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Walker Greenbank PLC
15 October 2019

For immediate release **15 October 2019**

WALKER GREENBANK PLC

("Walker Greenbank", the "Company" or the "Group")

Interim Results for the six months ended 31 July 2019

Walker Greenbank PLC (AIM: WGB), the luxury interior design and furnishings group, announces its interim results for the six-month period ended 31 July 2019, which are in line with the Board's expectations.

Financial Highlights

Six months ended 31 July 2019	2019	2018	Change
Revenue	£55.9m	£54.7m	+2.2%
Adjusted underlying profit before tax*	£4.9m	£4.3m	+14.0%
Adjusted underlying EPS*	5.54p	4.73p	+17.1%
Statutory profit before tax	£3.5m	£3.9m	(10.3)%
Basic EPS	3.70p	4.35p	(14.9)%
Interim dividend per share	0.52p	0.69p	(24.6)%

- Total Brand product sales up 1.2% in reportable currency, up 0.1% in constant currency reflecting International sales offset by challenging trading conditions in the UK. On a like-for-like basis**, international brand sales were down 1.3% in constant currency

- Licence income up 60.0% in both reportable and constant currency, largely driven by the IFRS 15 recognition of future guaranteed licensing income but also reflecting core licensing growth over the period. Excluding the recognition of fixed minimum guaranteed licensing income under IFRS 15 and income from apparel contracts, core licensing income was up approximately 12.2% in reportable currency (up 12.4% in constant currency)

- Total Manufacturing sales including Group sales up 5.1% in reportable currency. Total third-party manufacturing sales down 4.7% driven by lower UK sales but offset in part by strong overseas manufacturing sales up 16.6%

- Net debt down following the adoption of IFRS 16 'Leases' £7.7 million (31 January 2019: £9.2 million on an equivalent basis). Excluding impact of IFRS 16 net funds of £0.9 million (31 January 2019: net funds of £0.4 million)

- New five year bank facilities to 2024 comprising £12.5 million rolling credit facility and £5 million accordion

- Interim dividend of 0.52p per share (H1 2018: 0.69p) with full year dividend pay-out ratio expected to be maintained

Operational Highlights

- Significant progress made on the review of the Company's strategy

- Morris & Co brand continues to perform strongly, reflecting sustained consumer interest in the Arts & Crafts movement

- Kravet Inc. appointed in July 2019 to represent the Clarke & Clarke and Studio G brands in the US with encouraging performance seen to date

- Efficiency and cost-saving initiatives expected to deliver £2 million of annualised cost savings of which approximately £1 million will be delivered in the second half of the current financial year

*Excludes accounting charges relating to the LTIP, defined benefit pension charge and non-underlying items, see note 7 to the financial statements below.

**Reflecting a temporary change to the Company's US operating model for Clarke and Clarke sales whereby revenue in the half year was recorded on an agency basis whereby sales in the prior half year were recorded on a distribution basis

Dianne Thompson, Non-executive Chairman of Walker Greenbank, said: "Trading in the first half of the year was in line with the Board's expectations and continues to reflect the challenges affecting the consumer sector both in the UK and internationally. We have made significant progress with our strategy review and have begun taking steps to increase the focus of the business going forwards to drive sales and increase efficiency. At this stage of the year, as we enter the autumn selling period, we continue to expect the full year out-turn to meet the Board's expectations."

Analyst meeting

A meeting for analysts will be held at 10.00 a.m. today, 15 October 2019, at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. For further details, contact Buchanan on 020 7466 5000 or email walkergreenbank@buchanan.uk.com.

For further information:

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Notes for editors:

About Walker Greenbank

Walker Greenbank PLC is a luxury interior furnishings company that designs, manufactures and markets wallpapers, fabrics and paints. In addition, the Company derives significant licensing income from the use of its designs on a wide range of products such as bed and bath collections, rugs, blinds and tableware.

Walker Greenbank's brands include Zoffany, Sanderson, Morris & Co., Harlequin, Scion, Anthology, Clarke & Clarke and Studio G.

