Section B: Granfit Holdings Limited Financial Information Table

CONSOLIDATED INCOME STATEMENT
For the years ended 31 December 2019, 2020 and 2021

	Note	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Continuing operations				
Revenue	4	34.2	32.3	42.2
Operating profit	5	**5.2**	**5.9**	**7.1**
Finance income	7	0.2	0.1	0.1
Finance costs	7	—	—	(0.1)
Profit before taxation		**5.4**	**6.0**	**7.1**
Taxation	8	(1.0)	(1.1)	(1.6)
Profit for the year from continuing operations		**4.4**	**4.9**	**5.5**
Profit from discontinued operation (attributable to equity holders)	30	1.3	0.9	7.4
Profit for the year		**5.7**	**5.8**	**12.9**
Earnings per share from continuing operations attributable to equity holders				
Basic and diluted earnings per share: From profit for the year (£)	9	90.4	100.7	113.0
Earnings per share from discontinued operations attributable to equity holders				
Basic and diluted earnings per share: From profit for the year (£)	9	26.7	18.4	152.0
Earnings per share attributable to equity holders				
Basic and diluted earnings per share: From profit for the year (£)	9	117.1	119.1	265.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December 2019, 2020 and 2021

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Profit for the financial year	**5.7**	**5.8**	**12.9**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign currency translation of foreign operations	0.1	(0.1)	—
Total comprehensive income for the financial year	**5.8**	**5.7**	**12.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 1 January 2019, 31 December 2019, 2020 and 2021

	Note	1 Jan 2019 £m	31 Dec 2019 £m	31 Dec 2020 £m	31 Dec 2021 £m
Non-current assets					
Intangible assets	10	0.2	0.1	0.1	0.1
Property, plant and equipment	11	4.0	4.0	3.9	3.9
Right of use assets	12	0.3	1.1	1.8	2.1
Investment property	13	0.7	0.7	0.7	0.6
Investments accounted for using the equity method	14	2.5	2.6	2.9	—
		7.7	**8.5**	**9.4**	**6.7**
Current assets					
Inventories	15	3.5	2.8	3.0	4.2
Trade and other receivables	16	6.9	7.7	7.8	10.0
Current asset investments	17	4.5	9.5	9.8	2.5
Cash and cash equivalents	18	10.5	8.1	11.9	29.3
		25.4	**28.1**	**32.5**	**46.0**
Current liabilities					
Trade and other payables	20	4.4	5.1	6.3	8.8
Lease liabilities	19	0.2	0.2	0.3	0.4
Current tax liabilities		0.4	0.6	—	—
Provisions	21	—	0.1	—	—
		5.0	**6.0**	**6.6**	**9.2**
Net current assets		**20.4**	**22.1**	**25.9**	**36.8**
Total assets less current liabilities		**28.1**	**30.6**	**35.3**	**43.5**
Non-current liabilities					
Lease liabilities	19	—	0.8	1.4	1.6
Provisions	21	0.2	0.1	0.1	0.1
Deferred tax liability	22	0.1	0.1	—	0.1
		0.3	1.0	1.5	1.8
Net assets		**27.8**	**29.6**	**33.8**	**41.7**
Financed by:					
Share capital	25	—	—	—	—
Share premium	25	—	—	—	—
Foreign exchange reserve	25	—	0.1	—	—
Capital redemption reserve	25	0.1	0.1	0.1	0.1
Retained earnings	25	27.7	29.4	33.7	41.6
Total equity		**27.8**	**29.6**	**33.8**	**41.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the years ended 31 December 2019, 2020 and 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Capital redemption reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 1 January 2019	**—**	**—**	**—**	**0.1**	**27.7**	**27.8**
Comprehensive income:						
Profit for the financial year	—	—	—	—	5.7	5.7
Foreign currency translation adjustments	—	—	0.1	—	—	**0.1**
Total other comprehensive income for the year	—	—	0.1	—	5.7	5.8
Transactions with owners:						
Dividends paid	—	—	—	—	(4.0)	**(4.0)**
Balance at 31 December 2019	**—**	**—**	**0.1**	**0.1**	**29.4**	**29.6**
Comprehensive income:						
Profit for the financial year	—	—	—	—	5.8	5.8
Foreign currency translation adjustments	—	—	(0.1)	—	—	**(0.1)**
Total other comprehensive income/(expense) for the year	—	—	(0.1)	—	5.8	5.7
Transactions with owners:						
Dividends paid	—	—	—	—	(1.5)	**(1.5)**
Balance at 31 December 2020	**—**	**—**	**—**	**0.1**	**33.7**	**33.8**
Comprehensive income:						
Profit for the financial year	—	—	—	—	12.9	**12.9**
Total other comprehensive income for the year	—	—	—	—	12.9	**12.9**
Transactions with owners:						
Dividends paid	—	—	—	—	(5.0)	**(5.0)**
Balance at 31 December 2021	—	—	—	**0.1**	**41.6**	**41.7**

CONSOLIDATED CASH FLOW STATEMENT

For the years ended 31 December 2019, 2020 and 2021

	Note	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Cash flows from operations				
Cash generated from operations	26	**6.8**	**7.4**	**7.0**
Income taxes paid		(1.1)	(1.9)	(1.5)
Net cash generated from operating activities		**5.7**	**5.5**	**5.5**
Cash flows from investing activities				
Purchases of property, plant and equipment		(0.3)	(0.4)	(0.4)
Sale of property, plant and equipment		—	0.2	0.1
New loans to joint ventures		—	—	(4.4)
Joint venture loans repaid		—	—	5.7
Sale of shares in joint ventures		—	—	8.9
Movement in current asset investments		(5.0)	(0.3)	7.3
Interest received		0.2	0.1	0.1
Dividend received from joint venture		1.2	0.6	—
Net cash flows from investing activities		**(3.9)**	**0.2**	**17.3**
Cash flows from financing activities				
Principal element of lease payments		(0.2)	(0.4)	(0.4)
Dividends paid		(4.0)	(1.5)	(5.0)
Net cash flows from financing activities		**(4.2)**	**(1.9)**	**(5.4)**
Net (decrease)/increase in cash and cash equivalents		**(2.4)**	**3.8**	**17.4**
Cash and cash equivalents at 1 January		10.5	8.1	11.9
Cash and cash equivalents at 31 December	18	**8.1**	**11.9**	**29.3**

NOTES TO THE FINANCIAL INFORMATION TABLE

1. GENERAL INFORMATION

Granfit Holdings Limited is a private company, limited by shares, registered in Scotland. The company's registered number is SC021183 and its registered office is 2 Coates Crescent, Edinburgh, EH3 7AL.

The principal activity of Granfit Holdings Limited is the manufacture and distribution of specialist waterproof panel products.

2. BASIS OF PREPARATION

This consolidated historical financial information presents the financial track record of Granfit Holdings Limited (the "Grant Westfield Group" or "Group") for the three years ended 31 December 2021 and is prepared for the purposes of this document and in accordance with the requirements of the Prospectus Rules, the Listing Rules, this basis of preparation, and with International Financial Reporting Standards ("IFRS") as set out below.

This basis of preparation describes how the consolidated historical financial information has been prepared in accordance with IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, with the interpretations issued by the IFRS Interpretations Committee (IFRS IC) of the IASB that are effective as of the reporting date and applied by Norcros plc. References to "IFRS'' hereafter should be construed as references to IFRS as adopted by the EU. The accounting policies applied and disclosed below are consistent with those used by Norcros in its annual financial statements for the year ended 31 March 2021 and these policies have been applied consistently to all periods presented.

The Historical Financial Information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

This consolidated historical financial information is prepared on a going concern basis in accordance with IFRS under the historical cost convention, as modified for the revaluation of certain financial instruments. The historical financial information is presented in millions of pounds sterling ("£m") except when otherwise indicated.

