash used in financing activities	(3,093)	(3,316)
Net increase in cash and cash equivalents	3,265	7,054
Cash and cash equivalents at the beginning of year	20,221	13,167
Cash and cash equivalents at the end of year	23,486	20,221
Cash and cash equivalents at the end of year comprise:		
Bank and cash balances	23,486	20,221
	23,486	20,221

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021 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 Sealing Products and Services Limited	00264191
James Walker Viceroy Limited	00578161

1.3 Going concern

After reviewing the Group's forecasts and projections, including taking account of the business impact of Covid-19, 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

1.4 Turnover (continued)

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.

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.

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 profit or loss 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

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 profit or loss.

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 2021**

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 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.

1.20 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

1.20 Current and deferred taxation (continued)

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.

1.21 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.

1.22 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

1.22 Financial instruments (continued)

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 profit or loss within 'Fair value movements'. The Group does not currently apply hedge accounting for foreign exchange derivatives.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

1.24 Pensions (continued)

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.

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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

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.

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 £1,115k (2020: £1,470k). Following the annual impairment review, an impairment charge of £nil has been recorded against goodwill (2020: £150k).

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.

JAMES WALKER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. ANALYSIS OF TURNOVER

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

	2021 £000	2020 £000
James Walker	111,991	131,417
edilon)(sedra	40,284	39,143
Tiflex	10,603	11,107
	<u>162,878</u>	<u>181,667</u>

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

An analysis of turnover by destination is as follows:

	2021 £000	2020 £000
United Kingdom	30,441	34,956
Rest of Europe, Middle East and Africa	93,452	94,741
The Americas	10,571	16,184
Asia Pacific	28,414	35,786
	<u>162,878</u>	<u>181,667</u>

4. OTHER OPERATING INCOME

	2021 £000	2020 £000
Government grants – Covid-19 support	3,426	-
Other government grants	217	260
Research and development tax credits	368	389
Sale of scrap metal	179	221
Other	43	98
	<u>4,233</u>	<u>968</u>

During the year the Group took advantage of government Covid-19 support schemes and received £3,426k in relation to this, including £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.

JAMES WALKER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. OPERATING PROFIT

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

	2021 £000	2020 £000
Depreciation of tangible fixed assets (see note 14)	4,766	5,418
Amortisation of intangible assets, including goodwill (see note 13)	234	500
Foreign exchange loss/(gain)	102	(292)
Government grants	(217)	(260)
Government grants – Covid-19 support	(3,426)	-
Operating lease rentals	2,482	2,550
Research and development	4,190	4,599
Auditors' remuneration	256	225
	<u>256</u>	<u>225</u>
Fees payable to the Group's auditor in respect of:		
The audit of the Group's annual accounts	43	42
The auditing of accounts of associates of the Group pursuant to legislation	143	122
Other services relating to taxation	47	42
All other services	23	19
	<u>256</u>	<u>225</u>

6. EMPLOYEES

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

	2021 £000	2020 £000
Wages and salaries	60,947	63,984
Social security costs	7,810	8,191
Cost of defined benefit schemes	187	194
Cost of defined contribution schemes	5,104	4,720
	<u>74,048</u>	<u>77,089</u>

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

	2021 No.	2020 No.
Direct manufacturing	749	810
Indirect manufacturing	390	345
Sales, office, management and other	765	824
	<u>1,904</u>	<u>1,979</u>

Indirect manufacturing includes quality control, maintenance and production support.

JAMES WALKER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. DIRECTORS' REMUNERATION

	2021 £000	2020 £000
Directors' emoluments	755	827
Parent company contributions to defined contribution pension schemes	28	26
	<u>783</u>	<u>853</u>

	2021 No.	2020 No.
Number of Directors who:		
Are members of a defined contribution pension scheme	2	2
Exercised options over shares in the parent company	2	3
Had awards receivable in the form of shares under a long-term incentive scheme	1	3
	<u>1</u>	<u>3</u>

	2021 £000	2020 £000
Remuneration of the highest paid Director		
Emoluments	322	312
Parent company contributions to defined contribution pension schemes	27	25
	<u>349</u>	<u>337</u>

The highest paid Director exercised options over 11,211 shares granted under the Group's Equity Participation Scheme in the current year.

