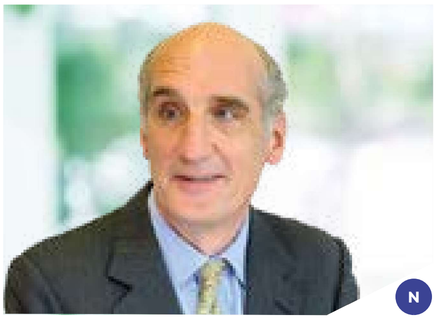
Governance
The Board



Peter Page
Chairman

Peter joined Carr's in November 2019 and became Non-Executive Chairman in January 2020. Peter was formerly Chief Executive of Devro plc, one of the world's leading manufacturers of collagen casings for the food industry, a position which he held for 11 years during which time he transformed the company's international manufacturing capabilities. Peter is currently serving as Executive Chairman under interim arrangements announced on 12 October 2021.

John Worby
Senior Independent Director

John was appointed a Non-Executive Director in April 2015. John is a chartered accountant and is currently Senior Independent Director and Chairman of the Audit Committee of Hilton Food Group plc. He was previously the Finance Director of Genus plc and a Non-Executive Director of Cranswick plc and Fidessa Group plc.

Ian Wood
Non-Executive Director
Employee Engagement Representative

Ian was appointed to the Board in October 2015. He retired as the Commercial Director, International Business Development for Centrica (previously British Gas) in January 2016 having held a number of positions with the Company, covering various aspects of the business including engineering, customer services, industrial and commercial marketing, and energy trading within the UK, Continental Europe and North America.

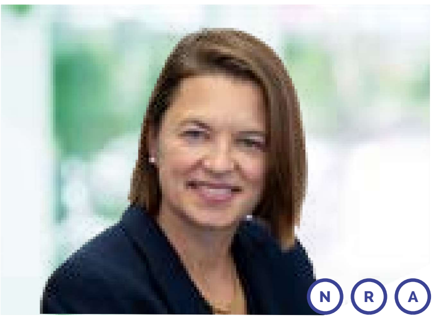
Ian is a Director of Talkin Energy Ltd and a Non-Executive Director of Cumbria County Holdings Ltd.

Neil Austin
Chief Financial Officer

Neil joined Carr's in January 2013 and became Chief Financial Officer in April 2013. Neil was formerly a Director at PwC, having joined as a graduate in their Newcastle office in 1997. He was appointed as a Director of the Newcastle office in 2007 with lead responsibility for part of the Assurance practice working alongside FTSE 350 companies and multi national organisations.

Committee membership

- (N) Nomination
- (R) Remuneration
- (A) Audit
- ● Chair
- (–) None



Kristen Eshak Weldon

Non-Executive Director

Kristen was appointed as a Non-Executive Director in October 2020. Kristen was until recently a member of the Executive Group at Louis Dreyfus Company, where she focused on innovation and forward-looking investments across global agriculture. Kristen will stand down from the Board at the AGM in January 2022 due to taking a role at a financial services organisation which prevents her remaining on the board of any publicly quoted company.

Matthew Ratcliffe

Group Legal Director and Company Secretary

Matthew joined Carr's in November 2016 as Company Secretary and Legal Counsel. Matthew is a solicitor with a breadth of experience working alongside both international and local businesses in corporate, commercial and contentious matters. He began his career with Pinsent Masons before joining a Cumbrian law firm in 2009 and being appointed a Director in 2014.

Alistair Wannop

Non-Executive Director

Alistair was appointed a Non-Executive Director in 2005. Alistair has been the Chairman of both the County NFU and the MAFF northern regional advisory panel. He has served as a Director of The English Farming and Food Partnership, Rural Regeneration Cumbria, and Cumbria Vision. Alistair is a fellow of the Royal Agricultural Society of England and between 2017 and 2018 held office as High Sheriff of Cumbria. Alistair will stand down from the Board after 16 years' service at the AGM in January 2022.

Governance

Corporate Governance Report

Introduction from the Chairman

This report describes how Carr's Group plc adopts the UK Corporate Governance Code 2018. In preparation, the Board considered each Principle of the Code to review how it is applied and how it relates directly to Carr's Group plc.

The Board is mindful of its responsibility to consider the interests of all stakeholders, particularly in ensuring that section 172 matters are properly considered when significant decisions are proposed and agreed. One area of particular focus is ESG, where the Executive Directors have been tasked with developing a coherent, well-researched strategy for the long-term benefit of all stakeholders, incorporating environmental, social and sustainability factors as they apply specifically to the sectors in which the Group operates. Information on progress will be included in future reports.

In January 2021 Tim Davies retired from the Board after seven years as CEO. Tim made a substantial contribution to the business, completing significant acquisitions in Agriculture and Engineering, recruiting several external candidates for senior management roles as part of our succession process and, in his final period, leading the business through the COVID-19 pandemic with sensitivity and determination. Hugh Pelham joined the Board as CEO in succession to Tim, subsequently leaving the business by mutual agreement in October 2021. As a consequence, I have taken on the role of Executive Chairman on an interim basis, providing strategic support to Neil Austin and the senior managers. We look forward to the appointment of a permanent CEO in due course, which is expected to take place during the current financial year.

Alistair Wannop leaves the Board at the AGM in January 2022, after 16 years' service as a Non-Executive Board member. Alistair has provided pertinent insight on the agriculture sector, has always maintained an independent view and has been a steadfast representative for the business in the local community. The Board is grateful for Alistair's significant contribution.

In September 2021 we announced that, as a result of a change in her full-time role, Kristen Eshak Weldon is not able to serve on the boards of public companies, and accordingly will not be standing for re-election at the AGM in January 2022. We wish Kristen all success in her future career. As announced on 16 November 2021, Ian Wood has been appointed as the Board's Representative for Employee Engagement, taking over from Kristen in overseeing our efforts in this important area.

Following the AGM, the Board will comprise two Executive Directors, one being myself as Executive Chairman on an interim basis, and two independent Non-Executive Directors. This is in line with Provision 11 of the Code which requires that at least half the Board, excluding the Chairman, should be independent Non-Executive Directors. The board recognises the need to address gender diversity on the Board, which will be addressed in due course. We have reviewed Board composition, along with forthcoming succession requirements and the skills and experience best suited to support the strategy, in advance of a recruitment and selection process for a new Non-Executive Director to join the Board in the first half of 2022.

At the AGM in January 2021, the Remuneration Report was approved with a majority but did receive a high level of votes against approval. As a result, the Chair of the Remuneration Committee conducted a thorough process of engagement with those shareholders who voted against and subsequently published a report on the engagement process, the conclusions drawn by the Committee and proposals for the future. More detail is provided in the Remuneration Committee Report, but in summary the Board is satisfied that we have heard, understood, and addressed the valid issues raised.

During 2021, we conducted an externally facilitated Board assessment process, the first in four years. The brief to the external assessor was to help us identify gaps between current performance and what might reasonably be considered the level attained by a good board. This has proved to be extremely helpful, with reassurance regarding the level of compliance as well as constructive recommendations for improvement.

I recognise that Carr's Group plc has a diverse shareholder base representing a range of interests. We endeavour to make all relevant information available in a timely manner, keeping shareholders well-informed to enable balanced judgements about their investments. Maintaining good governance is central to my role as Chairman of the Board. I am committed to achieving the highest standards.

Peter Page

Peter Page
Chairman
7 December 2021

Governance

Overview of Group Governance

Governance structures

The Group's primary governance structures are as follows:

The Board

The Board is responsible for promoting the long-term sustainable success of the Group, creating value for its shareholders and supporting its broader stakeholders. The Board determines the Group's purpose and strategy, ensuring that these remain aligned with a clear set of values and a positive culture. It provides entrepreneurial leadership within a framework of risk management controls.

The Board also reviews business performance and monitors the delivery of the Group's strategic objectives. It consists of Senior Executive Management together with experienced Non-Executive Directors. All Non-Executive Directors are considered by the Board to be independent.

The Board meets regularly in accordance with its planned agenda, and otherwise as may be required. During the year, owing to the COVID-19 outbreak, most of the scheduled Board meetings took place by videoconferencing, although it was possible for three meetings to take place in person. All Directors have full and timely access to relevant information. The Board maintains a schedule of matters reserved for its approval, which is regularly reviewed and made available on the Group's website.

Board Committees

The Board delegates certain matters to its Audit, Remuneration, and Nomination Committees. Written terms of reference govern the responsibilities of the Committees, which are reviewed regularly by the Board and made available on the Group's website.

The Committees ensure that there is independent oversight of the matters within their remit and assist the Board in fulfilling its responsibilities. Full reports from each of the Committees, detailing their responsibilities, key considerations and actions during the year, are set out from pages 56, 60 and 64.

Executive Leadership Team

The Executive Leadership Team consists of the Executive Directors, Managing Directors of individual businesses and Group functional directors for safety, HR, legal and IT. Meetings to discuss operational performance and commercial developments take place weekly, with focused strategic discussions taking place in person twice yearly. Feedback from meetings is shared with the Board.

Subsidiary and joint-venture operating boards

Operating boards for subsidiary and joint-venture businesses include Managing Directors together with other subsidiary management. Meetings take place monthly, which include subsidiary management together with Executive Directors, leaders of Group functions and – where appropriate – executives from joint venture partners, to discuss operational performance and commercial developments. Feedback on business performance and key developments is shared with the Board.

Division of responsibilities

The Code requires there to be a clear division of responsibilities between the leadership of the Board and Executive leadership of the Group's businesses. The roles of the Chief Executive Officer, Chairman, Senior Independent Director and Non-Executive Directors are reviewed regularly by the Board and details are set out on the Group's website.

A summary of key responsibilities is set out below:

Chairman

- The effective running of the Board demonstrating objective judgement
- Promoting openness and debate on the Board
- Ensuring the Board is well informed to enable constructive discussion and sound decision making
- Ensuring the effectiveness of the Board in the development of the Group's strategy and the monitoring of performance
- Promoting ethical behaviours and high standards of corporate governance
- Setting the Board's agenda in conjunction with the CEO and Company Secretary
- Ensuring effective communication with shareholders and other stakeholders
- Leading the performance evaluation of the Board
- Providing a sounding board for the CEO on key business decisions and challenging proposals where appropriate

Chief Executive Officer

- Developing and implementing the Group's strategy and commercial objectives with input from the Board and advisors
- Health and Safety across the Group
- The overall management of the Group's businesses
- Effecting the decisions of the Board and its Committees
- Maintaining and protecting the reputations of the Group and its subsidiaries
- Establishing an annual budget consistent with the agreed strategy
- Ensuring that dialogue is maintained with the Chairman on important issues facing the Group
- Developing and overseeing the Group's Environmental, Social and Governance work, and sustainability strategy
- Promoting the Group's culture, values and behaviours, and adhering to the highest standards of integrity and governance

Senior Independent Director ("SID")
- Acting as a sounding board for the Chairman and providing support in the delivery of his objectives
- Working closely with the Chairman and other Directors, and/or shareholders to resolve significant issues as may be required from time to time
- Leading the evaluation of the Chairman on behalf of the other Directors
- Ensuring an orderly succession process for the Chairman

Non-Executive Directors (including the Chairman and SID)
- Bringing complementary skills, knowledge and experience to the Board
- Constructively challenging the Executive Directors and helping develop Group strategy with an independent outlook
- Devoting time to developing and refreshing their knowledge and skills, to ensure that they are well-informed about the Group and make a positive contribution
- Satisfying themselves as to the accuracy of the Group's financial performance and the effectiveness of controls and systems of risk management
- Determining appropriate levels of remuneration of Executive Directors and having a prime role in succession planning

Interim Executive arrangements
On 12 October 2021, it was announced that Peter Page, Non-Executive Chairman, had become Executive Chairman on an interim basis upon Hugh Pelham leaving the business and the Board. In addition to the responsibilities of the Chairman set out above, Peter Page takes on the following responsibilities of the Chief Executive Officer during the interim period:
- Developing and implementing the Group's strategy and commercial objectives with input from the Board and advisors
- Developing and overseeing the Group's Environmental, Social and Governance work and sustainability strategy
- Promoting the Group's culture, values and behaviours, and adhering to the highest standards of integrity and governance
- Effecting the decisions of the Board and its Committees
- Health and Safety across the Group

The remaining key responsibilities of the Chief Executive Officer pass to Neil Austin, Chief Financial Officer, during the interim period as follows:
- The overall management of the Group's businesses
- Maintaining and protecting the reputations of the Group and its subsidiaries
- Monitoring the Group's performance against the agreed budget
- Ensuring that dialogue is maintained with the Chairman on important issues facing the Group

Other arrangements have been put in place, including the delegation of certain of the Chief Financial Officer's responsibilities to senior finance personnel, to ensure that the Group continues to be managed effectively. The Board is confident that these interim arrangements will ensure robust governance, and enable the Group's strategy to be delivered, during the interim period. Subject to being satisfied of his independence, it is the Board's intention that Peter Page reverts to the role of Non-Executive Chairman upon the appointment of a permanent CEO.