The Company has a strong UK manufacturing base comprising Anstey wallpaper factory in Loughborough and Standfast & Barracks a fabric printing factory, in Lancaster. Both sites manufacture for the Company and for other wallpaper and fabric brands.

Walker Greenbank employs more than 650 people and its products are sold in more than 85 countries worldwide. It has showrooms in London, New York, Chicago, Paris, Amsterdam, Moscow and Dubai.

Walker Greenbank trades on the AIM market of the London Stock Exchange under the ticker symbol WGB.

For further information please visit: www.walkergreenbank.com/

CHIEF EXECUTIVE'S STRATEGIC AND OPERATIONAL REVIEW

Introduction

These interim results, for the six months ended 31 July 2019, mark my first as Chief Executive Officer of Walker Greenbank. I was very pleased to be appointed to the role in April this year and I am excited by the potential of the Company, which has a compelling core asset in its brands and the strength of design that runs throughout the business supported by an extensive and valuable design archive.

Strategy review

As previously announced, I have been leading a review of the Company's strategy on behalf of the Board. I am pleased to provide today an overview of our planned changes in strategic emphasis, which seek to build upon our compelling market proposition by sharpening the focus of the Company to drive future growth.

Walker Greenbank benefits from a strong and broad portfolio of brands, each with clear market positions, customers and price points. Each of these brands has a defined identity and unique attributes. To drive sales growth, we intend to focus precisely on the individuality of each brand, giving them their own market, product and launch strategies thereby strengthening their positions in their respective marketplaces and cementing relationships with key customers and expanding those relationships further.

Walker Greenbank is a business-to-business company and, whilst there are changes in our broader marketplace as a result of e-commerce in particular, our short and medium term strategy is to focus on our core products of wallpaper, fabric and paint and to build deeper relationships with our core trade customers. We have already identified, through independent market research, a number of straightforward initiatives to improve our customer service. Licensing, or other forms of collaboration, will continue to underpin the brands' use in homeware, finished goods and other products.

People, and creativity, are at the heart of our business. In our industry, Walker Greenbank is the favoured destination for emerging new designers and we will benefit from doing even more to bring in new design talent. We are also strengthening our senior leadership team with three important appointments: Mauricio Solodujin has already started in the new position of Global Commercial Director to work across all brands, markets and channels. Both a Group Marketing & Digital Director and a Group Operations Director have been recruited to join the Company before the end of the current financial year to drive brand initiatives and operational efficiencies throughout our international organisation.

Our brands continue to have significant international potential, reflected in their being sold in more than 85 countries worldwide. The

sales in many of these countries are small and in future we will focus our efforts on developing three key geographies: the UK, Northern Europe and the US. Our approach will be tailored to each individual region. For example, in the US, which has the potential to be a major market for the Company, we will, over time and leveraging our understanding and experience in the US market, develop our presence on the ground.

In summary, the Company's strategy going forwards will be a sharp focus on driving the brands; on core products of wallpaper, fabric and paint and core customers; investing in people; and three key geographies of the UK, Northern Europe and the US. This strategy will be supported by our UK manufacturing base, which remains an important asset and differentiator for the business.

In addition, we will continue to identify cost savings and improve the efficiency, agility and productivity of the business where possible, for example through innovation in product marketing and optimising the numbers of products launched to deliver our internal hurdle rates of return on creation costs.

I look forward to providing a comprehensive update on progress with this strategy at the time of our full year results announcement next year.

Operational review

Interim results

As set out in the half year trading update released on 6 August 2019, trading conditions in the six months to 31 July 2019 continued to be challenging, although our performance in the half year was in line with the Board's expectations.

Total sales in the six months to 31 July 2019 were up 2.2% at £55.9 million (H1 2018: £54.7 million). The adjusted underlying profit before tax* for the first six months was £4.9 million (H1 2018: £4.3 million), an increase of 14.0% on the same period last year, reflecting the recognition of fixed minimum guaranteed licensing income under IFRS 15 offset by the performance of the portfolio of brands within the Brands division.