8. INTEREST RECEIVABLE

	2021 £000	2020 £000
Bank deposit	3	15
Other interest receivable	44	108
	<u>47</u>	<u>123</u>

9. INTEREST PAYABLE

	2021 £000	2020 £000
Bank overdraft and short-term loans	15	37
	<u>15</u>	<u>37</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. TAXATION

	2021	2020
	£000	£000
Current tax		
UK corporation tax	130	478
Foreign tax	720	1,177
Over-provision in respect of prior periods	(404)	(57)
Total current tax	<u>446</u>	<u>1,598</u>
Deferred tax		
Origination and reversal of timing differences	687	(88)
Tax losses previously not recognised	(85)	(331)
Adjustment in respect of prior year	(141)	-
Total deferred tax	<u>461</u>	<u>(419)</u>
Taxation on profit	<u><u>907</u></u>	<u><u>1,179</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£000	£000
Profit before tax	<u>4,158</u>	<u>4,627</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	790	879
Effects of:		
Expenses not deductible for tax purposes	129	164
Higher rate taxes on overseas earnings	224	100
Adjustments to tax charge in respect of prior periods	(545)	(57)
Deferred tax asset not recognised	316	687
Tax losses previously not recognised	(85)	(331)
Utilisation of tax losses previously not recognised	(83)	(259)
Other differences leading to a decrease in the tax charge	161	(4)
Total tax charge for the year	<u><u>907</u></u>	<u><u>1,179</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.

JAMES WALKER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. DIVIDENDS

	2021 £000	2020 £000
First interim dividend 12.0p (2020: 12.0p)	758	736
Second interim dividend 0.0p (2020: 12.0p)	-	743
	<u>758</u>	<u>1,479</u>
Final dividend 25.0p (2020: 25.0p)	1,578	1,548
Special dividend 12.0p (2020: 0.0p)	754	-
	<u>3,090</u>	<u>3,027</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 2020	11,716	194	11,910
Foreign exchange movement	(137)	-	(137)
	<u>11,579</u>	<u>194</u>	<u>11,773</u>
At 31 March 2021	11,579	194	11,773
Amortisation			
At 1 April 2020	10,246	194	10,440
Charge for the year	234	-	234
Foreign exchange movement	(16)	-	(16)
	<u>10,464</u>	<u>194</u>	<u>10,658</u>
At 31 March 2021	10,464	194	10,658
Net book value			
At 31 March 2021	<u>1,115</u>	<u>-</u>	<u>1,115</u>
At 31 March 2020	<u>1,470</u>	<u>-</u>	<u>1,470</u>

The amortisation charge of £234k (2020: £350k) and the impairment charge of £nil (2020: £150k) are included within depreciation and amortisation in the Consolidated Income Statement.

JAMES WALKER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £000	Long leasehold property £000	Plant and equipment £000	Total £000
Cost or valuation				
At 1 April 2020	18,746	3,548	90,888	113,182
Additions	120	16	2,929	3,065
Disposals	(100)	-	(6,408)	(6,508)
Revaluation in year	3,833	1,420	-	5,253
Foreign exchange movement	39	-	(421)	(382)
At 31 March 2021	<u>22,638</u>	<u>4,984</u>	<u>86,988</u>	<u>114,610</u>
Depreciation				
At 1 April 2020	548	317	73,121	73,986
Charge for the year	387	98	4,281	4,766
Disposals	(100)	-	(6,039)	(6,139)
Revaluation in year	(807)	(211)	-	(1,018)
Foreign exchange movement	(28)	-	(327)	(355)
At 31 March 2021	<u>-</u>	<u>204</u>	<u>71,036</u>	<u>71,240</u>
Net book value				
At 31 March 2021	<u>22,638</u>	<u>4,780</u>	<u>15,952</u>	<u>43,370</u>
At 31 March 2020	<u>18,198</u>	<u>3,231</u>	<u>17,767</u>	<u>39,196</u>

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 £9,371k (2020: £9,701k).

JAMES WALKER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. TANGIBLE FIXED ASSETS (continued)

Parent Company

	Freehold property £000	Plant and equipment £000	Total £000
Cost or valuation			
At 1 April 2020	3,680	1,130	4,810
Additions	-	7	7
Disposals	-	(1)	(1)
Revaluation in year	300	-	300
At 31 March 2021	3,980	1,136	5,116
Depreciation			
At 1 April 2020	93	981	1,074
Charge for the year	70	49	119
Disposals	-	(1)	(1)
Revaluation in year	(163)	-	(163)
At 31 March 2021	-	1,029	1,029
Net book value			
At 31 March 2021	3,980	107	4,087
At 31 March 2020	3,587	149	3,736

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 £2,420k (2020: £2,516k).

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 2021 was £28,692k (2020: £23,434k).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. INVESTMENT PROPERTY

Group

	Freehold investment property £000
Valuation	
At 1 April 2020	1,863
Disposals	(179)
Revaluation in year	42
Foreign exchange movement	4
At 31 March 2021	<u>1,730</u>

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 £134k (2020: £321k).