Board activities

Key areas

The Board's principal activities can be grouped into the six key areas as outlined below.

Strategy	Risk	Governance
Setting strategic aims and objectives, including those relating to Environmental, Social and Governance considerations. Setting organisational cultures and behaviours. Reviewing new business developments and opportunities including potential acquisitions. Investing in research and technology.	Overseeing the Group's risk and internal control framework. Considering feedback from external and internal audit. Reviewing financial forecasts and other considerations in support of the viability statement.	Ensuring compliance with legal, regulatory and disclosure requirements. Determining Group delegations of authority, including matters reserved for the Board, and terms of reference for Board Committees. Reviewing potential conflicts of interest. Overseeing Board and Committee performance evaluation. Succession planning and Board appointments.

Finance	Stakeholder engagement	Health, Safety and Environmental
Approving budgets. Monitoring financial performance. Overseeing preparation and management of the financial statements. Approving major capital projects or materially significant contracts. Determining dividend policy. Determining pensions strategy.	Approving strategy for stakeholder engagement and social policy. Ensuring that effective engagement with employees, shareholders and other stakeholders is carried out, and considering feedback. Approval of public announcements. Considering feedback from investor meetings and roadshows.	Approving Health, Safety and Environmental strategy, and monitoring performance. Considering Health, Safety and Environmental reports from management. Providing support where appropriate to drive continuous improvement.

Composition and changes

During the year ended 28 August 2021, the Board comprised of two Executive Directors[1], a Non-Executive Chairman, and four independent Non-Executive Directors[2]. There is also a Company Secretary to the Board. Biographies of Board members are set out on pages 48 to 49.

In accordance with the Corporate Governance Code, all Directors stand for re-election annually at the Group's AGM. On 22 November 2020, the Group announced that Alistair Wannop would not be standing for re-election at the Group's AGM taking place in January 2022 as part of the Board's planning for Non-Executive Director succession. On 24 September 2021, the Group also announced that Kristen Eshak Weldon would not stand for re-election at the Group's AGM taking place in January 2022, due to a change in her full-time role which required her to stand down from appointments at any publicly quoted company. From 24 September 2021, arrangements were put in place to ensure that no conflict of interest could arise in connection with Kristen's new position. On 12 October 2021, it was agreed that Hugh Pelham would leave the business and the Board, with the interim arrangements set out above taking immediate effect.

1 Tim Davies stood down as Chief Executive Officer at the conclusion of the AGM on 12 January 2021. Hugh Pelham was appointed to the Board on 4 January 2021 and as Chief Executive Officer on 12 January 2021 in succession to Tim Davies.

2 Kristen Eshak Weldon was appointed as an independent Non-Executive Director on 1 October 2020. Prior to her appointment, there were three other Non-Executive Directors (excluding the Chairman).

Board agendas are set by the Chairman in consultation with the Executive Directors and with the assistance of the Company Secretary. All Directors are expected to attend scheduled Board meetings and relevant Committee meetings in addition to the Annual General Meeting unless they are prevented from doing so by prior work or extenuating personal commitments. Directors who are unable to attend a particular meeting receive relevant briefing papers and are given the opportunity to discuss matters with the Chairman or other Directors.

Attendance and agenda
The Board met on eight scheduled occasions throughout the year. In addition to regular scheduled meetings, a number of additional meetings took place during the year in order to deal with specific business arising from time to time.

In advance of all Board meetings the Directors are supplied with papers covering the matters to be addressed. Members of the Executive Leadership Team or other third parties may also attend meetings, or parts of meetings, where appropriate from time to time by invitation. Executive Directors may attend Committee meetings (or parts of such meetings) by invitation where required. The Company Secretary is responsible to the Board for the timeliness and quality of information.

Details of Director attendance at scheduled Board and Committee meetings are set out below:

	Board	Audit Com	Rem Com	Nom Com
No. of scheduled meetings	8	4	4	2
Peter Page	8	N/A	4**	2
Tim Davies	3*	N/A	N/A	N/A
Hugh Pelham	6*	N/A	N/A	N/A
Neil Austin	8	N/A	N/A	N/A
Alistair Wannop	8	4	4	2
John Worby	8	4	4	2
Ian Wood	8	4	4	2
Kristen Eshak Weldon	8	4	4	2

* Being 100% of the meetings scheduled to take place whilst a member of the Board.
N/A Not applicable (where a Director is not a member of a Committee).
** Peter Page stood down from the Remuneration Committee on 16 November 2021.

Support
Directors can obtain independent professional advice at the Group's expense in performance of their duties as Directors. None of the Directors obtained independent professional advice in the period under review. All Directors have access to the advice and the services of the Company Secretary and access to senior management across the Group where required.

Directors' conflicts of interest
The Companies Act 2006 and the Company's Articles of Association require the Board to consider any actual or potential conflicts of interest. The Board has a policy for managing and, where appropriate, authorising actual or potential conflicts of interest, or related party transactions. Under that policy, Directors are required to declare any interests they or close family members have in any organisations which are not part of the Group, as well as other circumstances which could give rise to a conflict of interest. At the outset of every Board meeting, Directors are required to declare any actual or potential conflicts in relation to matters on the agenda.

The Board regularly reviews its registers of related parties and third-party interests. Directors are required to seek clearance from the Chairman before taking on any new appointments to ensure that any potential conflicts of interest can be identified and addressed appropriately. Any potential conflicts of interest in relation to proposed Directors are considered by the Board prior to their appointment. In the financial year ended 28 August 2021, there were no declared conflicts of interest.

Board effectiveness review
During the year, the Board engaged Sam Allen Associates to conduct an independent review of the effectiveness of the Board and its Committees. Details of that process, and its outcomes, are set out in the Nomination Committee Report on pages 56 to 59..

The Board carries out an external effectiveness review regularly, the previous external review taking place in 2017, with annual internal reviews facilitated by the Company Secretary on behalf of the Chairman being carried out in between external reviews.

During the year, the Chairman evaluated the performance of the Non-Executive Directors through discussions with Board members and the Company Secretary, and informal observations. The Senior Independent Director also held discussions with Board members and the Company Secretary, without the Chairman present, to appraise the Chairman's performance. Feedback was provided following such evaluations and reviewed by the Board.

Non-Executive Director independence
Taking into account all circumstances, including those factors set out in the Corporate Governance Code, the Board considers all Non-Executive Directors to be independent. Peter Page was considered independent upon appointment as Non-Executive Chairman. On 12 October 2021, Peter Page stepped into the role as Executive Chairman on an interim basis. The Board expects Peter Page to return to the position of Non-Executive Chairman upon the appointment of a permanent Chief Executive Officer, subject to being satisfied as to his independence.

Whilst it is acknowledged that Alistair Wannop has served on the Board in excess of nine years, the Board considers that this alone has not compromised his independence, and that no other circumstances exist which would give rise to a conflict of interest. In particular, Alistair has never been an employee of the Group, no other Board member has been present on the Board in conjunction with Alistair for in excess of nine years, no shareholder is represented by Alistair, no material business relationships exist between Alistair (or any related person) and the Group, and no remuneration (other than NED fees) or other benefits are provided by the Group.

Stakeholder engagement

The Board has developed processes for enabling effective engagement with the Group's stakeholders, and to ensure that stakeholder interests and views are fully considered in making key business decisions. Ian Wood is currently the Board's Non-Executive Director for Employee Engagement, with oversight of Group initiatives, responsibility for reporting on matters to the Board, and ensuring that employee interests are properly considered in Board decision making. Further information on how the Board engages with stakeholders and discharges its Section 172 responsibilities is set out on pages 38 to 39.

Internal controls and risk management

The Board is responsible for overseeing the Group's systems of internal control and internal audit, and for reviewing their effectiveness (including financial, operational, and compliance controls) together with processes for risk management which collectively safeguard the Group's assets. The Audit Committee supports the Board in this process by reviewing the principal risks, and the report on pages 60 to 63 provides further information. Such systems can only provide reasonable and not absolute assurance against material misstatement or loss, being designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Group's organisational structure is designed to effectively plan and implement the Group's objectives, to monitor progress, and to ensure that robust controls become embedded in operations. The Group's internal risk-based control systems have been fully operative throughout the year and up to the date of this Annual Report and Accounts.

The Group's internal controls include financial reporting processes, including monthly reporting from subsidiaries, its associate and joint ventures. This reporting is subject to detailed review by the Chief Financial Officer and detailed validation by the Group finance team, and forms the basis for information presented to and reviewed by the Board. All monthly reporting is prepared in line with Group accounting policies, which are reviewed annually and are also subject to review by the external auditors.

Key risks to the Group and its businesses are identified and reviewed during regular reviews which take place between Executive Directors, Managing Directors and business unit management teams.

Such reviews consider the financial and other implications of such risks and assess the effectiveness of mitigation controls. The Audit Committee also reviews the effectiveness of risk management and internal control systems. Reports on risk are delivered to the Board regularly which – together with direct involvement in strategy, investment appraisal and budgeting – enable the Board to report on the overall effectiveness of internal controls. A summary of the risk management framework and key risks to the business are set out on pages 32 to 36.

Confidential reporting of concerns

The Group maintains various channels through which people can report concerns or suspicions of wrongdoing within the workplace, including anonymous reporting via an independent whistleblowing service operated by SeeHearSpeakUp. The Board regularly reviews the Group's Whistleblowing Policy which is implemented by the Company Secretary as the Group's Whistleblowing Officer.

Statement of compliance

Save in relation to the following items, the Board considers that the Company has, during the year ended 28 August 2021, complied with the requirements of the Corporate Governance Code 2018 in their entirety.

Code Provision 38: alignment of Executive Director pension contributions

A firm commitment was made in the 2020 Annual Report and Accounts that employer pension contributions for Executive Directors would be aligned with those available to the majority of the Group's workforce by the end of the financial year ending 28 August 2021. As planned, such alignment was achieved in January 2021. Tim Davies – who stood down as CEO in January 2021 – continued to receive his contractual entitlement of 15% until leaving the Group on 22 August 2021.

Code Provision 41: workforce engagement on Executive remuneration

Whilst the Group's employee engagement survey in 2020 sought feedback in relation to remuneration and benefits, this was not directly in relation to the alignment of Executive remuneration with broader Group remuneration policy. The Remuneration Committee does however evaluate broader Group remuneration such as basic pay increases, bonuses and share awards, when determining remuneration levels for Executive Directors and Senior Management. Further details on the considerations of the Remuneration Committee are set out on pages 64 to 83.

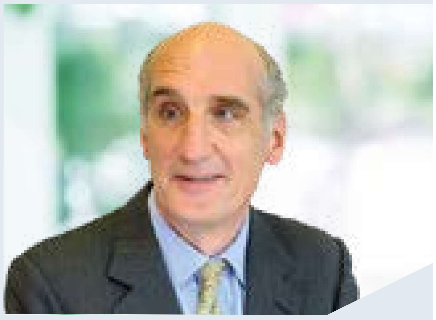
Code Provision 9: interim arrangements

The Board recognises that the interim executive arrangements, announced on 12 October 2021, include the Chairman acting in an executive capacity which is not consistent with Code Provision 9. It is the Board's intention that Peter Page reverts to acting as Non-Executive Chairman upon the appointment of a new CEO for the Group.

M Ratcliffe

Matthew Ratcliffe
Company Secretary
Carlisle
CA3 9BA
7 December 2021

Nomination Committee Report



Peter Page
Nomination Committee Chair

Dear Shareholder

I present this report on the role of the Nomination Committee and its activities during the year.

Nomination Committee Highlights

- **Changes to Board membership**
- **External Board evaluation completed**
- **NED and CEO succession processes commenced**

Introduction

The Nomination Committee ensures that the Board and senior management team possess the right balance of skills, experience and knowledge to support the Group's strategy and to meet the requirements of good governance. The Committee monitors succession plans for the Board and senior management to anticipate future vacancies arising due to promotion or retirement along with developments in the business. The Committee has robust and transparent procedures for identifying suitable candidates, using external consultants where appropriate.

After more than seven years at Carr's Group plc, Tim Davies retired as CEO, leaving the Board at the AGM on 12 January 2021. I am most grateful to Tim for his contribution to the Group's growth and diversification into new geographical markets. Tim's resilience and dedication were particularly valuable as he steered the Group through the most difficult period of the recent COVID-19 pandemic.