Going concern

The consolidated historical financial information has been prepared on a going concern basis. The business of the Grant Westfield Group is planned to continue to operate in the same fashion after acquisition, meeting its funding requirements through existing cash reserves and facilities provided by Norcros Plc.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this consolidated historical financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which Granfit Holdings Limited has control. Granfit Holdings Limited controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries are included in the consolidated historical financial information on the basis described in the Basis of preparation. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Statement of Financial Position. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in the Consolidated Income Statement. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The investment in the joint venture ceases to be accounted for using the equity method from the date of disposal. The difference between the carrying amount of the joint venture at the date of disposal and the net disposal proceeds, is recognised in profit and loss. See note 30.

Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Consolidated Income Statement.

Pension arrangements

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Revenue recognition

Revenue solely relates to the sale of goods and arises from the sale of waterproof panel products.

To determine whether to recognise revenue, the Group follows the 5-step process as set out within IFRS 15:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised at a point in time as the Group satisfies performance obligations by transferring the promised goods to its customers as described below. Variable consideration, in the form of rebates, is also recognised at the point of transfer, however the estimate of variable consideration is constrained at this point and released once it is highly probable there will not be a significant reversal. The estimate of variable consideration is based on management's best estimate of the revenue with the customer for the year to determine the appropriate rebate percentage, this is then applied to actual revenue per customer at each reporting date.

Contracts with customers take the form of customer orders. There is one distinct performance obligation, being the distribution of products to the customer, for which the transaction price is clearly identified. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised goods to its customers, i.e. when control has passed from the Group to the customer, which tends to be on receipt by the customer.

Customer payments terms are generally within 90 days and hence there are no significant financing components.

Standard warranties are provided on all sales, however, these cannot be purchased separately and do not represent a separate performance obligation of the Group.

Segmental reporting

Operating Segments are defined as discrete components of the Group's operations whose results are regularly reviewed by the Chief Operating Decision Maker (being the Board of Directors) to allocate resources to those segments and to assess their performance. The Grant Westfield Group has two reportable segments, being the manufacture and distribution of specialist waterproof panel products and the promotion and sale of real estate through its joint venture, Wallace Land Investment and Management Limited, which is presented as a discontinued operation.

Intangible assets

Acquired intangible assets comprises computer software. They are valued at cost less accumulated amortisation, with amortisation being charged on a straight-line basis.

The estimated useful lives of Group assets are as follows:

Computer software	3 to 10 years

Impairment of long-life assets

Property, plant and equipment assets are reviewed on an annual basis to determine whether events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated as either the higher of the asset's net selling price or value in use; the resultant impairment (the amount by which the carrying amount of the asset exceeds its recoverable amount) is recognised as a charge in the Income Statement.

The value in use is calculated as the present value of the estimated future cash flows expected to result from the use of assets and their eventual disposal proceeds. In order to calculate the present value of estimated future cash flows the Group uses an appropriate discount rate adjusted for any associated risk. Estimated future cash flows used in the impairment calculation represent management's best view of likely future market conditions and current decisions on the use of each asset or asset group.

Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost comprises the purchase price (after deducting trade discounts and rebates) and any directly attributable costs. Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Impairment charges are recognised in the Income Statement when the carrying amount of an asset is greater than the estimated recoverable amount, calculated with reference to future discounted cash flows that the assets are expected to generate when considered as part of an income-generating unit. Land is not depreciated. Depreciation on other assets is provided on a straight-line basis to write down assets to their residual value evenly over the estimated useful lives of the assets from the date of acquisition by the Group.

The estimated useful lives of Group assets are as follows:

Buildings	25–50 years
Plant and equipment	3–15 years

In respect of land and buildings where the residual value is greater than the carrying value, there is no depreciable amount and therefore no depreciation is charged. Land and buildings have been stated at deemed cost of £3.2m at the date of transition to IFRS of 1 January 2019 and the historic cost model followed thereafter.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Investment property

Investment property comprises office buildings. Investment property has been stated at deemed cost of £0.7m at the date of transition to IFRS of 1 January 2019 and the historic cost model followed thereafter. Investment property is held at cost less depreciation on buildings (land is not depreciated). Where the residual value is greater than the carrying value, there is no depreciable amount and therefore no depreciation is charged.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, and, where applicable, labour and overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provisions are made for slow-moving and obsolete items.

Taxation

Current tax, which comprises UK and overseas corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the Statement of Financial Position and the corresponding tax bases used in the computation of taxable profits and is accounted for using the Statement of Financial Position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised and is charged in the Income Statement, except where it relates to items charged or credited to equity via the Statement of Comprehensive Income, when the deferred tax is also dealt with in equity and is shown in the Statement of Comprehensive Income.

Financial assets and liabilities

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates. The Group uses derivative financial instruments (solely foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

Derivative financial instruments are initially measured at fair value at the contract date and are remeasured to fair value at subsequent reporting dates. To date, hedge accounting has not been documented or applied. Changes in the fair value of derivative financial instruments are recognised immediately in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include cash in hand and deposits held at call with banks with maturities of less than three months from inception.

Current asset investments

Current asset investments are made up of short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. These investments are presented as current asset investments when they have a maturity exceeding three months, and presented as cash and cash equivalents if they have a short maturity of three months or less.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less they are classified as current assets; otherwise they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional.

The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method, less appropriate allowances for estimated credit losses (provision for impairment). The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the length of time overdue. An estimate is made of the expected credit loss based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. The maximum exposure at the end of the reporting period is the carrying amount of these receivables.

Loans to joint ventures

The Group's loans to the joint venture (presented in the statement of financial position as part of the 'Investments accounted for using the equity method') was measured initially at fair value and is subsequently measured at amortised cost through the income statement.

The Group has determined that the ECL for the loan to the joint venture should be based on lifetime ECLs at the reporting date and has determined that no provision is required in relation to this loan. Any associated loss allowance related to loans to joint ventures is recorded in the income statement.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Fair value estimation

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date. The Group determines the fair value of its remaining financial instruments through the use of estimated discounted cash flows.

The carrying values less impairment provision of trade receivables and payables are assumed to approximate to their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Research and development

Expenditure on research is charged against profits for the year in which it is incurred. Development costs are capitalised once the technical feasibility of a project has been established and a business plan, which demonstrates how the project will generate future economic benefits, has been approved. Development costs are amortised on a straight-line basis over their expected useful lives from the point at which the asset is capable of operating in the manner intended by management. To date, there have been no development costs meeting the criteria for capitalisation.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's historical financial information in the period in which the dividends are approved by the Company's shareholders, or when paid if earlier.

Foreign currency transactions

Functional currency

Items included in the historical financial information of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). The consolidated historical financial information is presented in Sterling, which is the functional and presentational currency of the parent entity.

Transactions and balances

Monetary assets and liabilities expressed in currencies other than the functional currency are translated at rates applicable at the year end and trading results of overseas subsidiaries at average rates for the year. Exchange gains and losses of a trading nature are dealt with in arriving at operating profit.

Translation of overseas net assets

Exchange gains and losses arising on the retranslation of overseas net assets and results are taken directly to reserves. The Group has applied the exemption under IFRS 1 to set the cumulative foreign exchange reserve to nil at the date of transition to IFRS.

Share capital

Issued share capital is recorded in the Statement of Financial Position at nominal value with any premium at the date of issue being credited to the share premium account.

Government assistance

As a result of the COVID-19 pandemic, the Group has benefited from £0.4m in the year ended 31 December 2020, of government assistance programmes relating to employee job retention costs. Government assistance received related to employee job retention is presented net against the applicable staff costs within cost of sales and overheads in the Income Statement.

Leases

Recognition

At the date of commencement, the Group assesses whether a contract is or contains a lease by judging whether the contract is in relation to a specified asset and to what extent the Group obtains substantially all the economic benefits from, and has the right to direct the use of, that asset.

The Group recognises a right of use (ROU) asset and a lease liability at the commencement of the lease.

Short-term and low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of assets with a value less than £5,000. The payments for such leases are recognised in the Income Statement within cost of sales or administrative expenses on a straight-line basis over the lease term.