Parent Company

	Freehold investment property £000
Valuation	
At 1 April 2020	1,480
Revaluation in year	35
At 31 March 2021	<u>1,515</u>

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 £nil (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. FIXED ASSET INVESTMENTS

Parent Company

	Investments in subsidiaries £000
Cost or valuation	
At 1 April 2020	54,099
Additions	1,000
Reduction	(614)
At 31 March 2021	54,485
Provision for impairment	
At 1 April 2020	11,668
Amounts written off	425
At 31 March 2021	12,093
Net book value	
At 31 March 2021	42,392
At 31 March 2020	42,431

Subsidiary undertakings

The details of all subsidiary undertakings are included in the Appendix to the financial statements.

17. STOCKS

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Raw materials and consumables	5,770	7,750	-	-
Work in progress	2,451	2,984	-	-
Finished goods and goods for resale	13,120	14,381	-	-
	<u>21,341</u>	<u>25,115</u>	<u>-</u>	<u>-</u>

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

An impairment of £717k (2020: £473k) was recognised in raw materials and consumables against stock during the year due to slow-moving and obsolete stock.

JAMES WALKER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. DEBTORS

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Due after more than one year				
Amounts owed by group undertakings	-	-	3,752	4,212
Other debtors	1,527	1,041	-	-
Deferred tax asset (see note 26)	2,297	2,582	-	35
	<u>3,824</u>	<u>3,623</u>	<u>3,752</u>	<u>4,247</u>
	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Due within one year				
Trade debtors	31,939	32,226	-	-
Amounts owed by group undertakings	-	-	13,329	15,500
Other debtors	1,590	2,359	147	191
Prepayments and accrued income	4,577	3,567	183	160
Tax recoverable	728	655	17	103
Derivatives (see note 27)	211	-	211	-
	<u>39,045</u>	<u>38,807</u>	<u>13,887</u>	<u>15,954</u>

19. CURRENT ASSET INVESTMENTS

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Listed investments – at fair value	5,378	4,316	5,378	4,316
	<u>5,378</u>	<u>4,316</u>	<u>5,378</u>	<u>4,316</u>

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

The fair value gain of £487k (2020: £292k loss) is shown within 'Fair value movements' in the Income Statement.

During the year there were net investments of £575k (2020: net divestments of £1,705k).

JAMES WALKER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. CASH AND CASH EQUIVALENTS

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Cash at bank and in hand	23,486	20,221	11,982	10,128
	<u>23,486</u>	<u>20,221</u>	<u>11,982</u>	<u>10,128</u>

21. CREDITORS: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Loans	105	-	-	-
Trade creditors	12,325	13,307	44	160
Amounts owed to group undertakings	-	-	21,271	14,805
Corporation tax	394	725	-	-
Other taxation and social security	2,700	1,902	-	-
Other creditors	4,453	4,589	13	138
Accruals and deferred income	7,097	6,355	564	828
Derivatives (see note 27)	-	57	-	57
	<u>27,074</u>	<u>26,935</u>	<u>21,892</u>	<u>15,988</u>

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

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Loans	41	158	-	-
Other creditors	423	535	-	-
Accruals and deferred income	2,148	2,272	-	-
	<u>2,612</u>	<u>2,965</u>	<u>-</u>	<u>-</u>

Accruals and deferred income wholly relate to government grants in respect of the installation of flood defences at the Cockermouth 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.

JAMES WALKER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. LOANS

The loan outstanding at 31 March 2021 related to unsecured loans from non-controlling parties to a subsidiary.

Amounts fall due as follows:

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Less than one year				
Loans	105	-	-	-
Between two and five years				
Loans	41	158	-	-

24. PROVISIONS FOR LIABILITIES

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Deferred tax (see note 26)	1,224	961	35	-
Pension (see note 34)	469	530	469	530
Other	-	330	-	-
	<u>1,693</u>	<u>1,821</u>	<u>504</u>	<u>530</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 2020	20,221	-	(158)	4,316	24,379
Cash flows	3,580	-	-	575	4,155
Exchange rate movements	(315)	4	8	-	(303)
Changes in market value	-	-	-	487	487
Reclassification	-	(109)	109	-	-
At 31 March 2021	<u>23,486</u>	<u>(105)</u>	<u>(41)</u>	<u>5,378</u>	<u>28,718</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

26. DEFERRED TAXATION

Group	2021 £000	2020 £000
Deferred tax asset (see note 18)	2,297	2,582
Provision for deferred tax (see note 24)	(1,224)	(961)
Net deferred tax	<u>1,073</u>	<u>1,621</u>
		Deferred tax £000
At 1 April 2020		1,621
Charged to the income statement		(461)
Charged to other comprehensive income		(184)
Transfer from current tax		151
Translation adjustment		(54)
At 31 March 2021		<u><u>1,073</u></u>

The deferred tax is made up as follows:

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Decelerated capital allowances	444	469	-	-
Tax losses carried forward	1,739	1,662	-	-
Other short-term timing differences	302	718	(35)	35
Gains on property valuations	(1,412)	(1,228)	-	-
	<u>1,073</u>	<u>1,621</u>	<u>(35)</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.