During the first half, the Company progressed a number of efficiency and cost-saving initiatives, including the integration of Clarke & Clarke's support functions, resulting in expected annual savings of approximately £2 million, of which approximately £1 million will be delivered in the second half of the current financial year.

The interim results reflect the Group's adoption of IFRS 16 'Leases' from the start of the financial year on a modified retrospective basis. Accordingly, the prior half-year comparative numbers have not been restated.

Segmental review

The Brands

	Half year ended 31 July		**Change**		
	2019	**2018**	**Reported**	**Constant currency**	**Like-for-like****
Total Brand sales	£46.3m	£44.6m	+3.8%	+0.8%	n/a
Comprising:					
Licensing	£3.2m	£2.0m	+60.0%	+60.0%	n/a
UK Brand product sales	£22.2m	£23.1m	(3.9%)	n/a	n/a
International Brand product sales	£20.9m	£19.5m	+7.2%	+4.8%	(1.3)%
- *US*	*£8.0m*	*£6.9m*	*+15.9%*	*+9.7%*	(6.2%)
- *Western Europe*	*£6.1m*	*£5.8m*	*+5.2%*	*+5.4%*	n/a
- *Rest of the World*	*£6.8m*	*£6.8m*	-	*+1.0%*	n/a
Total Brand product sales	*£43.1m*	*£42.6m*	*+1.2%*	*+0.1%*	(2.7%)

The Brands segment comprises Sanderson, Morris & Co., Harlequin, Zoffany, Scion, Anthology, Clarke & Clarke and Studio G. It includes licensing income derived from the brands as well as global trading from our brands, including our overseas operations in the US, France, Russia and Germany.

Total Brand sales increased in the first half by 3.8% in reportable currency, compared with the same period last year, to £46.3 million, up 0.8% in constant currency. Total Brand product sales excluding licensing were up 1.2% in reportable currency, compared with the same period last year, at £43.1 million.

In the UK, our largest market, sales decreased by 3.9% compared with the same period last year to £22.2 million, impacted by the weaker UK consumer environment. Within the Brands, Clarke & Clarke has continued to perform strongly as a result of being positioned at the more affordable end of our premium target markets and boosted by the growth of homeware ranges, which are a relatively new category for the business.

Morris & Co. has also continued to perform well, reflecting the sustained revival of consumer interest in the Arts & Crafts movement.

International Brand product sales were up 7.2% in reportable currency, up 4.8% in constant currency, to £20.9 million. The international performance in the half year primarily reflects a temporary change in the US operating model relating to the distribution of the Clarke & Clarke and Studio G brands in which revenue due to a third party is included in the Company's reported Brands revenue. This change in operating model ceased to be in effect on 31 July 2019. On a like-for-like basis**, international brand sales were down 1.3%.

Starting on 1 August 2019, we appointed Kravet Inc., the industry leader in the to the trade home furnishings industry, to distribute the Clarke & Clarke and Studio G brands in the US. Kravet Inc, has a substantial footprint in the US and we are pleased by the progress made to date.

Sales in the US, our second largest market after the UK, were up 15.9% in reportable currency, up 9.7% in constant currency, compared with the same period last year, to £8.0 million. On a like-for-like basis**, sales in the US were down approximately 6.2%, reflecting the impact of the disruption to Clarke & Clarke distribution following the Robert Allen Duralee Group entering into Chapter 11.

Brand product sales in Western Europe were up 5.2% in reportable currency, up 5.4% in constant currency, compared with the same period last year at £6.1 million and sales in the Rest of the World were up 1.0% in constant currency.

Licensing

Licensing income in the first six months was up 60.0% in reportable currency, 60.0% in constant currency, to £3.2 million, largely as a result of the recognition of fixed minimum guaranteed licensing income together with a strong performance from our core bedding, blinds and Japanese licensees. During the first half, approximately 30% of licensing income was generated in overseas markets. Excluding the recognition of fixed minimum guaranteed licensing income under IFRS 15 and income from apparel contracts, core licensing income was up approximately 12.2% in reportable currency (up 12.4% in constant currency), compared with the corresponding period last year.