Non-lease components

Fees for components such as property taxes, maintenance, repairs and other services, which are either variable or transfer benefits separate to the Group's right to use the asset, are separated from lease components based on their relative stand-alone selling price. These components are expensed in the Income Statement as incurred.

Lease liabilities

Lease liabilities are initially measured at the present value of future lease payments at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, or where this cannot be readily determined, the lessee's incremental borrowing rate. Lease payments include the following payments due within the non-cancellable term of the lease, as well as the term of any extension options where these are considered reasonably certain to be exercised:

- fixed payments;
- variable payments that depend on an index or rate; and
- the exercise price of purchase or termination options if it is considered reasonably certain these will be exercised.

Subsequent to the commencement date, the lease liability is measured at the initial value, plus an interest charge determined using the incremental borrowing rate, less lease payments already made such as deposits. The interest expense is recorded in finance costs in the Income Statement. The liability is re-measured when future lease payments change, when the exercise of extension or termination options becomes reasonably certain, or when the lease is modified.

Right of use assets

The ROU asset is initially measured at cost, being the value of the lease liability, plus the value of any lease payments made at or before the commencement date, initial direct costs and the cost of any restoration obligations, less any incentives received. The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is adjusted for any remeasurement of the lease liability. The ROU asset is subject to testing for impairment where there are any impairment indicators.

New standards and amendments to standards or interpretations not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods an on foreseeable future transaction

IFRS 16, 'COVID-19 related rent concessions'

The IASB published an amendment to IFRS 16, 'COVID-19 related rent concessions', amending the standard to provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification, effective for annual reporting periods beginning on or after 1 June 2020. The Group has not received any COVID-19 related rent concessions.

Critical accounting estimates and judgements

The preparation of this Historical Financial Information requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at each Statement of Financial Position date and the reported amounts of revenue during the reporting periods. Actual results could differ from these estimates. Information about such judgements and estimations are contained in individual accounting policies.

Accounting judgements

The directors consider that the gain on disposal of its joint venture ("JV") in 2021 will qualify for the substantial shareholding exemption ("SSE"). The JV had a cash balance of £1.8m at disposal which is considered by the directors to be an appropriate level of a working capital for a real estate business. This is a significant judgement and if the SSE is denied by the tax authorities then a capital gain of approximately £1.7m would arise.

Accounting estimates

There are no key sources of estimation uncertainty that could cause a significant adjustment to be required to the carrying amount of asset or liabilities within the next accounting period.

4. SEGMENTAL INFORMATION

As explained in note 2, the Group's activities comprise two operating segments. One segment was disposed of in 2021 and disclosures in respect of that segment are included in note 30 – Discontinued operations.

All revenue was recognised at a point in time.

As only one segment remained in 2021 no additional disclosures in respect of that segment have been included as it is represented by all the trading from continuing operations of the face of the primary statements.

Revenue

The analysis of revenue by geographical market was as follows:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
United Kingdom	32.2	30.1	40.5
Rest of the world	2.0	2.2	1.7
	34.2	**32.3**	**42.2**

Information about major customers

The Grant Westfield Group generated revenue from an individual customer that accounted for greater than 10% of total revenue. Total revenue from this customer was £5.7m (2020: £3.9m; 2019: £7.1m) and was generated from 1 customer (2020: 1 customer; 2019: 1 customer).

Analysis of assets by geographical destination

All assets of the Grant Westfield Group reside in the UK with the exception of non-current assets of £Nil (2020: £Nil; 2019: £0.1m; 2018: £0.1m) held in Belgium and Germany.

5. OPERATING PROFIT

The following items have been included in arriving at operating profit:

Activity by function

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Cost of sales	20.1	18.0	22.9
Administrative expenses	8.9	8.4	12.5
Other operating income	—	—	(0.3)
	29.0	**26.4**	**35.1**

5. OPERATING PROFIT (continued)

Costs by nature and material items of profit and loss

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Staff costs (see note 6)	6.0	5.9	6.1
One off non-recurring management bonus (note 6)	—	—	2.3
Amortisation of intangible assets (see note 10)	0.1	—	—
Depreciation of property, plant and equipment (see note 11)	0.3	0.3	0.3
Depreciation of right of use assets (see note 12)	0.2	0.3	0.4

6. EMPLOYEES AND DIRECTORS

(i) Employees

The average number of persons employed by the Grant Westfield Group, including directors, during the year is analysed below:

	Year ended 31 December 2019 no.	Year ended 31 December 2020 no.	Year ended 31 December 2021 no.
Office and management	59	65	40
Manufacturing and installation	72	78	97
Technical and sales	33	31	31
	164	**174**	**168**

The Grant Westfield Group employment costs for all employees, including executive directors, comprise:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Wages and salaries	5.5	5.3	5.5
One off non-recurring management bonus	—	—	2.3
Social security costs	0.4	0.5	0.5
Defined contribution pension costs	0.1	0.1	0.1
	6.0	**5.9**	**8.4**

6. EMPLOYEES AND DIRECTORS (continued)

(ii) Key management personnel

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Wages and salaries	0.3	0.4	0.7
One off non-recurring management bonus	—	—	2.3
Social security costs	—	0.1	0.1
	0.3	**0.5**	**3.1**

The Directors are considered to be the key management personnel.

7. FINANCE INCOME / FINANCE COSTS

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Finance income			
Bank interest on deposits	0.2	0.1	0.1
	0.2	**0.1**	**0.1**
Finance costs			
Interest on lease liabilities	—	—	(0.1)
	—	**—**	**(0.1)**

8. TAXATION

(a) Tax expense included in the Income Statement comprises:

	Year ended 31 December 2019 £m	**Year ended 31 December 2020 £m**	**Year ended 31 December 2021 £m**
Current tax	1.3	1.3	1.6
Adjustments to tax charge in respect of prior periods	—	—	(0.1)
Total current taxation	**1.3**	**1.3**	**1.5**
Deferred tax			
Origination and reversal of temporary differences	—	—	0.1
	—	**—**	**0.1**
Total tax charge	**1.3**	**1.3**	**1.6**
Income tax expense is attributable to:			
Profit from continuing operations	1.0	1.1	1.6
Profit from discontinued operations	0.3	0.2	—
	1.3	**1.3**	**1.6**

(b) Reconciliation of tax expense

The tax on profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Year ended 31 December 2019 £m	**Year ended 31 December 2020** £m	**Year ended 31 December 2021** £m
Profit from continuing operations before income tax expense	5.4	6.0	7.1
Profit from discontinued operations before income tax expense	1.6	1.1	7.4
	7.0	7.1	14.5
Tax calculated at domestic tax rates applicable to profits in the respective countries	1.3	1.3	2.8
Adjustments to tax charge in respect of prior periods	—	—	(0.1)
Non-taxable gain on sale of investments	—	—	(1.1)
Tax charge for the year	**1.3**	**1.3**	**1.6**

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). The new law was substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 on 17 March 2020. The Government made a number of budget announcements on 3 March 2021. These include confirming that the rate of corporation tax will increase to 25% from 1 April 2023. This new law was substantively enacted on 24 May 2021. Deferred taxes at the reporting date have been measured using these substantively enacted tax rates and reflected in this consolidated historical financial information.

9. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue. There are no dilutive share awards in issue.