Hugh Pelham joined the Group in January 2021, taking on the role of CEO at the AGM. Whilst Hugh brought experience and energy to the role, it was mutually agreed in October that he would stand down as CEO and from the Board. I am grateful for the constructive way Hugh transferred responsibilities.

Since October, I have taken on the role of Chairman in an executive capacity, committing all my working time to the business, focusing on strategic priorities with the support of senior managers. Neil Austin, CFO, manages the day-to-day trading activities of the business. The Committee and the Board are satisfied that this is the optimum arrangement for an interim period.

On 1 October 2020, Kristen Eshak Weldon joined the Board as a Non-Executive Director. In September 2021, Kristen took up a new role as Global Head of Sustainable Investing at a financial services organisation, a condition of which precludes her from holding Non-Executive roles on the boards of public companies due to the potential for a conflict of interest. As a result, Kristen will not be standing for re-election at the forthcoming AGM. We are all grateful for Kristen's contribution during her time on the Board.

Currently, the Nomination Committee is planning succession to ensure a measured programme of recruitment and induction for new Non-Executive Directors over the next three years.

Role of the Committee

The primary responsibilities of the Nomination Committee are:

Reviewing the structure, size and composition of the Board and monitoring the range of skills, knowledge and experience required for the Board to operate effectively and to deliver the Group's strategy;

Overseeing Board and senior management succession planning, including setting objective selection criteria and transparent recruitment processes, and making recommendations to the Board in relation to the appointment of Executive and Non-Executive Directors; and

Setting the Group's policy on diversity and inclusion and overseeing its implementation in succession planning across the Group.

Activities of the Committee

Details of the planned meetings of the Committee and attendance are set out on page 54. In the year, the Committee's primary areas of focus were:

- recruitment for Board appointments;
- the succession plans in place for the Board and senior management across the Group;
- the Group's policy on diversity and inclusion;
- the structure, size, composition and diversity of the Board, its Committees and senior management across the Group;
- the Group's talent management, training and development programmes; and
- the Committee's terms of reference to ensure they appropriately reflect the Committee's remit.

Board evaluation

During the year, the Board facilitated an external review of its effectiveness. A tender process was carried out by the Chairman and Company Secretary on behalf of the Board which led to the appointment of Sam Allen of Sam Allen Associates, an experienced and independent provider of board evaluations. Neither Sam Allen nor Sam Allen Associates have provided services to the Group or otherwise had any connections to the Group previously.

The evaluation process was agreed with the Chairman and involved virtual meetings with all Board members, the collation of responses to questionnaires focused on key areas, a review of previous Board papers and minutes, and attendance at a Board and Remuneration Committee meeting. The initial evaluation report and analysis were presented to the Chairman and Senior Independent Director, with the full results discussed with the full Board at a later meeting.

The evaluation provided a valuable external perspective on Board governance and effectiveness, including several recommendations which the Board plans to implement, including the following:

Recommendation	Specific actions
Increase focus on strategy development	Complete a review of market insights and core Group competencies to support development of strategy which will be the subject of regular review.
Determine risk appetite of Board	A separate and specific review of the Board's risk appetite will be arranged to provide clarity and to assist with the development of strategy.
Reduce level of operational detail	The presentation of management information and Board papers will be reviewed to enhance the availability of key information such as KPI and trend reporting, linked to strategy, performance and governance.
Enhance purpose of Board meetings	Ensure that Board papers include sufficient forward-looking information.
Embed ESG considerations	The Board will regularly review stakeholder issues as a separate item to enable consideration of issues such as climate change, stakeholder engagement, culture, diversity and inclusion. The Remuneration Committee will also consider ESG targets and progress in determining executive rewards.

The Company will update shareholders on the progress made in relation to the matters identified above in its 2022 Annual Report.

Nomination Committee Report continued

Group succession planning and development

The Group's succession strategy focuses upon ensuring that sufficient appropriately qualified and experienced employees are recruited or developed internally to meet the future management and leadership needs of the business. Recruitment processes for leadership and senior positions across the Group are managed under the supervision of the Group's HR Director, inviting both internal and external candidates. Independent recruitment consultants are also appointed where appropriate.

Across the Group our career pathway and employee development initiatives continue to evolve which are designed to attract, retain and develop the best talent. Further details of those initiatives are described from page 44.

Board succession

The Nomination Committee led two recruitment exercises during 2020 which led to the appointment of two Directors in the year ended 28 August 2021. Details of the recruitment exercises were set out in our Annual Report and Accounts 2020.

Kristen Eshak Weldon joined the Board on 1 October 2020 as an independent Non-Executive Director and as a member of the Audit, Remuneration and Nomination Committees. On 21 April 2021, we announced that Kristen had also taken over from Alistair Wannop as the Board's Representative for Employee Engagement. On 24 September 2021, due to a change in her full-time role, we announced that Kristen would leave the Board following the AGM in January 2022. The Board is grateful for Kristen's contribution and wishes her success in the future. On 16 November 2021 we announced that Ian Wood had been appointed as the Board's Representative for Employee Engagement.

Hugh Pelham joined the Board on 4 January 2021, becoming Chief Executive at the Group's AGM on 12 January 2021. We announced on 12 October 2021 that Hugh Pelham would leave the Board and his role as Chief Executive with immediate effect, by mutual agreement. For an interim period, I have taken on the role of Executive Chairman, working full time in the business alongside Neil Austin and the management team. On an interim basis, Neil has taken on day-to-day management of the Group's operations, with certain of his financial responsibilities delegated to senior finance employees. It is anticipated that I will revert to being Non-Executive Chairman upon the appointment of a new Chief Executive Officer.

The Committee is currently recruiting for a Non-Executive Director and has commenced the process for a CEO. Shareholders will be kept informed of progress.

At the AGM in January 2022, Alistair Wannop leaves the Board, having served as a Non-Executive Director since 2005. The Board is extremely grateful for Alistair's insight, particularly in UK agriculture, his extensive understanding of the Group's operations, and his significant support and contribution towards the Board's effectiveness over the last 16 years.

Diversity and inclusion

The Group's principal concern when making employment decisions is ensuring that candidates possess the skills, knowledge and experience, or the potential to develop the required skills, knowledge and experience, to meet the requirements of the Group. All appointments, whether external recruitments or internal promotions, are based on merit, and are not influenced or affected by race, colour, nationality, religion or belief, gender, marital status or civil partnership, family status, pregnancy or maternity, sexual orientation, gender reassignment, disability or age. There are no differences in pay structures for persons of different genders performing similar roles.

The Nomination Committee recognises that diversity strengthens the Board, and that it is important to ensure that it is not solely comprised of like-minded individuals with similar backgrounds. The Group's policy is to improve diversity at all levels of the organisation.

Successful delivery of the Group's strategy depends on the recruitment and retention of a motivated and skilled workforce in an increasingly competitive labour market. The Board recognises that steps taken to improve diversity in the workplace can increase the attractiveness of the Group to prospective employees and enhance the available talent pool.

Gender breakdown

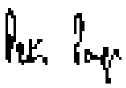
Group employees	Total	1,153
	Male	846
	Female	307
Senior managers	Total	13
	Male	10
	Female	3
Direct reports to senior managers	Total	60
	Male	45
	Female	15

Re-election

At the AGM on 11 January 2022, Peter Page, Neil Austin, John Worby and Ian Wood will stand for re-election to the Board in accordance with best practice under the Corporate Governance Code. The Board will set out in the Notice of Annual General Meeting its reasons for supporting the re-election of each Director. Their biographical details on pages 48 to 49 demonstrate the range of experience and skills which each brings to the benefit of the Group.

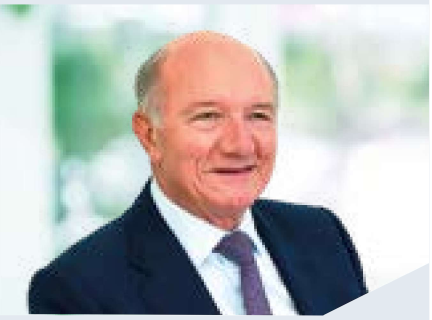
The Chair of the Nomination Committee will attend the Annual General Meeting to respond to any Shareholder questions that might be raised on the Committee's activities.

On behalf of the Board.



Peter Page
Nomination Committee Chair
7 December 2021

Audit Committee Report



John Worby
Audit Committee Chair

Dear Shareholder

On behalf of the Audit Committee, I am pleased to present this report to shareholders which highlights the areas of review during the year and explains how the Committee has reviewed and discharged its responsibilities.

Audit Committee Highlights

- **Effectiveness of internal and external audit reviewed**
- **External audit tender completed**
- **Evaluation of ongoing impact of COVID-19**

Introduction

This report details the principal activities of the Audit Committee during the year, together with information on its governance.

This has been the third year in which KPMG LLP (KPMG) has acted as the Group's auditor, having been first appointed by shareholders at the AGM on 8 January 2019.

In 2021, the Committee carried out an external audit tender with the result that the Committee recommended the appointment of Grant Thornton UK LLP as the Group's auditor for the 2021/22 financial year. Further details of that process and the reasons for the Committee's recommendation are set out later in this report.

Composition of Committee and Meetings

In the year, the Audit Committee comprised four Non-Executive Directors: John Worby, who is Chair of the Committee; Ian Wood; Alistair Wannop; and, from 1 October 2020, Kristen Eshak Weldon.

The Chair of the Committee has recent and relevant financial experience and collectively members of the Committee have in-depth knowledge and experience of agricultural and engineering industries, and a good understanding of the Group's undertakings. Details of Committee members' qualifications can be found on pages 48 to 49.

The Audit Committee met on four scheduled occasions during the year, and has an agenda linked to the Group financial calendar. Additional meetings took place relating to the external audit tender undertaken in the year.

The Committee invites the Chairman, the Chief Executive, the Chief Financial Officer, the Finance Director – Group, Finance Director – Engineering, Head of Group Finance, the Head of Internal Audit and the external auditor to attend its meetings.

During the year, the Committee met with each of the Head of Internal Audit and the external auditor without the Executive Directors or other senior management being present.

The Committee has met three times since the end of the financial year to review and recommend the proposal to change auditors, and to consider internal audit work and the results and Annual Report for the year ended 28 August 2021.

Responsibilities

The key responsibilities of the Committee are to provide effective governance over the integrity of the Company's financial reporting and the effectiveness of its systems of internal control and risk management.

Under its terms of reference, the Committee is required, amongst other things, to:

- Monitor the integrity of the financial statements of the Company including the appropriateness of the accounting policies adopted and whether the Annual Report was fair, balanced and understandable;
- Keep under review and evaluate the effectiveness of the Company's internal financial control, and other internal controls and risk management systems;
- Appraise the Board on how the Company's prospects are assessed;
- Oversee the relationship with the external auditor, making recommendations to the Board in relation to its appointment, remuneration and terms of engagement;
- Monitor and review the effectiveness of the external audit including the external auditor's independence, objectivity and effectiveness and to approve the policy on the engagement of the external auditor to supply non-audit services;
- Review and approve the mandate of the internal auditor, evaluate the work and monitor the effectiveness of the internal auditor, and approve the appointment or removal of the Head of Internal Audit; and
- Review the adequacy of the Company's whistleblowing and anti-bribery arrangements.

The Committee's terms of reference can be found on the Company's website **www.carrsgroup.com**.

Main activities during the year

Set out below is a summary of the key areas considered by the Committee during the year and up to the date of this report.

Financial reporting

During the year the Audit Committee reviewed reports and information provided by the Chief Financial Officer and the external auditor in respect of the half year and full year results, and the Annual Report and Accounts.

An important responsibility of the Audit Committee is to review and agree significant estimates and judgements made by management. To satisfy this responsibility, the Committee reviewed a written formal update from the Chief Financial Officer on such issues at the two meetings to consider the half year and year end results, as well as reports from the external auditors. The Committee carefully considered the content of these reports in evaluating the significant issues and areas of judgement across the Group.