During the year beginning 1 April 2021 the net reversal of deferred tax assets and liabilities is expected to be £683k.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
27. FINANCIAL INSTRUMENTS

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Financial assets measured at fair value through profit and loss	5,589	4,316	5,589	4,316
Financial assets measured at amortised cost	35,056	35,626	17,228	19,903
	<u>40,645</u>	<u>39,942</u>	<u>22,817</u>	<u>24,219</u>
Financial liabilities measured at fair value through profit and loss	-	(57)	-	(57)
Financial liabilities measured at amortised cost	(17,347)	(18,589)	(21,328)	(15,103)
	<u>(17,347)</u>	<u>(18,646)</u>	<u>(21,328)</u>	<u>(15,160)</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 fair value comprise of derivatives.

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 2021:

	Contractual exchange rate £1 =	Amount contracted €000
Outstanding contracts to sell euro in the period:		
April 2021 – June 2021	€1.1204	567
April 2021 – September 2021	€1.0965	1,396
April 2021 – December 2021	€1.1197	930
April 2021 – December 2021	€1.1043	932
April 2021 – March 2022	€1.1479	1,203

The fair value of these euro derivative instruments at 31 March 2021 was £211k. This has been recognised in these financial statements (2020: £48k liability). 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 2021 was £nil (2020: £9k liability). The movement in fair value of £268k is shown in the Consolidated Income Statement.

JAMES WALKER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

28. SHARE CAPITAL

	2021 £000	2020 £000
Allotted, called up and fully paid		
6,314,208 (2020: 6,247,362) ordinary shares of £1 each	6,314	6,247

During the year 48,150 ordinary shares were issued to satisfy obligations under the Group's Equity Participation Scheme at a price of £1.00 per share for a total consideration of £48,150. A further 18,696 ordinary shares were issued for a total consideration of £154,242.

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 2021 the Group had capital commitments as follows:

	Group 2021 £000	Group 2020 £000
Contracted for but not provided for in these financial statements	485	924

At 31 March 2021 the Parent Company had no capital commitments (2020: £nil).

31. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Group and the Parent Company had total future commitments under operating leases as follows:

	Group 2021 £000	Group 2020 £000	Parent 2021 £000	Parent 2020 £000
Not later than 1 year	2,482	2,372	-	-
Later than 1 year and not later than 5 years	3,754	4,301	-	-
Later than 5 years	72	150	-	-
	6,308	6,823	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

32. SHARE BASED PAYMENTS

During the year no options (2020: nil) 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 (2020: £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) 2021	Number of shares 2021	Weighted average exercise price (pence) 2020	Number of shares 2020
Outstanding at the beginning of the year	-	113,684	-	114,593
Granted during the year	-	-	-	113,684
Exercised during the year	-	(98,971)	-	(105,591)
Lapsed during the year	-	(14,713)	-	(9,002)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outstanding at the end of the year	-	-	-	113,684
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 7,595 (2020: nil) shares during the year ended 31 March 2021 for a total consideration of £nil (2020: £nil). The maximum number of such shares held at any time during the year was 7,595 which represented 0.12% of the issued share capital of the Parent Company.

The value at 31 March 2021 of the ordinary shares in the 2004 Trust was £nil (2020: £63k) (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 2021 included the purchase of 59,228 (2020: 37,674) of the Parent Company's ordinary shares with financing provided by the Group being 59,228 shares at £8.25 per share. The 2016 Trust disposed of 37,571 (2020: 49,486) shares during the year for a total consideration of £298k. The maximum number of such shares held at any time during the year was 51,780 which represented 0.82% of the issued share capital of the Parent Company.

The value at 31 March 2021 of the ordinary shares in the 2016 Trust was £427k (2020: £249k) (representing 51,780 shares). Since inception of the 2016 Trust the cumulative reduction to equity attributable to owners of the Parent Company is £799k in respect of shares purchased and sold.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
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.

Defined contribution pension schemes

During the year, the cost to the Group of defined contribution pension schemes was £5,104k (2020: £4,720k).

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 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.