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

	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2021
Earnings (£'m)			
Earnings from continuing operations for the purposes of basic earnings per share being profit for the year attributable to equity shareholders	4.4	4.9	5.5
Earnings from discontinued operations for the purposes of basic earnings per share being profit for the year attributable to equity shareholders	1.3	0.9	7.4
Earnings for the purposes of basic earnings per share being profit for the year attributable to equity shareholders	5.7	5.8	12.9
Number of shares			
Weighted average number of shares for the purposes of basic earnings per share	48,683	48,683	48,683
Profit per ordinary share (£)			
Basic profit from continuing operations per ordinary share	90.4	100.7	113.0
Basic profit from discontinued operations per ordinary share	26.7	18.4	152.0
Basic profit per ordinary share	117.1	119.1	265.0

10. INTANGIBLE ASSETS

	Computer software £m	Total £m
Cost		
At 1 January 2019	0.5	0.5
At 31 December 2019	0.5	0.5
At 31 December 2020	0.5	0.5
At 31 December 2021	0.5	0.5
Accumulated amortisation		
At 1 January 2019	0.3	0.3
Amortisation charged in the year	0.1	0.1
At 31 December 2019	0.4	0.4
At 31 December 2020	0.4	0.4
At 31 December 2021	0.4	0.4
Carrying amount		
At 1 January 2019	0.2	0.2
At 31 December 2019	0.1	0.1
At 31 December 2020	0.1	0.1
At 31 December 2021	0.1	0.1

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £m	Plant and equipment £m	Total £m
Cost			
At 1 January 2019	3.2	2.9	6.1
Additions	—	0.3	0.3
Disposals	—	(0.2)	(0.2)
At 31 December 2019	3.2	3.0	6.2
Additions	—	0.4	0.4
Disposals	—	(0.7)	(0.7)
At 31 December 2020	3.2	2.7	5.9
Additions	—	0.4	0.4
Disposals	—	(0.2)	(0.2)
At 31 December 2021	3.2	2.9	6.1
Depreciation			
At 1 January 2019	—	2.1	2.1
Depreciation charged in the year	—	0.3	0.3
Eliminated on disposal	—	(0.2)	(0.2)
At 31 December 2019	—	2.2	2.2
Depreciation charged in the year	—	0.3	0.3
Eliminated on disposal	—	(0.5)	(0.5)
At 31 December 2020	—	2.0	2.0
Depreciation charged in the year	—	0.3	0.3
Eliminated on disposal	—	(0.1)	(0.1)
At 31 December 2021	—	2.2	2.2
Carrying amount			
At 1 January 2019	3.2	0.8	4.0
At 31 December 2019	3.2	0.8	4.0
At 31 December 2020	3.2	0.7	3.9
At 31 December 2021	3.2	0.7	3.9

Plant and equipment include office furniture and equipment, fixtures and fittings, and motor vehicles.

12. RIGHT-OF-USE ASSETS

	Property £m	Equipment £m	Vehicles £m	Total £m
At 1 January 2019	0.2	—	0.1	0.3
New leases recognised in the year	0.8	—	0.2	1.0
Depreciation charge for the year	(0.1)	—	(0.1)	(0.2)
At 31 December 2019	**0.9**	**—**	**0.2**	**1.1**
New leases recognised in the year	0.9	—	0.1	1.0
Depreciation charge for the year	(0.2)	—	(0.1)	(0.3)
At 31 December 2020	**1.6**	**—**	**0.2**	**1.8**
New leases recognised in the year	0.4	0.2	0.1	0.7
Depreciation charge for the year	(0.3)	—	(0.1)	(0.4)
At 31 December 2021	**1.7**	**0.2**	**0.2**	**2.1**

The lease liabilities associated with the above right-of-use assets are disclosed in note 19.

13. INVESTMENT PROPERTY

	Investment property £m	Total £m
Cost		
At 1 January 2019	0.7	0.7
At 31 December 2019	**0.7**	**0.7**
At 31 December 2020	**0.7**	**0.7**
Impairment	(0.1)	(0.1)
At 31 December 2021	**0.6**	**0.6**

The investment property valuation was treated as deemed cost at the date of transition to IFRS. The fair value of the investment property was £620,000 (2020: £740,000; 2019: £740,000).

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Loans to joint ventures £m	Investments in joint ventures £m	Total £m
At 1 January 2019	1.3	1.2	2.5
Share of profit	—	1.3	1.3
Dividends	—	(1.2)	(1.2)
At 31 December 2019	**1.3**	**1.3**	**2.6**
Share of profit	—	0.9	0.9
Dividends	—	(0.6)	(0.6)
At 31 December 2020	**1.3**	**1.6**	**2.9**
New loans to joint ventures	4.4	—	4.4
Joint venture loans repaid	(5.7)	—	(5.7)
Share of profit	—	0.4	0.4
Disposals	—	(2.0)	(2.0)
At 31 December 2021	**—**	**—**	**—**

Subsidiary undertakings

The following were subsidiary undertakings of Granfit Holdings Limited:

Name	Principal activity	Class of shares	Holding
Grant Westfield Limited	Building interiors	Ordinary	100%
Ocean Interiors BV	Building interiors	Ordinary	100%
Ocean Interiors GmbH	Building interiors	Ordinary	100%

Grant Westfield Limited is a company registered in Scotland. Ocean Interiors BV and Ocean Interiors GmbH are companies incorporated in The Netherlands and Germany respectively. Granfit Holdings Limited's investment in Ocean Interiors BV and Ocean Interiors GmbH are held indirectly by Grant Westfield Limited.

As shown in note 30, Grant Westfield Limited disposed of their shares in EMF Manufacturing Limited on 31 March 2020. This disposal did not meet the definition of a disposal under IFRS 5 and therefore has not been presented as discontinued operations.

Joint ventures

The following were joint ventures of Granfit Holdings Limited:

Name	Principal activity	Holding
Wallace Land Investment and Management Limited	Real Estate	50%

Wallace Land Investment and Management Limited has share capital consisting solely of ordinary shares, which are held directly by Granfit Holdings Limited. It is incorporated in Scotland which is also the principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. The equity accounting method has been applied and as the joint venture is a private company with no quoted price available, the fair value has not been disclosed. The principal activities were that of the promotion and sale of real estate, and represented a separate operating segment (see note 4). As shown in note 30, this investment was sold on 18 May 2021. The tables below provide summarised financial information for this joint venture and reflects the amount presented in the financial records of Wallace Land Investment and Management Limited and not Granfit Holdings Limited's share of those amounts.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Summarised balance sheet

	Wallace Land Investment and Management Limited		
	At 31 December 2019 £m	At 31 December 2020 £m	At 31 December 2021 £m
Cash and cash equivalents	1.5	1.8	n/a
Other current assets	2.8	3.0	n/a
Non-current assets	—	—	n/a
Current liabilities	(0.5)	(0.5)	n/a
Non-current liabilities	(1.4)	(1.4)	n/a
Net assets	**2.4**	**2.9**	n/a

Reconciliation to carrying amounts:

	Wallace Land Investment and Management Limited		
	At 31 December 2019 £m	At 31 December 2020 £m	At 31 December 2021 £m
Opening net assets 1 January	2.4	2.6	3.2
Profit for the period	2.6	1.8	0.8
Other comprehensive income	—	—	—
Dividends paid	(2.4)	(1.2)	
Closing net assets	2.6	3.2	4.0
Group's share in %	50.0%	50.0%	n/a
Group's share in £m	1.3	1.6	2.0
Carrying amount of net assets sold (see note 30)	—	—	(2.0)
Carrying amount	1.3	1.6	—

Summarised statement of comprehensive income

	Wallace Land Investment and Management Limited		
	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Revenue	5.5	4.0	n/a
Interest income	—	—	n/a
Depreciation and amortisation	—	—	n/a
Interest expense	—	—	n/a
Income tax expense	(0.6)	(0.4)	n/a
Profit from continuing operations	2.6	1.8	n/a
Profit from discontinued operations	—	—	n/a
Profit for the period	2.6	1.8	n/a
Other comprehensive income	—	—	n/a
Total comprehensive income	2.6	1.8	n/a

15. INVENTORIES

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Raw materials and consumables	1.2	1.1	0.7	1.7
Finished goods and goods for resale	2.3	1.7	2.3	2.5
	3.5	**2.8**	**3.0**	**4.2**

Provisions held against inventories totalled £0.1m (2020: £0.3m; 2019: £0.1m).

The cost of inventories recognised as an expense within cost of sales in the Income Statement totalled £16.9m (2020: £13.9m; 2019: £15.2m).

The cost of inventory write-downs charged as an expense within cost of sales in the Income Statement totalled £0.3m (2020: £0.4m; 2019: £0.6m).