The key areas of judgement in the year were as follows:

- **Capitalisation of cloud hosted software.** The Committee reviewed judgements taken when applying the new accounting policy in relation to the IFRIC agenda decision regarding configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS). This resulted in a change in the accounting policy for such costs which involved a prior year restatement. For further details see note 36. The Committee was satisfied with the judgements made.
- **Contract risks in Engineering, including the risks associated with the judgemental nature of revenue and profit recognition over time.** The Committee reviewed a selection of significant active contracts, challenging management's forecast outturns and profit recognition assessments and examining commercial processes and controls to test the recoverability of contract balances. The Committee determined that the judgements adopted by management were appropriate.
- **The valuation of the Carr's Group defined benefit pension scheme assets and obligations.** The Committee reviewed valuations of the Carr's Group scheme's investments, and the key actuarial assumptions used to value the scheme obligations. The assumptions made were reviewed against market data in conjunction with independent actuarial specialists to assess their appropriateness, and the disclosures on the sensitivity of the obligations to changes in such assumptions were reviewed. The Committee was satisfied that the scheme's assets were appropriately valued, that the assumptions adopted in relation to the scheme's liabilities were appropriate, and that disclosures made in relation to the scheme were appropriate. The Committee also reviewed and was satisfied in relation to the surplus arising on the Carrs Billington Agriculture (Operations) Ltd defined benefit scheme.
- **Estimates of the recoverability of trade receivables in the Agricultural Supplies division.** The Committee reviewed key controls within credit control processes, the estimates and policies adopted in relation to debtors, and the adequacy of the Company's disclosures relating to provisions for receivables. The Committee determined that the estimates and disclosures made were appropriate.
- **Going concern.** The Committee considered various reviews including market analyses, funding availability, forecast modelling, sensitivity analyses and historical comparisons to assess the ongoing risk. and was satisfied that it was appropriate to adopt the going concern basis of accounting for the preparation of the accounts.
- **Potential goodwill impairment.** The Committee challenged the reasonableness of the future business performance assumptions adopted by management for those businesses that had underperformed against expectations. Factors considered included historical performance, industry benchmarks and where relevant the likely long-term impact of the COVID-19 pandemic. The Committee agreed with management's view that an impairment was necessary in relation to the Group's investment in Afgritech LLC but that no other impairments were necessary.

The Committee, further to the Board's request, has reviewed the Annual Report and financial statements with the intention of providing advice to the Board on whether, as required by the Code, "the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy".

To make this assessment, the Committee reviewed a report prepared by the Chief Financial Officer outlining the relevant key matters worthy of consideration. The Committee noted and concurred with the revised segmental disclosure to show separately the financial performance of Speciality Agriculture and Agricultural Supplies. The Committee was satisfied that, where relevant, all the key events and issues which have been reported to the Board in the CEO's reports during the year, both good and bad, have been adequately referenced or reflected within the Annual Report.

The Committee has also reviewed the Group's going concern and viability statement disclosures. It received a written report prepared by the Chief Financial Officer which enabled it to review the base assumptions and various sensitised scenarios throughout the forecast period. The Committee was comfortable with the disclosures made.

Internal control and risk management

During the year the Committee continued to monitor the effectiveness of the Group's internal control and risk management systems and at the end of the year carried out a review of the effectiveness of such systems.

Audit Committee Report continued

The Committee reported to the Board that it had reviewed, and was satisfied with, the effectiveness of the Company's internal control and risk management systems.

External audit

KPMG was appointed as external auditor of the Group at the AGM in January 2021, having first been appointed at the AGM in January 2019. KPMG's engagement partner is Nick Plumb, who has been in place since commencement of the audit for the 2019 financial year.

Following approval by shareholders to appoint KPMG in January 2021, the Audit Committee reviewed and approved the terms of engagement and remuneration of the external auditors for the 2021 financial year.

The Audit Committee assessed the qualifications, expertise and independence of KPMG as auditors as part of the tender process which led to its appointment and updated its assessment during the year.

Audit effectiveness

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. KPMG presented its detailed audit plan to the Committee in June 2021, identifying their assessment of these key risks.

The assessment of the effectiveness and quality of the audit process and in addressing these key risks is formed by, amongst other things, the reporting from the auditors. Each year, following completion of the audit, the Audit Committee assesses its performance and the effectiveness of the external auditor through a questionnaire completed by Audit Committee members and members of the Group's senior finance team. Feedback from that process is reported to the Committee.

In last year's annual report, the Committee reported concerns with efficiencies during completion of the 2018/19 audit. Such concerns were the subject of a debrief with KPMG which resulted in agreed improvements for the 2019/20 audit.

Following the 2019/20 audit, a similar review took place. Whilst the Committee remained satisfied with the robustness of the audit, and the relationship between the Committee and external auditor, the review highlighted further concerns in relation to costs and efficiencies which were the subject of detailed discussions with KPMG. Whilst it was agreed that improvements would be made for the 2020/21 audit, the Committee separately determined it to be appropriate to carry out an external audit tender relating to the 2021/22 audit.

Audit tender and Committee recommendation

For the reasons set out above, the Committee completed a tender exercise in 2021 relating to the appointment of the Group's external auditor for the 2021/22 financial year.

Seven firms were invited to tender, which included a mix of three 'Big Four' firms and four other firms. KPMG, the incumbent auditor, was invited to tender, having been first appointed as the Group's external auditor in 2019. PwC was not eligible to tender, having been the Group's external auditor for a significant period until 2019.

Of the seven firms invited to tender, five, including KPMG, participated in the process. Two firms declined owing to capacity constraints. Following execution of a non-disclosure agreement, access was granted to Group materials via a secure data room.

Presentations from tendering firms took place before a panel including John Worby (Audit Committee Chair), Ian Wood (Audit Committee Member), Neil Austin (Chief Financial Officer) and other senior finance personnel.

Comprehensive and transparent criteria were used by the panel to score tendering firms which covered (amongst others) the following topics:

- Experience, credentials, cultural fit, and enthusiasm of audit team
- Understanding of the Group
- Service approach, and proposals for transition and delivery
- Approach to quality assurance
- Value for money and fee transparency
- Clarity of communication
- Ability to add value

The respective merits of the tendering firms were subsequently considered at length by the panel and Committee. Ultimately, the Committee recommended the appointment of Grant Thornton UK LLP, with Mick Frankish as lead audit partner, to the Board. The Committee's recommendation was driven by, amongst other factors, the quality of Grant Thornton's presentation and proposition for audit combined with a good cultural fit, strong audit quality results, and a competitive and transparent fee structure.

The proposed appointment will be put to shareholders at the AGM in January 2022. In preparation for engagement as the Group's external auditors, Grant Thornton attended the 2020/21 year-end Committee meeting.

Auditor independence

The Group meets its obligations for maintaining an appropriate relationship with the external auditor through the Audit Committee, whose terms of reference include an obligation to consider and keep under review the degree of work undertaken by the external auditor other than the statutory audit, to ensure such objectivity and independence is safeguarded.

In accordance with the Auditing Practices Board's Ethical Standards, the Group's external auditor must implement rules and requirements which include that none of their employees working on our audit can hold any shares in the Company. The external auditor is also required to tell us about any significant facts and matters that may reasonably be thought to bear on their independence or on the objectivity of the lead partner and the audit team. The lead partner in the audit team must change every five years.

The Audit Committee annually reviews the Company's Non-Audit Services policy, updating and approving the policy where appropriate. The objective of the policy is to ensure that the provision of any such services does not impair, or is not perceived to impair, the external auditors' independence or objectivity. The policy imposes guidance on the areas of work that the external auditors may be asked to undertake and those assignments where the external auditors should not be involved.

There is a further category of services for which a case-by-case decision is necessary. The policy can be viewed on the Company's website **www.carrsgroup.com**.

In order to ensure that the policy is effective, and the level of non-audit fees is kept under review, all non-audit services must be approved by the Chief Financial Officer and reported to the Committee. Prior approval of the Committee is also required before the external auditor is engaged to provide non-audit services costing in excess of £25,000 in aggregate. During the 2021 financial year, there was no non-audit work undertaken by the Group's external auditor.

The Committee concluded that it was satisfied with the independence of KPMG as auditors, and of Grant Thornton UK LLP as the proposed auditors for 2021/22.

Internal audit

The Committee is responsible for monitoring the performance and effectiveness of the Company's internal audit activities.

During the year, the Committee reviewed and approved the internal audit plan which is devised from assessments across the Group's operations and aligned to the Group risk framework as well as business-specific risks. On an annual basis, the Committee also reviews and approves the Group's internal audit charter which describes the role and mandate of the internal audit function.

Whilst the internal audit plan continued to be impacted in 2021 by COVID-19 restrictions, particularly owing to the Group's imposition of travel restrictions, the Committee was satisfied with the work done during the year which included considering the design and operating effectiveness of financial controls, the integrity of financial reporting, contract accounting and monitoring, environmental controls and processing controls.

At each of the Committee's meetings during the year, the Group's Head of Internal Audit provided updates on internal audit activities. Internal audit findings, together with responses from management, were considered by the Committee and, where appropriate, challenged.

The Committee also keeps the performance and effectiveness of the internal audit function under review and in doing so it also assesses the quality, experience, and expertise within the internal audit function. The Committee was satisfied that the internal audit function continues to operate effectively, despite the challenges brought by COVID-19, and that the expertise and level of resource available to internal audit were appropriate.

Since the year end, the Committee has agreed the internal audit plan for 2022, which will continue to be reviewed on a quarterly basis to be able to respond in the event that further challenges are experienced in connection with COVID-19.

Other activities

The Committee also reviewed its terms of reference, its effectiveness, the Group's policies on whistleblowing, business ethics and on the prevention of bribery and modern slavery.

Conclusion

The Committee considers that the work performed above demonstrates that the Committee continues to operate effectively and fulfil its responsibilities.

I will be available to shareholders at the forthcoming AGM to respond to any questions relating to the Audit Committee's work.

John Worby
Audit Committee Chair
7 December 2021

Remuneration Committee Report

Ian Wood
Remuneration Committee Chair

Dear Shareholder

I am pleased to present the Report of the Remuneration Committee for the year ended 28 August 2021.

Remuneration Committee Highlights

- **Approval of Remuneration Policy**
- **Consultation with shareholders on FY20 Remuneration Report**
- **Alignment of Executive Director pension contributions**

1. Annual Statement

Introduction to the report

The Committee's report is presented in the following sections:

1. This Annual Statement, which summarises the key considerations of the Committee during the year.
2. The Directors' Remuneration Policy, which was approved at the AGM which took place on 12 January 2021. No changes to the Remuneration Policy are proposed this year.
3. The Annual Report on Remuneration, which sets out how the Remuneration Policy was applied in 2020/21, the remuneration received by Directors relating to 2020/21, and how the policy will be applied during 2021/22. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the AGM.

Performance and remuneration in 2020/21

The Group's financial performance in the year was strong. Adjusted profit before tax was ahead of the Board's original expectations at £16.6m and 11.1% ahead of the prior year (2020: restated £15.0m). Adjusted earnings per share increased 10.0% to 13.2p (2020: restated 12.0p).

Progress also was made against the Group's long-term goals, with the development of strategy under the leadership of the Executive Directors including work towards the development of an environmental and sustainability framework, the identification of suitable acquisition opportunities, and the commencement of several initiatives to standardise Group practices, improve governance and realise efficiencies.

Taking into consideration the Group's financial performance and strategic development in the year, the Committee determined that targets set in respect of annual bonuses had been met[1].

Owing to the performance of the Group over the last three financial years, no award shares granted to Executive Directors under the Group's Long-Term Incentive Plan will vest in 2021.

The Committee is satisfied that the Remuneration Policy operated as intended in 2020/21, and that remuneration outcomes for Executive Directors were well aligned with Group strategy and shareholder interests.

Full details of the remuneration targets set by the Committee, together with performance against those targets and the remuneration outcomes, are set out in the Annual Report on Remuneration which follows from page 74.

Committee focus in 2020/21

This was a busy year for the Committee. Key areas of focus included:

- A review of Executive Director remuneration[2] and setting remuneration for Executive Directors, the Chairman and Senior Management.
- Overseeing wider workforce remuneration in the context of fairness.
- Developing and agreeing performance-related targets for Executive Directors in line with strategy, and monitoring outcomes.
- A review of the Directors' Remuneration Policy, which was put to shareholders at the AGM on 12 January 2021 receiving a 99.7% vote in favour.
- The completion of a shareholder consultation exercise in relation to the Committee's Annual Report on Remuneration for 2019/20.
- The alignment of Executive Director pension contributions with the wider workforce, in line with best practice under the Corporate Governance Code.

Further information on each of the above matters is set out on the pages which follow.

1 No annual bonus was paid to Hugh Pelham, who stood down from the Board on 11 October 2021.
2 Full details of the Committee's review of Executive Director remuneration, and of changes made to Executive remuneration as a consequence, were included in the Committee's report for the prior year.

Interim arrangements

On 11 October 2021, Hugh Pelham stepped down from his role as CEO and left the Group with immediate effect. As a consequence, and on an interim basis until the Board appoints a CEO in succession, Peter Page (Chairman) became Executive Chairman and Neil Austin (CFO) took on additional operational responsibilities. Further details on roles and responsibilities during the interim period is set out in the Corporate Governance Report on page 52. Details of Hugh Pelham's remuneration on departure are set out on page 79. Following the year end a consultation exercise took place with certain major shareholders prior to finalising remuneration arrangements for Peter Page during the interim period until the appointment of a permanent CEO for the Group. Details of such arrangements are set out on the pages which follow.