	2021 £000	2020 £000
Reconciliation of present value of defined benefit schemes' liabilities		
Opening present value of liabilities	99,148	111,891
Interest cost	2,181	2,572
Actuarial losses/(gains)	11,869	(10,386)
Experience loss from the Barber equalisation	3,406	-
Benefits paid	(4,516)	(4,929)
Closing present value of liabilities	112,088	99,148
Unrecognised surplus – JWPS	7,417	11,406
At the end of the year	119,505	110,554

The requirement to equalise JWPS male/female benefits due to the Barber window ruling is estimated to result in an additional liability of £3,406k. This is fully reflected in the pension liability at 31 March 2021. This estimate will be further refined at the time of the 2021 triennial valuation.

The assets of the JWPS exceeded the liabilities at 31 March 2021, giving a net surplus of £7,417k (2020: £11,406k). In the opinion of the Directors the net surplus will not be recoverable in future so has not been recognised as an asset in the Consolidated Statement of Financial Position (2020: £nil).

The liabilities of the SEMPP exceeded the assets at 31 March 2021 giving a net deficit of £469k (2020: £530k). This deficit is recognised in provisions for liabilities in the Consolidated Statement of Financial Position (see note 24).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

34. PENSION COMMITMENTS (continued)

	2021 £000	2020 £000
Reconciliation of fair value of defined benefit schemes' assets:		
At the beginning of the year	110,024	114,680
Interest income	2,171	2,572
Return on scheme assets excluding interest income	11,298	(2,494)
Contributions – Group	246	389
Benefits paid	(4,516)	(4,929)
Schemes' administration expenses	(187)	(194)
At the end of the year	119,036	110,024

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.

Composition of schemes' assets:

	2021 £000	2020 £000
Equities	15,318	11,203
Diversified growth funds	13,362	11,242
Bonds	24,539	23,354
Liability driven investments	7,242	8,435
Insured annuities	57,809	55,281
Cash and cash equivalents	766	509
Total schemes' assets	119,036	110,024

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:

	2021 £000	2020 £000
Fair value of schemes' assets	119,036	110,024
Present value of schemes' liabilities	(112,088)	(99,148)
Unrecognised surplus	(7,417)	(11,406)
Net pension schemes' liabilities	(469)	(530)

JAMES WALKER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

34. PENSION COMMITMENTS (continued)

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

	2021 £000	2020 £000
Schemes' administration expenses	(187)	(194)
Interest on deficit brought forward	(10)	-
Total	<u>(197)</u>	<u>(194)</u>

The Group expects to contribute £51k administration expenses and £203k additional contributions to its defined benefit pension schemes in the financial year ending 31 March 2022.

	2021 £000	2020 £000
Analysis of actuarial (loss)/gain recognised in other comprehensive income		
Return on schemes' assets excluding interest income	11,298	(2,494)
Experience loss from the Barber equalisation	(3,406)	-
Changes in assumptions underlying the present value of the schemes' liabilities	(11,869)	10,386
	<u>(3,977)</u>	<u>7,892</u>

Principal actuarial assumptions at the Statement of Financial Position date:

	2021 %	2020 %
Discount rate	1.95	2.25
Future pension increases not subject to 3% minimum	3.15	2.55
Future pension increases subject to 3% minimum	3.65	3.35
Inflation assumption	2.35	1.55
Mortality rate (years)		
- male aged 65 now	20.60	20.60
- male at age 65 (aged 45 now)	21.90	21.90
- female aged 65 now	23.30	23.20
- female at age 65 (aged 45 now)	24.80	24.80

35. CONTINGENT LIABILITIES

At 31 March 2021 the Parent Company was party to multilateral guarantees to the value of £2,000k (2020: £2,000k) in respect of the indebtedness of other group companies.

36. 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 2021

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 2021 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
Devon 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, Germany	Indirect
edilon)(sedra France s.a.r.l.	285 Qter avenue Victor Hugo, 93100 Montreuil sous Bois, France	Indirect
edilon)(sedra GmbH (München)	Kistlerhofstrasse 168, D-81379 München, Germany	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 Holdings South Africa (Pty) Ltd	296 Magwaza Maphalala Street (Gale Street), Congella, Durban, 4001, South Africa	Direct
James Walker Iberica S.A.	CL Juan de Antxeta 11 48015, Bilbao, Spain	Direct

JAMES WALKER GROUP LIMITED

APPENDIX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Trading companies (continued)

Name	Registered address	Direct / indirect
James Walker Inmarco Industries Pvt Ltd (69%)	104, Gayatri Commercial Complex, Behind Mittal Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059, India	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 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 Wessems, 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 2021

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 Europe 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 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