16. TRADE AND OTHER RECEIVABLES

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Trade receivables	6.7	7.3	7.6	9.0
Less: provision for expected credit losses	(0.1)	(0.1)	(0.1)	(0.2)
Trade receivables – net	6.6	7.2	7.5	8.8
Other receivables	0.1	0.2	0.1	1.0
Prepayments and accrued income	0.2	0.3	0.2	0.2
	6.9	7.7	7.8	10.0

All trade and other receivables are current. The net carrying amounts of trade and other receivables are considered to be a reasonable approximation of their fair values.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Sterling	6.8	7.6	7.6	9.9
Euro	0.1	0.1	0.2	0.1
	6.9	7.7	7.8	10.0

16. TRADE AND OTHER RECEIVABLES (continued)

Impairment of trade receivables

1 January 2019	Not yet due £m	0-1 month overdue £m	1-2 month overdue £m	2-3 month overdue £m	>3 month overdue £m	Total £m
Expected credit loss rate (%)	—	—	—	—	14	1.5
Gross trade receivables	5.2	0.4	0.2	0.2	0.7	6.7
Loss allowance	—	—	—	—	(0.1)	(0.1)

31 December 2019	Not yet due £m	0-1 month overdue £m	1-2 month overdue £m	2-3 month overdue £m	>3 month overdue £m	Total £m
Expected credit loss rate (%)	—	—	—	—	100	0
Gross trade receivables	2.4	3.2	1.4	0.2	0.1	7.3
Loss allowance	—	—	—	—	(0.1)	(0.1)

31 December 2020	Not yet due £m	0-1 month overdue £m	1-2 month overdue £m	2-3 month overdue £m	>3 month overdue £m	Total £m
Expected credit loss rate (%)	—	—	—	—	33	—
Gross trade receivables	2.5	3.2	1.4	0.2	0.3	7.6
Loss allowance	—	—	—	—	(0.1)	(0.1)

31 December 2021	Not yet due £m	0-1 month overdue £m	1-2 month overdue £m	2-3 month overdue £m	>3 month overdue £m	Total £m
Expected credit loss rate (%)	—	—	—	—	100	—
Gross trade receivables	8.3	0.3	0.1	0.1	0.2	9.0
Loss allowance	—	—	—	—	(0.2)	(0.2)

Movements on the provision for impairment of trade receivables were as follows:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
At the beginning of the year	(0.1)	(0.1)	(0.1)
Provision for receivables impairment	—	—	(0.1)
Receivables written off during the year as uncollectable	—	—	—
At the end of the year	(0.1)	(0.1)	(0.2)

17. CURRENT ASSET INVESTMENTS

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Fixed term deposits	4.5	9.5	9.8	2.5

18. CASH AND CASH EQUIVALENTS

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Cash at bank and in hand	10.5	8.1	11.9	29.3

Credit risk on cash and cash equivalents is limited as the counterparties are banks with strong credit ratings assigned by international credit rating agencies.

The carrying value of cash and cash equivalents is denominated in the following currencies:

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Sterling	10.2	7.9	11.5	28.9
US Dollar	0.3	0.2	0.3	0.3
Euro	—	—	0.1	0.1
	10.5	8.1	11.9	29.3

19. LEASE LIABILITIES

Lease liabilities recognised on the adoption of IFRS 16. The Group leases property, equipment, and vehicles. Rental contracts are typically made for fixed periods of 3 to 10 years. There are no judgements over the length of the lease term for any of the Group's leases. There are no variable lease payments in any of the Group's leases.

	Property £m	Equipment £m	Vehicles £m	Total £m
At 1 January 2019	0.1	—	0.1	0.2
Additions	0.8	—	0.2	1.0
Gross lease payments	(0.1)	—	(0.1)	(0.2)
At 31 December 2019	**0.8**	**—**	**0.2**	**1.0**
Additions	0.9	—	0.1	1.0
Gross lease payments	(0.2)	—	(0.1)	(0.3)
At 31 December 2020	**1.5**	**—**	**0.2**	**1.7**
Additions	0.4	0.2	0.1	0.7
Gross lease payments	(0.2)	(0.1)	(0.1)	(0.4)
At 31 December 2021	**1.7**	**0.1**	**0.2**	**2.0**

19. LEASE LIABILITIES (continued)

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Maturity analysis – contractual undiscounted cash flows				
Less than one year	0.2	0.2	0.3	0.4
More than one year, less than two years	—	0.2	0.3	0.4
More than two years, less than three years	—	0.1	0.2	0.3
More than three years, less than four years	—	0.1	0.2	0.3
More than four years, less than five years	—	0.1	0.2	0.2
More than five years	—	0.3	0.7	0.5
Total undiscounted lease liabilities at year end	0.2	1.0	1.9	2.1
Finance costs	—	—	(0.2)	(0.1)
Total discounted lease liabilities at year end	**0.2**	**1.0**	**1.7**	**2.0**
Lease liabilities included in the statement of financial position				
Less than one year	0.2	0.2	0.3	0.4
More than one year	—	0.8	1.4	1.6
	0.2	**1.0**	**1.7**	**2.0**

The right-of-use assets associated with the above lease liabilities are disclosed in note 12.

The maturity profile of the lease liabilities is also disclosed in note 27.

Total cash outflows in respect of the lease liabilities were £0.5m (2020: £0.4m ; 2019: £0.2m).

20. TRADE AND OTHER PAYABLES

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Trade payables	2.1	2.0	2.5	2.1
Other tax and social security payables	0.6	0.9	0.7	0.7
Other payables	—	—	—	0.7
Accruals and deferred income	1.7	2.2	3.1	5.3
	4.4	**5.1**	**6.3**	**8.8**

The fair value of trade payables does not differ materially from the book value.

21. PROVISIONS

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Less than one year	—	0.1	—	—
More than one year	0.2	0.1	0.1	0.1
	0.2	**0.2**	**0.1**	**0.1**

The Grant Westfield Group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to restore the asset to its original condition. These costs have been capitalised as part of the right of use asset and are depreciated over the term of the lease.

22. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax is calculated in full on temporary differences under the liability method. The movement on the deferred tax liability is as shown below:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Opening balance	0.1	0.1	—
Movement in the year	—	(0.1)	0.1
Closing balance	**0.1**	**—**	**0.1**

The analysis of the deferred tax liability is as follows:

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
Fixed asset timing differences	0.1	0.1	—	0.1

The deferred tax liability principally relates to timing differences between the tax and accounting bases of property, plant and equipment and intangible assets.

	As at 1 January 2019 £m	As at 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2021 £m
More than one year	0.1	0.1	—	0.1
	0.1	**0.1**	**—**	**0.1**

There are no unrecognised deferred tax assets.

23. PENSION AND OTHER SCHEMES

The Grant Westfield Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Grant Westfield Group to the scheme and amounted to £0.1m (2020: £0.1m; 2019: £0.1m).

Contributions totalling £38,000 (2020: £34,000; 2019: £29,000) were payable to the scheme at the end of the year and are included in creditors.

24. CAPITAL COMMITMENTS

There are no capital commitments that have been contracted for but not accounted for within the historical financial information.

25. CALLED UP SHARE CAPITAL

Issued and fully paid	As at 1 January 2019 £	As at 31 December 2019 £	As at 31 December 2020 £	As at 31 December 2021 £
24,341 "A" ordinary shares of £1 each	24,341	24,341	24,341	24,341
24,342 "B" ordinary shares of £1 each	24,342	24,342	24,342	24,342
	48,683	48,683	48,683	48,683

Number of shares in issue	As at 1 January 2019 no.	As at 31 December 2019 no.	As at 31 December 2020 no.	As at 31 December 2021 no.
24,341 "A" ordinary shares of £1 each	24,341	24,341	24,341	24,341
24,342 "B" ordinary shares of £1 each	24,342	24,342	24,342	24,342
	48,683	48,683	48,683	48,683

The A Ordinary shares have full voting rights, entitle the holder to participate in any dividends declared or paid and entitle the holder, on any winding up or reduction of capital, to payment of any remaining assets of the company after payment of its liability.

The B Ordinary shares have no voting rights, entitle the holder to participate in any dividends declared or paid and do not entitle the holder to any return of capital.