Shareholder consultation

At the AGM on 12 January 2021, whilst the Directors' Remuneration Policy received overwhelming support (99.7%), the Committee's Annual Report on Remuneration was approved with the support of just 54.5% of proxy votes cast.

To deepen our understanding of investor concerns, the Committee contacted investor advisory bodies and shareholders representing 97.0% of the votes cast against the Report. Feedback was received from over 80% of the organisations contacted, which was given either in writing or through virtual meetings which I attended together with the Company Secretary.

That feedback identified the following key concerns with the Committee's Report:

1. That the Group's CEO had been appointed with a base salary which was 16.6% greater than his predecessor. During 2020, an increase of 17.5% was also applied to the base salary of the Company's CFO.
2. That annual bonuses were paid to Executive Directors in relation to the achievement of non-financial targets notwithstanding that some support had been taken in the year by the Group under the UK Government's Coronavirus Job Retention Scheme.

The Committee notes shareholder feedback on the incoming remuneration package of the CEO. The Board recognises the importance of recruiting, retaining and motivating an executive team who can drive the Group's strategy and grow shareholder value as a priority. When recruiting the CEO, the Board carried out an extensive search of the market, with the remuneration package offered being reflective of the outcome of this process in relation to the calibre of candidate required. As such, our remuneration philosophy remains that the overall remuneration package offered should be sufficiently competitive to attract, retain and motivate high-quality executives, whilst not being excessive.

In 2020, the Committee looked to review salaries in the market. As part of this review, the Committee realigned salaries to market levels, including the CFO's salary, which was below the market competitive level, having not been reviewed against the market since 2013. It was noted that, following this adjustment, shareholder concerns were not raised in relation to the overall levels of remuneration paid to Executive Directors. However, the Committee will take on board feedback from a number of shareholders around the need for more regular and incremental salary reviews in future and for any above-inflationary increases to be accompanied by a compelling rationale such as where Executive Directors develop in role.

When reviewing payments under the annual bonus plan, the Committee took into account alignment with the wider workforce and broader stakeholders, including shareholders. Employees across the Group continued to receive bonuses in relation to performance during the year and investment in training initiatives increased on the prior year. Shareholders continued to receive dividends, and charitable donations from the Company were maintained. Bonuses were paid in respect of non-financial targets only, and no relief was given against targets despite the challenges associated with COVID-19 during 2019/20.

The Group published the outcome of its shareholder consultation on its website on 22 April 2021. A copy was also added to the Public Register maintained by the Investment Association and provided to all shareholders who provided feedback.

During the year, the Committee reviewed the Remuneration Policy to ensure it remained fit for purpose and determined that no changes were required at this time. The Committee remains cognisant of shareholder feedback in implementing the Policy. For the 2020/21 financial year, the Group did not utilise any support from the Coronavirus Job Retention Scheme.

It is important that the Committee fully understands stakeholder views so that it can be sure these are properly considered in reaching decisions. On behalf of the Committee, I am very grateful for the engagement and feedback offered during this process.

Remuneration in 2021/22

For 2021/22, the maximum annual bonus for the Executive Directors will remain 100% of salary, with 25% of any amount awarded being deferred for two years in the form of shares.

Non-financial targets for the annual bonus also incorporate ESG considerations, which focus upon developing the Group's ESG strategy. The Committee also intends to grant LTIP awards of 100% of salary, which will be based upon stretching EPS targets. Under the interim arrangements described above, and in his capacity as Executive Chairman, Peter Page will receive no performance-related remuneration.

I hope that you are able to support the Remuneration Committee's Report at the forthcoming AGM on 11 January 2022.

Ian Wood
Remuneration Committee Chair
7 December 2021

2. Remuneration Policy

Introduction

This part of the report sets out the remuneration policy for the Group and has been prepared in accordance with The Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (as amended).

The current policy was approved by the shareholders at the AGM which took place on 12 January 2021, receiving a 99.7% proxy vote in favour. No changes are proposed to the policy this year.

The role of the Committee

The primary role of the Remuneration Committee is to make recommendations to the Board on the Group's policy for Executive Director remuneration. The Committee also has delegated responsibility for determining the remuneration and benefits of the Chairman, the Executive Directors and senior management including the Company Secretary.

Key responsibilities include:

- Determining the Executive Directors' Remuneration Policy to ensure that it aligns with Group culture and strategy, and to ensure that the Group rewards fairly and responsibly
- Reviewing remuneration trends, employment conditions and policies across the Group
- Determining the broad policy on executive remuneration, and setting remuneration for the Chairman, Executive Directors and senior management
- Determining targets and outcomes for performance-related pay schemes of the Executive Directors and senior management
- Reviewing the design of any share incentive plans for approval by the Board and/or shareholders
- Engaging with stakeholders on matters within its remit

Overview of policy

When setting the policy for Directors' remuneration, the Committee takes into account the overall business strategy, considering the long-term interests of the Group, with the aim of incentivising the delivery of rewards to the Group's shareholders, workforce and broader stakeholders.

The Group's policy is that the overall remuneration packages offered should be sufficiently competitive to attract, retain and motivate high-quality executives and to align the rewards of the Executive Directors with the progress of the Group, whilst giving consideration to salary levels in similar size quoted companies in similar industry sectors and views of shareholders.

The remuneration package is split into two parts:

- a non-performance-related element represented by basic salary, benefits and pension; and
- a performance-related element in the form of an annual bonus (including a Deferred Share Bonus Plan) and a Long Term Incentive Plan.

Considerations of conditions elsewhere in the Group

In determining the remuneration of the Group's Directors, the Committee takes into account the pay arrangements and terms and conditions across the Group as a whole. The Committee seeks to ensure that the underlying principles which form the basis for decisions on Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for the Executive Directors.

However, there are some differences in the Executive Directors' Remuneration Policy compared to that for the wider workforce, which the Committee believes are necessary to reflect the differing levels of seniority and scope of responsibility. A greater weight is placed on performance-based pay through the quantum and participation levels in incentive schemes to ensure the remuneration of the Executive Directors is aligned with the performance of the Group and the interests of shareholders.

Consideration of shareholder views

In formulating this policy, the Committee has taken into consideration the views and policies of shareholders and proxy agencies. Proposed changes to the policy were communicated to major shareholders prior to its formation in 2020, and all feedback taken into consideration. Advice was also taken on best practice from appropriately qualified remuneration advisers Aon plc and PricewaterhouseCoopers LLP. The views offered to the Committee were taken into account in developing the policy below, which received overwhelming support (99.7% of proxy votes cast by shareholders) at the AGM on 12 January 2021.

In 2021, a consultation exercise was undertaken in connection with the Committee's Annual Report on Remuneration. For further information please see the Annual Statement at the outset of this Report on page 64. The Committee reviewed the Directors' Remuneration Policy during the year in the light of its consultation, determining that no changes were required at this time but remaining cognisant of shareholder views.

The Committee welcomes feedback from all stakeholders at all times.

Remuneration policy table

Element	Purpose and link to strategy	Policy and approach	Opportunity
EXECUTIVE DIRECTORS			
Base salary	To attract and retain the best talent. Reflects an individual's experience, performance and responsibilities within the Group.	Salary levels (and subsequent salary increases) are set taking into consideration a number of factors, including: • level of skill, experience and scope of responsibilities of individual; • business performance, economic climate and market conditions; • increases elsewhere in the Group; and • external comparator groups (used for reference purposes only). Salaries are normally reviewed annually with any increase effective 1 September each year.	There is no formal maximum; however, increases will normally align with the general increase for the broader employee population of the Group. More significant increases may be awarded from time to time to recognise, for example, development in role and change in position or responsibility. Current salary levels are disclosed in the Annual Report on Remuneration.
Pension	Provides a competitive and appropriate pension package that is aligned with arrangements across the Group.	Executive Directors are entitled to participate in a defined contribution pension arrangement or to receive a cash alternative to those contributions. Subject to as provided below, Company contributions for all Executive Directors are at a rate which does not exceed the contribution rate available to the majority of the UK workforce (currently 4%). To the extent that pension contributions exceed annual tax-free allowances, Executive Directors will be entitled to receive payment through ordinary payroll in lieu of pension contributions.	Up to a maximum rate not exceeding that available to the majority of the UK workforce (currently 4%).
Benefits	To aid retention and remain competitive in the market place.	Benefits provided include permanent health insurance, private medical insurance and life assurance. Relocation benefits may also be provided in the case of recruitment of a new Executive Director. The benefits provided may be subject to minor amendment from time to time by the Committee within this policy. The Company may reimburse any reasonable business-related expenses incurred in connection with their role (including tax thereon if these are determined to be taxable benefits).	Market rate determines value. There is no prescribed maximum level but the Remuneration Committee monitors the overall cost of benefits to ensure that it remains appropriate.

Remuneration policy table continued

Element	Purpose and link to strategy	Policy and approach	Opportunity
EXECUTIVE DIRECTORS			
Annual bonus	Designed to reward delivery of key strategic priorities during the year.	Bonus levels and appropriateness of performance measures and weighting are reviewed annually to ensure they continue to support our strategy. Bonuses are capped at 100% of base salary. 25% of any bonus earned will be deferred into awards over shares, with awards normally vesting after a two-year period. Performance is measured against stretching targets. These may include financial and non-financial measures. Financial measures will account for the majority and will typically include a profit-related target. Performance targets will be disclosed retrospectively, given commercial sensitivities of disclosing targets. The threshold level of bonus under each measure is 0%. The cash element of the bonus is usually paid in November each year for performance in the previous financial year. Dividends will accrue on deferral awards over the vesting period and be paid out either as cash or as shares on vesting and in respect of the number of shares that have vested. A malus and clawback mechanism applies in specific circumstances including in the event of a material misstatement of the Group's accounts and also for other defined reasons including material financial misstatement, reputational damage, gross misconduct, fraud, error in the assessment of performance measures and corporate failure. These provisions apply to both the cash and deferred elements of the bonus.	Maximum of 100% of base salary.
Save As You Earn (SAYE)	To encourage employee involvement and encourage greater shareholder alignment.	An HMRC approved SAYE scheme is available to eligible staff, including Executive Directors.	The schemes are subject to the limits set by HMRC from time to time.

Element	Purpose and link to strategy	Policy and approach	Opportunity
Long Term Incentive Plan (LTIP)	To motivate and incentivise delivery of sustained performance over the longer term, and to support and encourage greater shareholder alignment.	Annual awards of performance shares which normally vest after three years subject to performance conditions. Award levels and performance conditions required for vesting are reviewed annually to ensure they continue to support the Group's strategy. Annual awards are capped at the equivalent of 100% of base salary at the date of award. In accordance with the rules of the LTIP, which were approved by shareholders at the AGM on 8 January 2013, in circumstances considered by the Committee to be exceptional, single awards in excess of 100% of base salary can be made, up to a maximum of 200% of base salary at the date of the award. Awards are currently based solely upon an EPS growth measure, although the Committee reserves the right to introduce further or alternative performance measures where considered appropriate from time to time and following consultation with major shareholders. 25% vests at threshold performance. There is straight-line vesting between threshold and maximum. A two-year post-vesting holding period applies to the net of tax shares for awards granted in 2018 and beyond. A malus and clawback mechanism applies in specific circumstances including in the event of a material misstatement of the Group's accounts and also for other defined reasons.	Maximum of 100% of base salary for annual awards. Exceptional awards can be made of up to 200% of base salary.
Shareholding guidelines	To provide alignment with shareholder interests.	Executive Directors are required to build up a shareholding equivalent to 200% of base salary over a five-year period.	N/A
Post-cessation shareholding	To provide alignment with shareholder interests in the long term.	Executive Directors are required to retain all shares acquired on vesting under the Company's LTIP, up to a value equal to 200% of their basic salary, for a period of two years following the cessation of their employment with the Company for any reason. This requirement will apply to all shares which vest after the Policy took effect on 12 January 2021, regardless of when awards were made under the Company's LTIP.	N/A

Remuneration policy table continued

Element	Purpose and link to strategy	Policy and approach	Opportunity
NON-EXECUTIVE DIRECTORS			
Non-Executive Director fees	To attract and retain a high-calibre Chairman and Non-Executive Directors by offering market competitive fee levels.	Remuneration reflects: • the time commitment and responsibility of their roles; • market rate; and • that they do not participate in any bonus, pension or share-based scheme. Our policy is for the Executive Directors to review the remuneration of Non-Executive Directors annually following consultation with the Chairman. The Chairman's remuneration is reviewed annually by the Remuneration Committee. The Chairman and the Non-Executive Directors are entitled to reimbursement of reasonable expenses. They may also receive limited travel or accommodation-related benefits in connection with their role as a Director. The Non-Executive Directors will not participate in the Group's share, bonus or pension schemes. Non-Executive Directors are engaged for terms of one year subject to appointment and reappointment at the Company's AGM.	Non-Executive Directors receive a single fee for all services to the Company. Levels of fee are reviewed annually with any increases normally aligning with general increases for the broader employee population of the Group.