Manufacturing

Total manufacturing sales grew 5.1% over the first six months to £17.1 million compared with the same period last year. Third-party sales were down 4.7% in the first half, primarily due to a contraction in orders from UK customers driven by economic uncertainty. During the period, both factories continued to grow exports as a result of their digital printing capabilities and of the weakness of Sterling. Third-party export sales grew by 16.6% year-on-year over the same period.

Export sales at Anstey, our wallpaper printing factory, delivered a strong performance in the first half of the year as it took advantage of a third new digital printer installed in quarter one. Digital printing sales grew by 42% compared with the first half last year and digital grew significantly as a proportion of factory output from 8.7% to 12.3%.

At Standfast, our fabric printing factory, its 55%:45% digital to traditional print mix remained unchanged as conventional fabrics benefited from renewed interest from home and abroad. We expect to increase both digital and conventional print volumes further with the launch of a new outdoor range of digitally printed pigment products and leverage technical innovation in conventional fabrics.

Impact of the UK's exit process from the European Union

The negotiation of the UK's exit terms from the European Union continues to present significant uncertainties owing to the potential impact of a disorderly exit on supply chains, tariffs, exchange rates and consumer demand. As disclosed at the time of our results in April 2019, we are building stocks of key raw materials that could be affected by disruption to the flow of goods into the UK.

*Excluding the Long-Term Incentive Plan ("LTIP") accounting charge, the net defined benefit charge and non-underlying items

**Reflecting a temporary change to the Company's US operating model for Clarke and Clarke sales whereby revenue in the half year was recorded on an agency basis whereby sales in the prior half year were recorded on a distribution basis

FINANCIAL REVIEW

Newly adopted accounting standards

The Group has adopted IFRS 16 'Leases' from 1 February 2019. This has resulted in changes in accounting policies. In accordance with the transition provisions in IFRS 16, the Group has adopted the new rules on a modified retrospective basis and therefore not restated comparatives for the financial year. Note 1 to the financial statements below describes the impact of the Group adopting IFRS 16.

The balance sheet at 31 July 2019 recognises new 'right-of-use assets' of £8.8 million and new lease liabilities totalling £8.7 million. In the Income Statement operating lease costs (save for low-value and short-term leases) have been replaced by a depreciation charge on each right-of-use asset and an interest charge that reduces over the lease term. Total expenses (depreciation for 'right of use' assets and interest on lease liabilities) are higher in the earlier years of a typical lease and lower in the later years, in comparison with former accounting for operating leases. The main impact on the Statement of Cash Flows is higher cash flows from operating activities, since cash payments for the principal part of the lease liability are classified in the net cash flow from financing activities.

Overview

Statutory profit before tax of £3.5 million (H1 2018: £3.9 million) included non-underlying charges of £1.06 million (H1 2018: non-underlying charges of £0.04 million). These are analysed below:

	H1 2019	H1 2018
	£000	£000
Statutory profit before tax	**3,515**	3,867
Amortisation of acquired intangible assets	**508**	508
Restructuring and reorganisation costs	**694**	95
Anstey fire insurance reimbursements	**(144)**	(650)
Anstey fire-related costs	**-**	85

Anstey net other income	**(144)**	(565)
Total non-underlying charges included in profit before tax	**1,058**	38

Underlying profit before tax	**4,573**	3,905
LTIP accounting charge	**-**	68
Net defined benefit pension charge	**359**	323
Adjusted underlying profit before tax	**4,932**	4,296

Acquisition related costs incurred were in respect of the acquisition of Clarke & Clarke, which completed on 31 October 2016. This comprises the amortisation of intangible assets of £0.5 million.