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs. Share Premium of £10,369 has been recorded on the issue of the above shares.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Foreign exchange reserve

This reserve records the translation differences arising on consolidation of the subsidiaries. The Group has applied the exemption under IFRS 1 to set the cumulative foreign exchange reserve to nil at the date of transition to IFRS.

25. CALLED UP SHARE CAPITAL (continued)

Retained earnings

This reserve includes all current and prior periods retained profits and losses net of dividends paid.

26. CASH FLOWS FROM OPERATING ACTIVITIES

The analysis of cash generated from operations is given below:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Profit before income tax from:			
Continuing operations	5.4	6.0	7.1
Discontinued operations	1.6	1.1	7.4
Profit before income tax including discontinued operations	**7.0**	**7.1**	**14.5**
Adjustments for:			
Amortisation of intangible assets	0.1	—	—
Depreciation of property, plant and equipment	0.5	0.6	0.7
Finance income	(0.2)	(0.1)	(0.1)
Finance costs	—	—	0.1
Share of operating profit in joint ventures	(1.3)	(0.9)	(0.5)
Gain on disposal of share in joint venture	—	—	(6.9)
Operating cash flows before movement in working capital	**6.1**	**6.7**	**7.8**
Changes in working capital:			
– (Increase)/decrease in inventories	0.7	(0.2)	(1.2)
– (Increase)/decrease in debtors	(0.8)	(0.1)	(2.2)
– Increase/(decrease) in creditors	0.8	1.0	2.6
Cash generated from operations	**6.8**	**7.4**	**7.0**

Analysis of underlying net cash/(debt)

	Cash £m	Lease liabilities £m	Net debt £m
At 1 January 2019	10.5	(0.2)	10.3
Cash flow	(2.4)	(0.2)	(2.6)
Other non-cash movements	—	(0.6)	(0.6)
At 31 December 2019	**8.1**	**(1.0)**	**7.1**
Cash flow	3.8	(0.4)	3.4
Other non-cash movements	—	(0.3)	(0.3)
At 31 December 2020	**11.9**	**(1.7)**	**10.2**
Cash flow	17.4	(0.5)	16.9
Other non-cash movements	—	0.2	0.2
At 31 December 2021	**29.3**	**(2.0)**	**27.3**

27. FINANCIAL INSTRUMENTS

During the year the Grant Westfield Group held financial instruments relating to the risks of its operations.

Capital risk management

Capital is mainly made up of accumulated retained earnings, as set out in the Statement of Changes in Equity, with the details of the issued share capital in note 25.

Capital management policies and procedures

The Grant Westfield Group's capital management objectives are:

- To ensure the ability to continue as a going concern; and
- To provide an adequate return to shareholders by pricing commensurately with the level of risk.

This is achieved through close management of working capital and regular reviews of pricing. Decisions on whether to raise funding using debt or equity are made by the board based on the requirements of the business.

Financial risk management

The Grant Westfield Group's operations expose it to market risk (including currency risk) and credit risk. The Grant Westfield Group actively seeks to limit the adverse effects of these risks on the financial performance of the Grant Westfield Group.

Liquidity risk

The Group manages liquidity risk by holding high levels of cash (see note 18) and hence liquidity risk is negligible. A maturity analysis of the Group's financial liabilities is presented below.

Currency risk

The Grant Westfield Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily the Euro and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. A sensitivity analysis has been performed at the end of this note to identify the impact that a 5% swing in foreign exchange rates would have had.

Foreign exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The foreign currency risk associated with anticipated sales and purchase transactions is monitored up to 12 months in advance. The gross value of foreign currency forward contracts outstanding at 31 December 2021 was £0.8m (2020: £1.1m; 2019: £0.9m).

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. Each entity is responsible for managing and analysing the credit risk of potential customers prior to offering credit terms and on an ongoing basis and uses independent ratings agencies, past trading experience and other factors in order to assess the credit quality of the customer. The quantitative analysis of the ageing of Trade Receivables is presented within note 16 and the unprovided trade receivables balance as at 31 December 2021 was £8.8m (2020: £7.5m; 2019: £7.2m). For banks and financial institutions only independently rated parties with a strong rating are accepted.

Financial instruments

The Grant Westfield Group's financial instruments comprise cash, trade receivables and payables and forward exchange contracts. Based on the hierarchy defined in IFRS 7, the Grant Westfield Group's financial instruments are classified as level 2 instruments.

27. FINANCIAL INSTRUMENTS (continued)

Consequently, fair value measurements are derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Financial liabilities

The table below analyses the value of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. This illustrates the liquidity risk the group is exposed to.

As at 31 December 2019	Not later than a year £m	Later than one year but not later than two years £m	Later than two years but not later than five years £m	Later than five years £m	Total £m
Lease liabilities[1]	0.2	0.2	0.3	0.3	1.0
Trade and other payables	5.1	—	—	—	5.1

As at 31 December 2020	Not later than a year £m	Later than one year but not later than two years £m	Later than two years but not later than five years £m	Later than five years £m	Total £m
Lease liabilities[1]	0.3	0.3	0.6	0.7	1.9
Trade and other payables	6.3	—	—	—	6.3

As at 31 December 2021	Not later than a year £m	Later than one year but not later than two years £m	Later than two years but not later than five years £m	Later than five years £m	Total £m
Lease liabilities[1]	0.4	0.4	0.8	0.5	2.1
Trade and other payables	8.8	—	—	—	8.8

1 Lease liabilities are on an undiscounted basis

Derivative foreign currency contracts

The following table details the gross value of foreign currency forward contracts outstanding at the end of the reporting year.

	Not later than a year £m	Later than one year but not later than two years £m	Later than two years but not later than five years £m	Later than five years £m
As at 1 January 2019	—	—	—	—
As at 31 December 2019	0.9	—	—	—
As at 31 December 2020	1.1	—	—	—
As at 31 December 2021	0.8	—	—	—

The fair value of these contracts, which all fall due in not later than one year, is less than £0.1m and therefore rounds down to £nil in each period.

27. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis

IFRS 7 requires the disclosure of a sensitivity analysis that details the effects on the Grant Westfield's profit and loss and equity of reasonably possible fluctuations in market rates. To demonstrate these, reasonably possible variations of 1% increase or decrease in market interest rates and 5% strengthening or weakening in major currencies have been chosen.

(a) 1% increase or decrease on market interest rates for most of the coming year

As the Group has no external borrowings, the effect of a 1% change in market interest rates would result in no change in the net finance costs.

(b) 5% strengthening or weakening in major currencies

A number of the Grant Westfield Group's assets are held overseas and as such variations in foreign currencies will affect the carrying value of these assets. A 5% strengthening or weakening of Sterling across all currencies would lead to a circa £0.1m decrease or increase in net assets respectively (2020: £0.1m; 2019: £0.1m).

28. RELATED PARTY DISCLOSURES

During the year, a rent recharge of £Nil (2020: £7,185; 2019: £7,185) was made by the Grant Westfield Group to Wallace Land Investment and Management Limited. At the year end, Wallace Land Investment and Management Limited owed the Grant Westfield Group £Nil (2020: £1,371,629; 2019: £1,338,261) in respect of a loan. Interest, at 2.5% over base, amounting to £Nil (2020: £33,368; 2019: £33,368) was paid during the year to the Grant Westfield Group. Wallace Land Investment and Management Limited is a joint venture undertaking of the Grant Westfield Group and has been shown as a discontinued operation given its sale in May 2021.

At the year end, Calmeg Limited owed the Grant Westfield Group £895 (2020: £895; 2019: £19,312) in respect of a loan. The loan is interest free. Calmeg Limited is a Company owned by RI MacDonald.

During the year, a rent charge of £900 (2020: £1,000; 2019: £nil) was made by the Grant Westfield Group to RI MacDonald.

Control

The Grant Westfield Group, as defined in the Basis of preparation, has been under the control of RI MacDonald throughout the period of the consolidated historical financial information, by virtue of their controlling interest in the share capital of Grantfit Holdings Limited.