Remuneration Committee discretions

The Committee will operate the annual bonus plan and LTIP according to their respective rules. To ensure the efficient operation and administration of these plans, the Committee retains discretion in relation to a number of areas. This is consistent with market practice. Such areas include (but are not limited to):

- the participants;
- the timing of grant and/or payment;
- the size of grants and/or payments (within the limits set out in the Policy table);
- the determination of vesting based on the assessment of performance;
- the determination of a 'good leaver' and where relevant the extent of vesting in the case of the share-based plans;
- treatment in exceptional circumstances such as a change of control;
- making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividends);
- cash-settling awards; and
- the annual review of performance measures, weightings and setting targets for the discretionary incentive plans from year to year.

The Committee also retains the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose. Any varied performance condition would not be materially less difficult to satisfy in the circumstances.

Performance measures and targets

Our Group strategy and business objectives are the primary consideration when we are selecting performance measures for incentive plans. The annual bonus is based on performance against a stretching combination of financial and non-financial measures. Profit before tax reflects the Group's strategic objective to increase profit. In addition, Executive Directors are assessed on strategic objectives as agreed by the Committee at the beginning of the year. The LTIP is assessed against growth in adjusted earnings per share as it rewards improvement in the Group's underlying financial performance and is a measure of the Group's overall financial success and is visible to shareholders.

Targets within incentive plans that are related to internal financial measures, such as profit, are typically determined based on our budgets. The threshold and maximum levels of performance are set to reflect minimum acceptable levels at threshold and very stretching but achievable levels at maximum. At the end of each performance period we review performance against the targets, using judgement to account for items such as foreign exchange rate movements, changes in accounting treatment, and significant one-off transactions. The application of judgement is important to ensure that final assessments of performance are fair and appropriate. In addition, the Remuneration Committee reviews the bonus and incentive plan results before any payments are made to Executive Directors or any shares vest and has full discretion to adjust the final payment or vesting downwards if they believe the circumstances warrant it.

Approach to recruitment remuneration

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

Buy-out awards

In addition, the Committee may offer additional cash and/or share-based elements (on a one-time basis or ongoing) when it considers these to be in the best interests of the Group (and therefore shareholders). Any such payments would be limited to a reasonable estimate of value of remuneration lost when leaving the former employer and would reflect the delivery mechanism (i.e. cash and/or share-based), time horizons and whether performance requirements are attached to that remuneration.

Maximum level of variable pay

The maximum initial level of long-term incentives which may be awarded to a new Executive Director will ordinarily be limited to 200% of base salary (i.e. 100% annual bonus plus 100% Long Term Incentive Plan). This can be increased to 300% in exceptional circumstances (i.e. 100% annual bonus plus 200% Long Term Incentive Plan). These limits are in addition to the value of any buy-out arrangements which are governed by the policy above.

In the case of an internal appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other previously awarded entitlements would continue, and be disclosed in the next Annual Report on Remuneration.

Base salary and relocation expenses

The Committee has the flexibility to set the salary of a new appointment at a discount to the market level initially, with a series of planned increases implemented over the following few years to bring the salary to the appropriate market position, subject to individual performance in the role.

For external and internal appointments, the Committee may agree that the Group will meet certain relocation expenses as appropriate.

Appointment of Non-Executive Directors

For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time.

Directors' terms of employment and loss of office

The Group's current policy is not to enter into employment contracts with any element of notice period in excess of one year. All Non-Executives are appointed for terms of 12 months and stand for re-election annually at the Company's AGM. Copies of Executive Directors' service contracts and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during normal hours of business.

An Executive Director's service contract may be terminated summarily without notice and without any further payment or compensation, except for sums accrued up to the date of termination, if they are deemed to be guilty of gross misconduct or for any other material breach of the obligations under their employment contract.

The Group has the right to terminate contracts by making a payment in lieu of notice. Any such payment will typically reflect the individual's salary, benefits and pension entitlements. The Group has the ability to mitigate costs and phase payments if alternative employment is obtained.

There will be no automatic entitlement to a bonus if an Executive Director has ceased employment or is under notice. However, the Committee may at its discretion pay a prorated bonus in respect of the proportion of the financial year worked. Such payment could be payable in cash and not subject to deferral.

Directors' terms of employment and loss of office continued

Any share-based entitlements granted to an Executive Director under the Group's share plans will be treated in accordance with the relevant plan rules. Usually, any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, injury, disability, redundancy, retirement with the consent of the Committee, or any other circumstances at the discretion of the Committee, 'good leaver' status may be applied.

For good leavers under the LTIP, outstanding awards will vest at the original vesting date to the extent that the performance condition has been satisfied and be reduced on a pro rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by the Group. For good leavers under the deferred bonus plan, unvested awards will usually vest in full upon cessation.

In determining whether a departing Executive Director should be treated as a 'good leaver', the Committee will take into account the performance of the individual and Group over the whole period of employment and the reasons for the individual's departure.

In the event of a change of control resulting in termination of office, the Executive Directors are entitled to 12 months' base salary.

The Non-Executive Directors are not entitled to any compensation for loss of office.

Dates of service contracts and appointment to the Board for all Directors are given below:

	Date of service contract/letter of appointment	Date of first appointment to the Board	Date stood/standing down
Executive Directors			
Hugh Pelham	23 August 2020	4 January 2021	11 October 2021
Neil Austin	1 January 2013	1 May 2013	
Tim Davies	18 October 2012	1 March 2013	12 January 2021
Non-Executive Directors			
Peter Page*	1 September 2021	1 November 2019	
John Worby	1 September 2021	1 April 2015	
Ian Wood	1 September 2021	1 October 2015	
Alistair Wannop	1 September 2021	1 September 2005	11 January 2022
Kristen Eshak Weldon	1 September 2021	1 October 2020	11 January 2022

* Executive Chairman under interim arrangements from 11 October 2021.

Estimates of total future potential remuneration from 2021 pay packages

The tables below provide estimates of the potential future remuneration of each Executive Director based on the remuneration opportunity granted in the 2021/22 financial year. Potential outcomes based on different scenarios are provided for each Executive Director.

The assumptions underlying each scenario are described below.

Fixed	Consists of base salary, pension and other benefits. Save as otherwise stated, base salaries are as at 1 September 2021. Benefits are valued using the figures in the total remuneration for the 2021 financial year table, adjusted for any benefits that will not be provided during 2022. Pensions are valued by applying the appropriate percentage to the base salary.

	Base £'000	Benefits £'000	Pension £'000	Total £'000
Peter Page	293**	-	-	293
Hugh Pelham	208*	1	5	214
Neil Austin	256	1	10	267

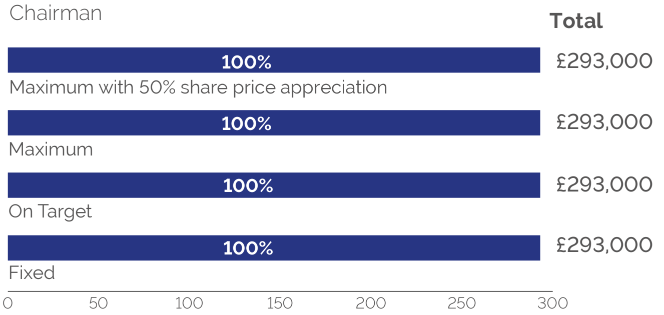
On target	Based on what a Director would receive if performance was in line with plan, and if the threshold level was achieved under the LTIP.
Maximum	Assumes that the full stretch target for the LTIP is achieved, and maximum performance is obtained under both the financial and non-financial targets set for the annual bonus scheme.
Maximum with 50% share price appreciation	Assumes maximum remuneration outcomes are achieved and a 50% increase in the value of share-based remuneration.

* Reflecting the total remuneration payable in respect of the financial year comprising basic salary, pension and other benefits for the period to 11 October 2021 together with a payment in lieu of notice of £170,000 which was payable upon Hugh Pelham stepping down from the Board.

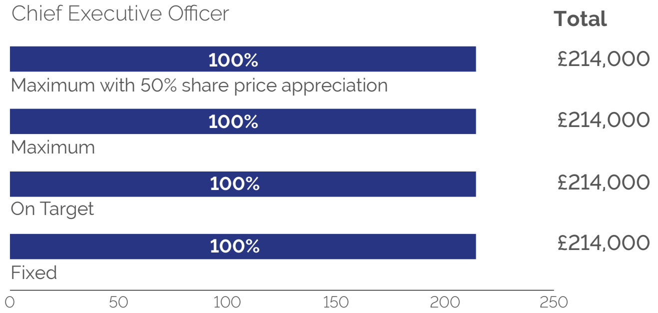
** Reflective of £91,800 per annum as Non-Executive Chairman until 11 October 2021 and £340,000 per annum thereafter as Executive Chairman under interim arrangements.

Remuneration estimates based upon outcomes

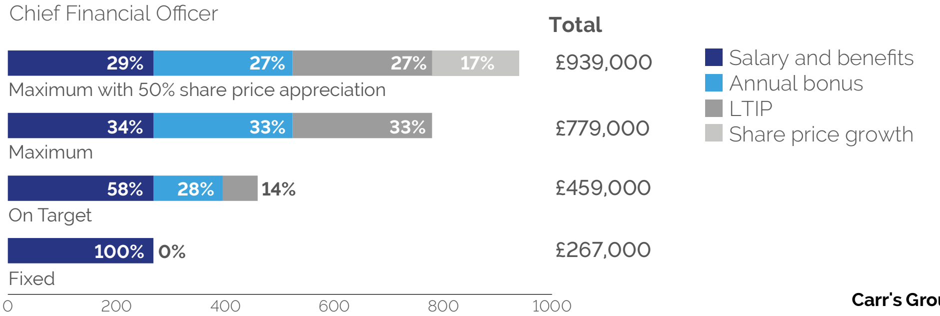
Peter Page
Chairman



Hugh Pelham
Chief Executive Officer



Neil Austin
Chief Financial Officer



3. Annual Report on Remuneration

This part of the Directors' Remuneration Report sets out a summary of how the Directors' Remuneration Policy was applied during the 2020/21 financial year.

Remuneration Committee

During the 2020/21 year, the Remuneration Committee comprised Ian Wood (Chair), John Worby, Alistair Wannop, Peter Page and, from 1 October 2020, Kristen Eshak Weldon. The Committee held four scheduled meetings during the year with all members in attendance (see page 54).

Peter Page stepped down from the Remuneration Committee upon assuming the role of Executive Chairman on an interim basis in October 2021.

The Executive Directors may attend meetings of the Remuneration Committee by invitation and in an advisory capacity only. No person attends any part of a meeting at which his or her own remuneration is discussed. The Chairman and the Executive Directors determine the remuneration of the other Non-Executive Directors.

During the year the Committee considered:

- the Directors' Remuneration Policy;
- levels of basic pay and remuneration structures for Executive Directors, the Chairman and senior management;
- variable pay performance targets for Executive Directors, both financial and non-financial;
- outcomes under variable pay arrangements for Executive Directors and senior management;
- shareholder feedback relating to Executive Director remuneration;
- pay and benefits structures across the Group (including gender pay gap reporting and CEO pay ratios);
- the Committee's terms of reference; and
- the Corporate Governance Code and developing remuneration trends, and their impact on the activities of the Committee and remuneration policy.

2021 remuneration (audited information)

In this section we summarise the pay packages awarded to our Executive Directors for performance in the 2021 financial year versus 2020. The table below shows all remuneration that was earned by each individual during the year and includes a single total remuneration figure for the year.