Restructuring and reorganisation costs of £0.7 million reflect the rationalisation of certain operational and support functions relating to the integration of the warehouse and back offices of Clarke & Clarke into Style Library. These costs mainly comprise professional fees, employee severance and property costs associated with the reorganisation process.
Anstey net other income comprises proceeds of £0.14 million from the insurance reimbursement of plant and equipment repair and related costs following the machine fire in 2017.

In addition to the non-underlying net other income described above, a further £0.05 million was recognised during the year in underlying net other income, which represents business interruption losses for the period to 31 July 2019.

The net underlying interest charge increased to £0.21 million as a result of the impact of IFRS 16. The defined benefit pension charge increased marginally to £0.36 million driven by an increase in the interest on pension scheme liabilities as a result of the increase in the pension deficit.

Adjusted underlying profit before tax, excluding the LTIP accounting charge, defined benefit charge and non-underlying items, increased 14.0% to £4.9 million (H1 2018: £4.3 million).

Adjusted earnings per share were up 17.1% at 5.54 pence (H1 2018: 4.73 pence), after removing the LTIP accounting charge, defined benefit charge and other non-underlying items.

Statutory profit after tax was £2.6 million (H1 2018: £3.1 million) and basic earnings per share were down 15.2% at 3.69 pence (H1 2018: 4.35 pence).

Cash flow

A working capital outflow during the period of £3.0 million (H1 2018: £1.0 million) reflected:

- an increase in accrued accelerated licensing income:
- the half year movement in stock driven by higher levels of stock in Brands and Anstey to mitigate potential supply chain disruption due to Brexit; and
- the £0.19m insurance reimbursement proceeds received in respect of the Anstey machine fire.

Capital expenditure in the period was £1.2 million which includes the purchase of a digital pigment printer at our fabric printing factory in line with the Group's strategy to continue to invest in innovative printing techniques, cementing its position as the UK's leading manufacturer to the industry.

The Group's reported net debt (post IFRS 16) at the half year increased to £7.7 million. Excluding the impact of IFRS 16, the Group had net funds at the end of July 2019 of £0.9 million (H1 2018: £3.4 million).

Dividend

The Board has declared an interim dividend of 0.52p per share (H1 2018: 0.69p) with the previous year's dividend pay-out ratio expected to be maintained for the current financial year. The interim dividend will be payable on 22 November 2019 to shareholders on the register as at 25 October 2019.

People

On behalf of the Board, I would like to thank all of our management and employees for their contribution during the first half.

Current Trading and Outlook

Trading in the first half of the year was in line with the Board's expectations and continues to reflect the challenges affecting the consumer sector both in the UK and internationally. We have made good progress with our strategy review and have begun taking steps to increase the focus of the business going forwards to drive sales and increase efficiency. At this stage of the year as we enter the autumn selling period, we continue to expect the full year out-turn to meet the Board's expectations.

Lisa Montague

Chief Executive Officer

14 October 2019

Unaudited Consolidated Income Statement

For the six months ended 31 July 2019

		6 months to 31 July 2019			6 months to 31 July 2018		
			Non-underlying			Non-underlying	
		Underlying	**(note 7)**	**Total**	Underlying	(note 7)	Total
	Note	**£000**	**£000**	**£000**	£000	£000	£000
Revenue	2	**55,932**	**-**	**55,932**	54,682	-	54,682
Cost of sales		**(20,405)**	**-**	**(20,405)**	(22,332)	-	(22,332)
Gross profit / (loss)		**35,527**	**-**	**35,527**	32,350	-	32,350
Net operating expenses:							
Distribution and selling expenses		**(11,950)**	**-**	**(11,950)**	(11,790)	-	(11,790)
Administration expenses	6	**(21,490)**	**(1,202)**	**(22,692)**	(19,798)	(603)	(20,401)
Net other income	5	**2,694**	**144**	**2,838**	3,278	565	3,843
Profit / (loss) from operations		**4,781**	**(1,058)**	**3,723**	4,040	(38)	4,002
Net finance costs		**(208)**	**-**	**(208)**	(135)	-	(135)
Profit / (loss) before tax		**4,573**	**(1,058)**	**3,515**	3,905	(38)	3,867
Tax (expense) / income	8	**(1,082)**	**190**	**(892)**	(862)	78	(784)
Profit / (loss) for the period attributable to owners of the parent		**3,491**	**(868)**	**2,623**	3,043	40	3,083
Earnings per share - Basic	**9**			**3.70p**			**4.35p**
Earnings per share - Diluted	**9**			**3.70p**			**4.35p**
Adjusted earnings per share - Basic	**9**			**5.54p**			**4.73p**
Adjusted earnings per share - Diluted	**9**			**5.54p**			**4.73p**