Compensation of key management personnel

Key management personnel comprise the directors of Grant Holdings Limited. Details of their remuneration is provided in note 6.

29. SUBSEQUENT EVENTS

The Directors are satisfied that there were no significant events or transactions that have occurred since 31 December 2021.

30. DISCONTINUED OPERATIONS

i) Wallace Land and Investment Management Limited

On 18 May 2021, the Grant Westfield Group's 50% shareholding in Wallace Land and Investment Management Limited was sold. This has been presented as a discontinued operation across the entire track record period and the performance of the joint venture is as follows:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Discontinued operations			
Operating profit	**1.6**	**1.1**	**0.5**
Profit before taxation	**1.6**	**1.1**	**0.5**
Taxation	(0.3)	(0.2)	—
Profit for the year from discontinued operations	**1.3**	**0.9**	**0.5**
Gain on sale of the joint venture after income tax	—	—	6.9
Profit from discontinued operations	**1.3**	**0.9**	**7.4**
There was no other comprehensive income arising from discontinued operations			
Net cash flow from investing activities (2021 includes an inflow of £8.9m from the sale of the joint venture)	1.2	0.6	8.9
Net (decrease)/increase in cash generated by the joint venture	1.2	0.6	8.9
Details of the sale of the joint venture			
Consideration received			
Total disposal consideration	—	—	8.9
Carrying amount of net assets sold	—	—	(2.0)
Gain on sale before income tax	**—**	**—**	6.9
Income tax on gain	—	—	—
Gain on sale after income tax	**—**	**—**	**6.9**

ii) EMF Manufacturing Limited

On 31 March 2020, the Grant Westfield Group's disposed of its 100% shareholding in EMF Manufacturing Limited. This disposal did not meet the definition of a disposal under IFRS 5, however certain profit and loss information has been presented in order to assess the impact on results over the track record period as follows:

	Year ended 31 December 2019 £m	Year ended 31 December 2020 £m	Year ended 31 December 2021 £m
Revenue	1.1	0.2	—
Operating profit	(0.3)	(0.2)	—
Profit before taxation	(0.3)	(0.2)	—
Profit for the year from operations	(0.3)	(0.2)	—

31. EXPLANATION OF TRANSITION TO IFRS

From 1 January 2019 the Group has adopted IFRS in the preparation of the consolidated historical financial information. The main items contributing to the change in financial information compared with that reported under UK GAAP as at the transition date are shown below. There were no other accounting policy changes other than the impact of the below items.

IFRS 16 – Leases

As explained in accounting policies (note 3) the Company has adopted IFRS 16. This has resulted in the recognition of a right of use asset and liability on the Statement of Financial Position. The statement of comprehensive income has been adjusted to remove the rent expense and replace it with depreciation charged on the right of use asset and interest accrued on the right of use liability.

IAS 12 – Income taxes

In accordance with IAS 12 deferred tax assets are disclosed as non-current.

IFRS 1

The Grant Westfield Group has taken advantage of the following exemptions available under IFRS 1 "First Time Adoption of the International Financial Reporting Standards":

- To use the revaluation amount of an item of property, plant and equipment and investment property at the date of transition as deemed cost; and
- To set its translation reserve at nil at the date of transition and to separately track cumulative translation differences within reserves, as required by IAS 21 "The effects of changes in foreign exchange rates" from the date of transition to IFRS.

Other adjustments

As part of the transition to IFRS, the figures presented have also been reclassified in line with the accounting policies of Norcros plc.

The Grant Westfield Group has also represented the joint venture as discontinued throughout the track record period in order to reflect the fact that it was discontinued in 2021.

The Grant Westfield Group historically presented property, plant and equipment at valuation and revalued by £1.6m in the year ended 31 December 2021. On transition to IFRS these assets are now held at deemed cost and hence this revaluation has been reversed.

Correction of accounting error

The Grant Westfield Group previously presented short-term deposits with expirations of greater than three months within cash and cash equivalents. This has been corrected to be presented as current asset investments in each year of the track record period. In addition, at 31 December 2021, the Grant Westfield Group presented the fair value of open forward foreign exchange contracts of £0.8m as an other debtor and a trade creditor balance, and this has been reversed. The fair values of these derivative instruments are not material under IFRS and have not been adjusted for.

STATEMENT OF CASH FLOWS

As a result of IFRS 16 lease payments, which were previously recorded in the statement of comprehensive income as a rent expense, are now shown on the statement of cash flows as depreciation and finance costs within net cash from operations, and lease payments within net cash used in financing activities.

There are no other material differences between the cashflow statement presented under IFRS and that presented under UK GAAP.

31. EXPLANATION OF TRANSITION TO IFRS (continued)

STATEMENT OF COMPREHENSIVE INCOME RECONCILIATIONS

	As previously reported for the year ended 31 December 2019 £m	Presentation of joint venture results as discontinued operations £m	IFRS 16 £m	Under IFRS for the year ended 31 December 2019 £m
Continuing operations				
Revenue	34.2	—	—	34.2
Operating profit	**5.0**	**—**	**0.2**	**5.2**
Share of profit from joint venture	1.6	(1.6)	—	**—**
Finance income	0.2	—	—	0.2
Finance costs	—	—	—	—
Profit before taxation	**6.8**	**(1.6)**	**0.2**	**5.4**
Taxation	(1.3)	0.3	—	(1.0)
Profit for the year from continuing operations	**5.5**	**(1.3)**	**0.2**	**4.4**
Profit from discontinued operation (attributable to equity holders)	**—**	1.3	**—**	1.3
Profit for the year	**5.5**	**—**	**0.2**	**5.7**

	As previously reported for the year ended 31 December 2020 £m	Presentation of joint venture results as discontinued operations £m	IFRS 16 £m	Under IFRS for the year ended 31 December 2020 £m
Continuing operations				
Revenue	32.3	—	—	32.3
Operating profit	**5.7**	**—**	**0.2**	**5.9**
Share of profit from joint venture	1.1	(1.1)	—	—
Finance income	0.1	—	—	0.1
Finance costs	—	—	—	—
Profit before taxation	**6.9**	**(1.1)**	**0.2**	**6.0**
Taxation	(1.3)	0.2	—	(1.1)
Profit for the year from continuing operations	**5.6**	**(0.9)**	**0.2**	**4.9**
Profit from discontinued operation (attributable to equity holders)	—	0.9	**—**	0.9
Profit for the year	**5.6**	**—**	**0.2**	**5.8**

31. EXPLANATION OF TRANSITION TO IFRS (continued)

	As previously reported for the year ended 31 December 2021 £m	Reversal of revaluation and impairment of investment property £m	Presentation of joint venture results as discontinued operations £m	IFRS 16 £m	Under IFRS for the year ended 31 December 2021 £m
Continuing operations					
Revenue	42.2	—	—	—	42.2
Operating profit	7.4	(0.1)	—	(0.2)	7.1
Share of profit from joint venture	0.5	—	(0.5)	—	—
Gain on sale of joint venture undertaking	6.9	—	(6.9)	—	—
Finance income	0.1	—	—	—	0.1
Finance costs	—	—	—	(0.1)	(0.1)
Profit before taxation	14.9	(0.1)	(7.4)	(0.3)	7.1
Taxation	(1.6)	—	—	—	(1.6)
Profit for the year from continuing operations	13.3	(0.1)	(7.4)	(0.3)	5.5
Profit from discontinued operation (attributable to equity holders)	—	—	7.4	—	7.4
Profit for the year	13.3	(0.1)	—	(0.3)	12.9