	Salary/Fees		Benefits		Pension		Total fixed pay		Bonus		LTIP		Total variable pay	
£'000	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Executive Directors														
Hugh Pelham[1]	**225**	-	**1**	-	**9**	-	**235**	-	**-**[5]	-	**-**	-	**-**	-
Neil Austin	**245**	211	**2**	1	**14**	32	**261**	244	**242**	38	**-**	98	**242**	136
Tim Davies[4]	**120**	286	**1**	1	**18**	43	**139**	330	**120**	43	**-**	135	**120**	178
Non-Executive Directors														
Peter Page	**90**	75[2]	**-**	-	**-**	-	**90**	75[2]	**-**	-	**-**	-	**-**	-
Alistair Wannop	**40**	40	**-**	-	**-**	-	**40**	40	**-**	-	**-**	-	**-**	-
John Worby	**40**	40	**-**	-	**-**	-	**40**	40	**-**	-	**-**	-	**-**	-
Ian Wood	**40**	40	**-**	-	**-**	-	**40**	40	**-**	-	**-**	-	**-**	-
Kristen Eshak Weldon	**37**[3]	-	**-**	-	**-**	-	**37**[3]	-	**-**	-	**-**	-	**-**	-

1 Reflective of 8 months' service in the year following appointment on 4 January 2021.
2 Reflective of 10 months' service in the year following appointment on 1 November 2019.
3 Reflective of 11 months' service in the year following appointment on 1 October 2020.
4 Figures for 2021 are reflective of 5 months' service in the year.
5 Owing to the anticipated financial performance of the Group, an accrual of £207,000 was made in the Group's accounts on the expectation that such sum would be payable in bonus following the end of the financial year to Hugh Pelham. Following Hugh Pelham standing down from the Board after the financial year end, no bonus was ultimately paid.

2021 annual bonus pay out

The annual bonus is calculated using a combination of financial and strategic performance targets which are set with regard to Group budget, historic performance, market outlook and future strategy.

Notwithstanding the Group's performance, no bonus was paid under either financial or non-financial targets to Hugh Pelham who stood down from the Board on 11 October 2021.

Financial targets

80% of the bonus was based on Group adjusted profit before tax ("PBT"). Adjusted PBT is calculated as reported PBT after adding back or deducting any one-off items outside of normal trading that were not anticipated at the time the performance targets were set, such as acquisition-related costs. The Group is committed to disclosing its performance targets retrospectively save where this is prevented due to commercial sensitivities. For the year ended 28 August 2021, the PBT targets were set in accordance with the table below.

Threshold target (0%) £'000	Basic target (40%) £'000	Maximum target (80%) £'000
14,629	15,399	16,169

Payments are adjusted on a straight-line basis between the targets set out above, although the Committee determined that no annual bonus would be payable in the event of a performance which failed to exceed performance in the prior year at £14.938m.

For the year ended 28 August 2021, adjusted PBT for the Group was £16.6m with the result that the maximum annual bonus would be payable to the Executive Directors under the financial targets.

Strategic targets

Strategic targets, which account for 20% of the bonus, were set at the start of the year. Strategic targets would be assessed independently of financial performance, but the Committee determined that no more than 50% of the bonus available for the strategic targets would become payable if financial performance did not at least meet the basic target.

Details of certain key strategic targets set by the Committee are provided in the tables on the following pages.

Neil Austin:

Objective	Performance Measure	Performance Outcome	Committee's assessment of achievement
Support onboarding of incoming CEO	Support with familiarisation with Group structure. Support in relationship building across subsidiaries, joint venture, and strategic partners. Support in review and further development of Group strategy. Support with familiarisation of corporate governance.	Provided appropriate support during onboarding and facilitated relationship building across the Group and with all key stakeholders. Provided sound advice and assistance in connection with the management of the transition to new management.	90% achieved
ERP project	Progress Group's ERP project in line with approved budget and delivery programme. Successful go-live within Carr's Billington business during financial year. Programme on track for go-live in US Speciality Agriculture during FY22. Keep Board appraised of progress and seek timely approvals in connection with required changes.	Go-live achieved in Carr's Billington as planned on 1 September 2021, subject to certain minor issues to be resolved in the new financial year. Programme on track and implementation within US Speciality Agriculture expected during FY22. Board well appraised of progress during year with regular updates. Costs slightly in excess of approved budget.	85% achieved
Support CEO in improving performance in certain Group businesses	Supporting development of specific business improvement initiatives.	Appropriate support provided in the development of business improvement initiatives.	85% achieved
Personal development	Continued skills and knowledge development through completion of Harvard Business School modules. Take on operational responsibility for areas of the Group.	Good personal development in the year, despite postponement of certain Harvard Business School modules due to COVID-19. Plan established for taking on operational responsibility in FY22.	70% achieved
Committee's assessment of total opportunity to be awarded:			**83%**

Tim Davies:

Objective	Performance Measure	Performance Outcome	Committee's assessment of achievement
CEO handover	Develop handover plan in conjunction with incoming CEO. Introduction to key contacts within and outside the Group. Develop calendar of key dates to enable smooth transition.	Clear handover plan developed and well-implemented in a timely manner. Board satisfied smooth handover achieved.	100% achieved
Build and develop market, customer and competitor analyses across the Group in support of handover	Development of materials. Introduction of incoming CEO to strategy mapping information together with reference library.	Analysis of relevant materials developed across each Group business and detailed induction meetings took place involving third party market specialists. Programme of discussing data mapping and works developed.	100% achieved
Committee's assessment of total opportunity to be awarded:			**100%**

Hugh Pelham:

Objective	Performance Measure	Performance Outcome	Committee's assessment of achievement
Group initiatives	Development of Group strategy. Completion of market research and identification of acquisition targets. Development of business improvement plans. Development of sales training programme.	N/A	N/A
Divisional initiatives: Speciality Agriculture	Establishment of divisional structure together with consistent operating, commercial and financial standards. Development of marketing plan.	N/A	N/A
Divisional initiatives: Agricultural Supplies	Development of plan to optimise joint venture structure. Development of plan to enhance operational efficiencies.	N/A	N/A
Divisional initiatives: Engineering	Implementation of consistent operating standards. Completion of key partnering agreements. Completion of customer surveys and development of follow-up plans.	N/A	N/A
Committee's assessment of total opportunity to be awarded:			**N/A**

Following the year end, the Committee considered outcomes against the strategic targets. The tables above summarise the Committee's assessment of performance against the targets together with the resulting bonus assessed as payable for each of the Executive Directors.

In addition to the above financial and strategic performance indicators, the Committee retains full discretion when assessing performance outcomes to consider other factors which may include environmental, social and governance considerations and in order to avoid formulaic outcomes where these would not be appropriate.

Long Term Incentive Plan

The awards made to Executive Directors in 2018 were subject to average annual adjusted EPS growth targets over the three-year period ending on 28 August 2021 and from a base adjusted EPS of 15.2p. Threshold vesting was set at 3% average annual growth (at which level 25% of award shares would vest), with maximum vesting achieved at 10% average annual growth.

The average EPS growth over the three-year period from the base adjusted EPS was -4.4% and, accordingly, 0% of shares under the long-term awards made to Executive Directors in 2018 vested.

Long Term Incentive Plan awards during the year (audited)

Long-term awards were made to the Executive Directors during the 2020/21 financial year in line with the Directors' Remuneration Policy as follows:

	Number of shares	Basis on which the award was made	Face value of the award (£'000)	Threshold vesting	End of performance period
Hugh Pelham	272,324[1]	100% of salary[2]	337,000	25%	August 2023
Neil Austin	200,800	100% of salary[3]	251,000	25%	August 2023

1 It was determined that the award relating to 272,324 shares under the Long Term Incentive Plan would lapse without vesting upon Hugh Pelham standing down from the Board on 11 October 2021.
2 Awarded on 12 January 2021 using a share price of £1.2375.
3 Awarded on 23 November 2020 using a share price of £1.2500.

The performance conditions which govern the vesting of those shares are based on annual average growth in adjusted EPS over a three-year period. The Committee regularly reviews the performance measures it adopts to incentivise long-term incentives and considers growth in adjusted EPS to be appropriate because it directly measures the Group's underlying financial performance and is visible to shareholders.

Average annual growth %	% vesting
3	25
10	100

Nothing is payable below 3%, and a sliding scale operates between this and the maximum available.

All-employee share plans

The Executive Directors are also eligible to participate in the UK all-employee plans.

The Carr's Group Sharesave Scheme 2016 is an HM Revenue & Customs ("HMRC") approved scheme open to all staff permanently employed in a UK Group company as of the eligibility date. Options under the plan are granted at a 20% discount to market value. Executive Directors' participation is included in the option table later in this report.

Total pension entitlements (audited)

The table below provides details of the Executive Directors' pension benefits:

	Normal retirement age	Total contributions to DC-type pension plan £'000	Cash in lieu of contributions to DC-type pension plan £'000
Neil Austin	67	-	10
Hugh Pelham	67	-	9
Tim Davies	67	-	18

Each Executive Director has the right to participate in the Carr's Group defined contribution pension plan or to elect to be paid some or all of their contribution in cash.

Until 31 December 2020, pension contributions and/or cash allowances in the year were capped at 15% of salary for Executive Directors. From 1 January 2021, such allowances were reduced to 4% of salary for existing Executive Directors to align with the majority of the Group's UK workforce. Tim Davies stood down from the Board in January 2021 but continued to receive a cash allowance equal to 15% of salary until his employment contract terminated on 22 August 2021.

Payments to past Directors (audited)

Tim Davies stood down from the Board at the conclusion of the Group's AGM on 12 January 2021. His employment contract provided for 12 months' notice of termination which expired on 22 August 2021. In accordance with his contract of employment, Tim Davies continued to receive salary and benefits in respect of the period from 12 January 2021 until 22 August 2021, and a prorated bonus to reflect the period until 31 January 2021.

Hugh Pelham stood down from the Board on 11 October 2021 with immediate effect receiving a payment of £170,000 in lieu of notice.

	Salary £'000	Cash in lieu of pension contribution £'000	Bonus £'000	Total £'000
Tim Davies	176	26	120	322
Hugh Pelham	170*	-	-	170

* Payment made in lieu of notice.

No other payments to past Directors have been made during the year.

Payments for loss of office (audited)

No payments for loss of office have been made to Directors during the year.

Directors' interests in the shares of the Company (audited information)

A summary of interests in shares and scheme interests of the Directors (as at the date of this report) is given below.

	Total number of interests in shares	Vested LTIP	Unvested LTIP	SAYE (unvested without performance conditions)	Unvested deferred bonus shares	% of salary held in shares*
Executive Directors						
Neil Austin	370,896	-	348,659	17,647	29,891	217%
Peter Page	90,000	-	-	-	-	39%
Non-Executive Directors						
Alistair Wannop	22,610	-	-	-	-	n/a
John Worby	32,500	-	-	-	-	n/a
Ian Wood	30,000	-	-	-	-	n/a
Kristen Eshak Weldon	10,000	-	-	-	-	n/a

* Based upon the average share price over the three months of the year ended 28 August 2021.

Performance shares (audited information)

The maximum number of outstanding shares that have been awarded to Directors under the LTIP are currently as follows:

	2018/19 award	2019/20 award	2020/21 award
Tim Davies	188,637	199,810	N/A
Neil Austin	139,591	147,859	200,800
Hugh Pelham	N/A	N/A	N/A*

* It was determined that the award to Hugh Pelham made in the year would lapse without vesting upon him standing down from the Board on 11 October 2021.

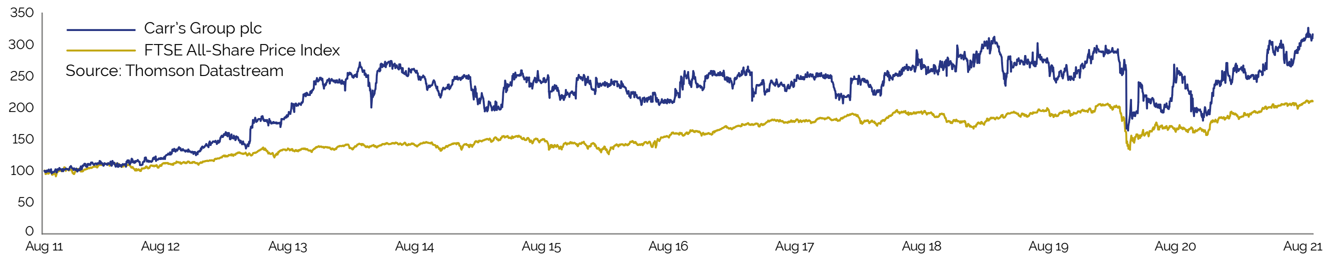
Assessing pay and performance

In the table below we summarise the Chief Executive's single remuneration figure over the past ten years, as well as how variable pay plans have paid out in relation to the maximum opportunity.