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 31 July 2019

	6 months to 31 July 2019	6 months to 31 July 2018
	£000	£000
Profit for the period	**2,623**	3,083
Items that may be reclassified subsequently to profit or loss:		
Currency translation gains	**71**	93
Total items that may be reclassified subsequently to profit or loss	**71**	93
Items that will not be reclassified subsequently to profit or loss:		

Re-measurement of defined benefit pension schemes	**3,917**	-
Deferred tax relating to pension scheme liability	**(666)**	-
Total items recognised directly in equity	**3,251**	
Total comprehensive income for the period attributable to the owners of the parent	**5,945**	3,176

Unaudited Consolidated Balance Sheet

As at 31 July 2019

	Note	**As at 31 July 2019 £000**	As at 31 July 2018 £000	As at 31 January 2019 £000
Non-current assets				
Intangible assets		**30,291**	31,419	30,816
Property, plant and equipment		**14,679**	15,929	15,227
Right-of-use assets		**8,793**	-	-
		53,763	47,348	46,043
Current assets				
Inventories		**28,807**	27,878	28,020
Trade and other receivables		**21,077**	22,116	18,857
Cash and cash equivalents	10	**2,460**	1,813	2,415
		52,344	51,807	49,292
Total assets		**106,107**	99,155	95,335
Current liabilities				
Trade and other payables		**(22,380)**	(20,545)	(21,839)
Lease liabilities		**(2,589)**	-	-
Borrowings	10	**(1,538)**	(5,181)	(1,981)
		(26,507)	(25,726)	(23,820)
Net current assets		**25,837**	26,081	25,472
Non-current liabilities				
Lease liabilities		**(6,077)**	-	-
Deferred income tax liabilities		**(1,510)**	(1,542)	(970)
Retirement benefit obligation		**(5,186)**	(6,620)	(9,663)

	(12,773)	(8,162)	(10,633)
Total liabilities	**(39,280)**	(33,888)	(34,453)
Net assets	**66,827**	65,267	60,882
Equity			
Share capital	**710**	710	710
Share premium account	**18,682**	18,682	18,682
Retained earnings / (accumulated losses)	**7,266**	5,800	1,392
Other reserves	**40,169**	40,075	40,098
Total equity attributable to owners of the parent	**66,827**	65,267	60,882

Unaudited Consolidated Cash Flow Statement

For the six months ended 31 July 2019

	Note	**6 months to 31 July 2019 £000**	6 months to 31 July 2018 £000
Cash flows from operating activities			
Cash generated from operations	11	**3,555**	4,181
Finance costs paid (including interest on lease liabilities)		**(266)**	(128)
Corporation tax paid		**(402)**	(694)
Net cash generated from operating activities		**2,887**	3,359
Cash flows from investing activities			
Finance income received		**-**	3
Capital element of lease payments		**(1,291)**	-
Purchase of intangible assets		**(337)**	(469)
Purchase of property, plant and equipment		**(839)**	(1,143)
Net cash used in investing activities		**(2,467)**	(1,609)
Cash flows from financing activities			
Net cash used in financing activities		**-**	-
Net increase in cash and cash equivalents		**420**	1,750
Cash and cash equivalents and bank overdraft at beginning of period		**434**	(5,263)

Effect of exchange rate fluctuations on cash held		**68**	145
Cash and cash equivalents and bank overdraft at end of period	10	**922**	(3,368)