31. EXPLANATION OF TRANSITION TO IFRS (continued)

STATEMENT OF FINANCIAL POSITION RECONCILIATIONS

	As previously reported as at 1 January 2019 £m	Freezing of foreign exchange and revaluation reserve £m	IFRS 16 £m	Correction of accounting error £m	Under IFRS as at 1 January 2019 £m
Non-current assets					
Intangible assets	0.2	—	—	—	0.2
Property, plant and equipment	4.0	—	—	—	4.0
Right of use assets	—	—	0.3	—	0.3
Investment property	0.7	—	—	—	0.7
Investments accounted for using the equity method	2.5	—	—	—	2.5
	7.4	**—**	**0.3**	**—**	**7.7**
Current assets					
Inventories	3.5	—	—	—	3.5
Trade and other receivables	7.0	—	(0.1)	—	6.9
Current asset investments	—	—	—	4.5	4.5
Cash and cash equivalents	15.0	—	—	(4.5)	10.5
	25.5	**—**	**(0.1)**	**—**	**25.4**
Current liabilities					
Trade and other payables	4.4	—	—	—	4.4
Lease liabilities	—	—	0.2	—	0.2
Current tax liabilities	0.4	—	—	—	0.4
	4.8	**—**	**0.2**	**—**	**5.0**
Net current assets	**20.7**	**—**	**(0.3)**	**—**	**20.4**
Total assets less current liabilities	**28.1**	**—**	**—**	**—**	**28.1**
Non-current liabilities					
Provisions	—	—	0.2	—	0.2
Deferred tax liability	0.1	—	—	—	0.1
	0.1	—	0.2	—	0.3
Net assets	**28.0**	**—**	**(0.2)**	**—**	**27.8**
Financed by:					
Share capital	—	—	—	—	—
Share premium	—	—	—	—	—
Revaluation reserve	1.9	(1.9)	—	—	—
Foreign exchange reserve	(0.1)	0.1	—	—	—
Capital redemption reserve	0.1	—	—	—	0.1
Retained earnings	26.1	1.8	(0.2)	—	27.7
Total equity	**28.0**	**—**	**(0.2)**	**—**	**27.8**

31. EXPLANATION OF TRANSITION TO IFRS (continued)

	As previously reported as at 31 December 2019 £m	Freezing of foreign exchange and revaluation reserve £m	IFRS 16 £m	Correction of accounting error £m	Under IFRS as at 31 December 2019 £m
Non-current assets					
Intangible assets	0.1	—	—	—	0.1
Property, plant and equipment	4.0	—	—	—	4.0
Right of use assets	—	—	1.1	—	1.1
Investment property	0.7	—	—	—	0.7
Investments accounted for using the equity method	2.6	—	—	—	2.6
	7.4	**—**	**1.1**	**—**	**8.5**
Current assets					
Inventories	2.8	—	—	—	2.8
Trade and other receivables	7.7	—	—	—	7.7
Current asset investments	—	—	—	9.5	9.5
Cash and cash equivalents	17.6	—	—	(9.5)	8.1
	28.1	**—**	**—**	**—**	**28.1**
Current liabilities					
Trade and other payables	5.2	—	(0.1)	—	5.1
Lease liabilities	—	—	0.2	—	0.2
Current tax liabilities	0.6	—	—	—	0.6
Provisions	—	—	0.1	—	0.1
	5.8	**—**	**0.2**	**—**	**6.0**
Net current assets	**22.3**	**—**	**(0.2)**	**—**	**22.1**
Total assets less current liabilities	**29.7**	**—**	**0.9**	**—**	**30.6**
Non-current liabilities					
Lease liabilities	—	—	0.8	—	0.8
Provisions	—	—	0.1	—	0.1
Deferred tax liability	0.1	—	—	—	0.1
	0.1	—	0.9	—	1.0
Net assets	**29.6**	**—**	**—**	**—**	**29.6**
Financed by:					
Share capital	—	—	—	—	—
Share premium	—	—	—	—	—
Revaluation reserve	1.9	(1.9)	—	—	—
Foreign exchange reserve	—	0.1	—	—	0.1
Capital redemption reserve	0.1	—	—	—	0.1
Retained earnings	27.6	1.8	—	—	29.4
Total equity	**29.6**	**—**	**—**	**—**	**29.6**

31. EXPLANATION OF TRANSITION TO IFRS (continued)

	As previously reported as at 31 December 2020 £m	Freezing of foreign exchange and revaluation reserve £m	IFRS 16 £m	Correction of accounting error £m	Under IFRS as at 31 December 2020 £m
Non-current assets					
Intangible assets	0.1	—	—	—	0.1
Property, plant and equipment	3.9	—	—	—	3.9
Right of use assets	—	—	1.8	—	1.8
Investment property	0.7	—	—	—	0.7
Investments accounted for using the equity method	2.9	—	—	—	2.9
	7.6	**—**	**1.8**	**—**	**9.4**
Current assets					
Inventories	3.0	—	—	—	3.0
Trade and other receivables	7.8	—	—	—	7.8
Current asset investments	—	—	—	9.8	9.8
Cash and cash equivalents	21.7	—	—	(9.8)	11.9
	32.5	**—**	**—**	**—**	**32.5**
Current liabilities					
Trade and other payables	6.5	—	(0.2)	—	6.3
Lease liabilities	—	—	0.3	—	0.3
	6.5	**—**	**0.1**	**—**	**6.6**
Net current assets	**26.0**	**—**	**(0.1)**	**—**	**25.9**
Total assets less current liabilities	**33.6**	**—**	**1.7**	**—**	**35.3**
Non-current liabilities					
Lease liabilities	—	—	1.4	—	1.4
Provisions	—	—	0.1	—	0.1
	—	—	1.5	—	1.5
Net assets	**33.6**	**—**	**0.2**	**—**	**33.8**
Financed by:					
Share capital	—	—	—	—	—
Share premium	—	—	—	—	—
Revaluation reserve	1.9	(1.9)	—	—	—
Foreign exchange reserve	(0.1)	0.1	—	—	—
Capital redemption reserve	0.1	—	—	—	0.1
Retained earnings	31.7	1.8	0.2	—	33.7
Total equity	**33.6**	**—**	**0.2**	—	**33.8**

31. EXPLANATION OF TRANSITION TO IFRS (continued)

	As previously reported as at 31 December 2021 £m	Freezing of foreign exchange and revaluation reserve £m	Reversal of revaluation £m	IFRS 16 £m	Correction of accounting error £m	Under IFRS as at 31 December 2021 £m
Non-current assets						
Intangible assets	0.1	—	—	—	—	0.1
Property, plant and equipment	5.5	—	(1.6)	—	—	3.9
Right of use assets	—	—	—	2.1	—	2.1
Investment property	0.6	—	—	—	—	0.6
	6.2	—	**(1.6)**	**2.1**	—	**6.7**
Current assets						
Inventories	4.2	—	—	—	—	4.2
Trade and other receivables	10.9	—	—	(0.1)	(0.8)	10.0
Current asset investments	—	—	—	—	2.5	2.5
Cash and cash equivalents	31.8	—	—	—	(2.5)	29.3
	46.9	—	**—**	**(0.1)**	**(0.8)**	**46.0**
Current liabilities						
Trade and other payables	9.6	—	—	—	(0.8)	8.8
Lease liabilities	—	—	—	0.4	—	0.4
	9.6	—	**—**	**0.4**	**(0.8)**	**9.2**
Net current assets	**37.3**	—	**—**	**(0.5)**	—	**36.8**
Total assets less current liabilities	**43.5**	—	**(1.6)**	**1.6**	—	**43.5**
Non-current liabilities						
Lease liabilities	—	—	—	1.6	—	1.6
Provisions	—	—	—	0.1	—	0.1
Deferred tax liability	0.3	—	(0.2)	—	—	0.1
	0.3	—	(0.2)	1.7	—	1.8
Net assets	**43.2**	**—**	**(1.4)**	**(0.1)**	**—**	**41.7**
Financed by:						
Share capital	—	—	—	—	—	—
Share premium	—	—	—	—	—	—
Revaluation reserve	3.2	(1.9)	(1.3)	—	—	—
Foreign exchange reserve	(0.1)	0.1	—	—	—	—
Capital redemption reserve	0.1	—	—	—	—	0.1
Retained earnings	40.0	1.8	(0.1)	(0.1)	—	41.6
Total equity	**43.2**	**—**	**(1.4)**	**(0.1)**	**—**	**41.7**