	2012 Chris Holmes	2013 Chris Holmes	2013 Tim Davies	2014 Tim Davies	2015 Tim Davies	2016 Tim Davies	2017 Tim Davies	2018 Tim Davies	2019 Tim Davies	2020 Tim Davies	2021 Tim Davies[4]	2021 Hugh Pelham[3]
Single figure of total remuneration	573	286[1]	283[2]	559	911	531	308	861	764	508	259	244
Annual variable element (actual award versus maximum opportunity)	100%	100%	100%	100%	100%	55%	0%	100%	60.41%	15%	100%	0%
Long-term incentive (vesting versus maximum opportunity)	N/A	N/A	N/A	N/A	100%	37.45%	0%	100%	100%	51.64%	N/A	0%

1 Reflective of a six-month period.
2 Reflective of a six-month period.
3 Reflective of an eight-month period.
4 Reflective of a four-month period.

Ten-year historical TSR performance



Change in Directors' remuneration

In the table below we show the percentage change in the Directors' remuneration between the 2020 and 2021 financial years compared to the other employees.

	Base pay/fees	Benefits	Annual bonus
Hugh Pelham	16.6%[1]	N/A	N/A
Neil Austin	16.1%[2]	-68%	637%
Peter Page	2%	N/A	N/A
John Worby	2%	N/A	N/A
Ian Wood	2%	N/A	N/A
Alistair Wannop	2%	N/A	N/A
Other UK employees	2%	0%	138%

1 When compared with the remuneration of of the previous CEO as disclosed in the 2019/20 Remuneration Report.
2 As disclosed in the 2019/20 Remuneration Report.

Other UK employees

The Remuneration Committee considers pay across the entire Group when setting Executive Director remuneration. Annual consultations take place across the Group between the Executive Directors, senior management and the Group HR Director in relation to employee pay. The outcome of that exercise, and any changes to employee pay levels, are considered when determining the appropriateness of any changes in Executive Director pay.

Chief Executive Officer pay ratio (unaudited)

The table below shows the pay ratio based on the total remuneration of the Chief Executive Officer to the 25th, 50th and 75th percentile of all permanent UK employees of the Group.

	CEO pay		25th percentile		Median		75th percentile	
	2021	2020	2021	2020	2021	2020	2021	2020
Total pay (£'000)	351*	508	20	21	27	25	36	36
Pay ratio	-	-	18	24	13	17	10	14

* Annualised figure on the basis of Hugh Pelham's fixed remuneration.

The Group adopted Option A as defined in The Companies (Miscellaneous Reporting) Regulations 2018, as the calculation methodology for the above ratios. The 25th, median and 75th percentile pay ratios were calculated using the full-time equivalent remuneration for all UK employees as at 28 August 2021.

Gender pay gap

The Group's gender pay gap reporting information was as follows for the snapshot period ending 5 April 2020 (being the most recent data available). For information on the Group's approach to equal opportunities and diversity, please see our Responsible Business Report on page 44 and the Nomination Committee Report on pages 56 to 59:

Difference between men and women

	Mean		Median	
	2020	2019	2020	2019
Hourly pay	29%	28%	25%	25%
Bonus	73%	63%	90%	63%

Proportion of people awarded a bonus

	2020	2019
Men	40%	48%
Women	36%	35%

Percentage of men/women in each pay quartiles

	Lowest		Q2		Q3		Highest	
	2020	2019	2020	2019	2020	2019	2020	2019
Men	53%	51%	64%	67%	82%	80%	84%	86%
Women	47%	49%	36%	33%	18%	20%	16%	14%

Relative spend on pay

The table shows the relative importance of spend on pay compared to distributions to shareholders.

	2021 £'000	2020 £'000	% change
Employee costs	50,796	52,218	-2.7%
Dividends paid to shareholders	5,490	3,344	+64.2*

* The significant change shown in dividends paid in the year is due to the deferral of the interim dividend announced on 15 April 2020. That interim dividend was reinstated and declared on 15 July 2020 (and paid following the year end on 2 October 2020). But for the deferral of that interim dividend, the increase in dividends in the year amounts to 5.3% compared with the prior year.

External appointments

The Executive Directors did not receive any remuneration in respect of any external appointments in 2020/21.

Implementation of the policy in 2021/22

For 2021/22, the maximum annual bonus for the Executive Directors will remain 100% of salary. 25% of any bonus will be deferred for two years in the form of shares. Performance will be assessed against stretching targets which will be 80% financial and 20% strategic. Financial targets will be based upon adjusted PBT for the Group only and will not have any divisional splits. All annual bonus targets will vest at thresholds of 0%. Due to commercial sensitivity, targets will be disclosed retrospectively in next year's report. Non-financial targets for Executive Director annual bonuses in the 2021/22 financial year include ESG targets covering the development of goals for the Group, planning towards achieving those goals, and the determination of measures to track progress.

The Committee intends to grant LTIP awards of 100% of salary to Neil Austin, with future vesting conditional upon stretching targets based upon an adjusted EPS growth measure. Awards will vest at a threshold of 25% for average growth of 3% per annum and will rise on a straight-line basis to the maximum 100% for average growth of 10% per annum during the performance period.

Inflationary salary increases were awarded to the Executive Directors effective 1 September 2021, of 2%, which is consistent with the broader workforce.

External advisors

During the year, external advisers PricewaterhouseCoopers LLP ("PwC") were engaged to advise the Committee on remuneration issues, most notably in connection with the preparation of the Directors' Remuneration Report and in connection with the shareholder engagement exercise undertaken in early 2021. PwC is a signatory to the Remuneration Consultants' Code of Conduct, which requires that its advice be objective and impartial. Total fees paid for the services provided amounted to £5,250. PwC provides other services to the Company, in relation to accounting. The Committee is satisfied that no conflicts of interest exist in relation to advice provided to the Committee. It is also satisfied that the members of PwC teams do not have connections with the Company which might impair their independence.

2021 AGM

At our AGM in January 2021, the Directors' Remuneration Policy was approved with 99.7% of proxy votes being cast in favour. The Annual Report on Remuneration was also approved, with 54.5% of proxy votes being cast in favour. Further information on the shareholder engagement exercise which took place following the AGM is set out on page 65.

By order of the Board

Ian Wood
Remuneration Committee Chair
7 December 2021

Governance

Directors' Report

The Directors submit their report and the audited accounts of the Group for the year ended 28 August 2021.

Carr's Group plc is a public limited company incorporated in England and Wales and whose shares are listed and traded on the London Stock Exchange Main Market. Its registered office is at Old Croft, Stanwix, Carlisle, CA3 9BA.

Results and dividends

A review of the results can be found on pages 18 to 19.

Member	2021	2020
Aggregate interim dividends	**2.35p**	**2.25p**
Final dividend per share proposed	**2.65p**	**2.50p**

Subject to approval at the Annual General Meeting, the final dividend will be paid on 26 January 2022 to members on the register at the close of business on 17 December 2021. Shares will become ex-dividend on 16 December 2021. The Group profit from continuing activities before taxation was £12.1m (2020: restated £10.9m). After a taxation charge of £2.4m (2020: restated £1.3m), the profit for the year is £9.7m (2020: restated £9.6m).

Pensions

Estimates of the amount and timing of future funding obligations for the Group's pension plans are based on various assumptions including, among other things, the actual and projected market performance of the pension plan assets, future long-term corporate bond yields, longevity of members and statutory requirements.

The Group continually reviews this risk and takes action to mitigate where possible. In addition, while the Group is consulted by the trustees on the investment strategies of its pension plans, the Group has no direct control over these matters as the trustees are directly responsible for the strategy.

Details of the Group's pension plans are in note 28 of the financial statements.

Employment policies and employees

The Company is committed to its employees and further details on the Company's policies and commitment can be found in the Responsible Business Report from page 44.

Environment

The Company's report on sustainability, and on environmental, social and governance considerations is set out from page 40.

Political and charitable donations

During the year ended 28 August 2021, the Group contributed £52,000 (2020: £81,000) in the UK for charitable purposes. Further details have been included within our Responsible Business Report on pages 45 to 46. There were no political donations during the year (2020: £nil).

Share capital

The Company has a single class of share capital which is divided into Ordinary Shares of £0.025 each. The movement in the share capital during the year is detailed in note 29 to the financial statements.

At the last Annual General Meeting the Directors received authority from the shareholders to:

- Allot shares – this gives Directors the authority to allot shares and maintains the flexibility in respect of the Company's financing arrangements. The nominal value of Ordinary Shares which the Directors may allot in the period up to the next Annual General Meeting to be held in January 2022, is limited to £762,843.10 which represented approximately 33% of the nominal value of the issued share capital on 21 November 2020. The Directors do not have any present intention of exercising this authority other than in connection with the issue of Ordinary Shares in respect of the Company's share option plans. This authority will expire at the end of the Annual General Meeting to be held in January 2022.
- Disapplication of rights of pre-emption – this disapplies rights of pre-emption on the allotment of shares by the Company and the sale by the Company of treasury shares. The authority will allow the Directors to allot equity securities for cash pursuant to the authority to allot shares mentioned above, and to sell treasury shares for cash without a pre-emptive offer to existing shareholders:

- for general purposes, up to an aggregate nominal amount of £115,582.25, which represented approximately 5% of the Company's issued share capital on 21 November 2020; and
- in connection with acquisitions or other capital development, up to a further aggregate nominal amount of £115,582.25, which represented approximately 5% of the Company's issued share capital on 21 November 2020,

This authority will expire at the end of the Annual General Meeting to be held in January 2022.

- To buy own shares – this authority allows the Company to buy its own shares in the market, as permitted under the Articles of Association of the Company, up to a limit of 9,246,582 Ordinary Shares which represented approximately 10% of the Company's issued share capital on 21 November 2020. The price to be paid for any share must not be less than £0.025, being the nominal value of a share, and must not exceed 105% of the average middle market quotations for the Ordinary Shares of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Shares are purchased. The Directors have no immediate plans to exercise the powers of the Company to purchase its own shares and undertakes that the authority would only be exercised if the Directors were satisfied that a purchase would result in an increase in expected earnings per share and was in the best interests of the Company at the time. This authority will expire at the end of the Annual General Meeting to be held in January 2022. The Directors would consider holding any of its own shares that it purchases pursuant to this authority as treasury shares.

The interests of the Directors, as defined by the Companies Act 2006, in the Ordinary Shares of the Company, other than in respect of options to acquire Ordinary Shares (which are detailed in the analysis of options included in the Directors' Remuneration Report on pages 64 to 83, are as follows:

Member	**At 28 August 2021 Ordinary Shares**	At 29 August 2020 Ordinary Shares
H M Pelham	**265,468**	N/A
N Austin	**370,896**	291,729
P W B Page	**90,000**	40,000
A G M Wannop	**22,610**	22,610
J G Worby	**32,500**	25,000
I Wood	**30,000**	30,000
K E Weldon	**10,000**	N/A

All the above interests are beneficial. There have been no other changes to the above interests in the period from 28 August 2021 to 30 November 2021.

Rights and obligations attaching to shares

In a general meeting of the Company, subject to the provisions of the Articles of Association and to any special rights or restrictions as to voting attached to any class of shares in the Company (of which there are none), the holders of the Ordinary Shares are entitled to one vote in a poll for every Ordinary Share held. No member shall be entitled to vote at any general meeting or class meeting in respect of any shares held if any call or other sum then payable in respect of that share remains unpaid. Currently all issued shares are fully paid.

Full details of the deadlines for exercising voting rights in respect of the resolutions to be considered at the Annual General Meeting to be held in January 2022 will be set out in the Notice of Annual General Meeting.

Subject to the provisions of the Companies Act 2006, the Company may, by ordinary resolution, declare a dividend to be paid to the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends, and also any fixed rate dividend, whenever the financial position of the Company, in the opinion of the Board, justifies its payment. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares.

Major shareholders

The Company has been informed of the following interests at 30 November 2021 in the 93,741,420 Ordinary Shares of the Company, as required by the Companies Act 2006:

Member	**Number of shares**	% of issued share capital
Heygate and Sons Limited	**12,652,870**	13.5
Nortrust Nominees Limited (BAEMNL)	**5,564,726**	5.9
BBHISL Nominees Limited (130227)	**4,270,000**	4.6
Chase Nominees Limited (ELUCIT)	**3,876,254**	4.1
Rock (Nominees) Limited	**3,423,738**	3.7

Change of control

There are a number of significant agreements across the Group with provisions that take effect, alter or terminate upon a change of control of the Company, such as bank facility agreements, agreements with strategic partners (including joint venture agreements), employee share scheme rules and certain project contracts within the Engineering division. The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs solely because of a change of control.

Directors' responsibilities

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

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the parent Company financial statements on the same basis. In addition the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 48 to 49. Having made enquiries of fellow Directors, each of the Directors at the date of this report confirms that:

- they are not aware of any relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors confirms that, to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Each of the Directors considers the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

M Ratcliffe

Matthew Ratcliffe
Company Secretary
7 December 2021