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 31 July 2019

	Attributable to equity owners of the parent company						
				Other reserves			
	Share capital	Share premium account	Retained earnings / (accumulated losses)	Capital reserve	Merger reserve	Foreign currency translation reserve	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 February 2019	710	18,682	1,392	43,457	(2,950)	(409)	60,882
Profit for the period	-	-	2,623	-	-	-	2,623
Other comprehensive income:							
Re-measurement of defined benefit pension schemes	-	-	3,917	-	-	-	3,917
Deferred tax relating to pension scheme liability	-	-	(666)	-	-	-	(666)
Currency translation differences	-	-	-	-	-	71	71
Total comprehensive income	**-**	**-**	**7,266**	**-**	**-**	**71**	**2,168**
Transactions with owners, recognised directly in equity:	-	-	-	-	-	-	-
Balance at 31 July 2019	**710**	**18,682**	**7,266**	**43,457**	**(2,950)**	**(338)**	**66,827**

	Attributable to equity owners of the parent company						
				Other reserves			
	Share capital	Share premium account	Retained earnings / (accumulated losses)	Capital reserve	Merger reserve	Foreign currency translation reserve	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 February 2018	709	18,682	2,778	43,457	(2,950)	(525)	62,151
Profit for the period	-	-	3,083	-	-	-	3,083

Other comprehensive income:							
Currency translation differences	-	-	-	-	-	93	93
Total comprehensive income	**-**	**-**	**3,083**	**-**	**-**	**93**	**3,176**
Transactions with owners, recognised directly in equity:							
Allotment of share capital	1	-	(1)	-	-	-	-
Long-term incentive plan charge	-	-	75	-	-	-	75
Long-term incentive plan vesting	-	-	(135)	-	-	-	(135)
Balance at 31 July 2018	**710**	**18,682**	**5,800**	**43,457**	**(2,950)**	**(432)**	**65,267**

Unaudited Notes to the interim financial statements

1. Basis of preparation of interim financial statements

The interim financial statements have been prepared in accordance with the accounting policies that the Group expects to apply in its annual financial statements for the year ending 31 January 2020. The Group's accounting policies are based on International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and IFRS Interpretations Committee ("IFRS IC") interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the valuation of derivative financial instruments at fair value through profit and loss.

These interim financial statements for the six months ended 31 July 2019 have been prepared in accordance with IAS 34, 'Interim financial reporting', as adopted by the European Union. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 January 2019, which have been prepared in accordance with IFRSs as adopted by the European Union. All comparative information is for the six-month period ended 31 July 2018, unless otherwise stated.

The accounting policies adopted in the preparation of these interim financial statements to 31 July 2019 are consistent with the accounting policies applied by the group in its annual report and accounts as at, and for the year ended, 31 January 2019 as required by the Disclosure Guidance and Transparency Rules ('DTR') of the UK's Financial Conduct Authority, with the exception of the adoption of new and amended standards as set out below.

Since the Group's previous annual financial report for the year ended 31 January 2019, a number of authoritative pronouncements issued by the International Accounting Standards Board and IFRS Interpretations Committee along with new or revised accounting standards are now effective for financial years beginning on or after 1 February 2019. This is the Group's first set of financial statements where IFRS 16 ('Leases') has been applied; details of which are described below.

Standards not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 February 2019 and earlier application is permitted; however, the Group has not early adopted them in preparing these interim financial statements.

The interim financial statements do not represent statutory accounts for the purposes of section 434 'Requirements in connection with publication of statutory accounts' of the Companies Act 2006. The financial information for the year ended 31 January 2019 is based on the statutory accounts for the financial year ended 31 January 2019, on which the auditors issued an unqualified opinion and did not contain a statement under section 498 'Duties of auditor' of the Companies Act 2006 and have been delivered to the Registrar of Companies. The interim financial statements for the six-month period ended 31 July 2019 have not been audited, but have been reviewed by the auditors. The auditors' review report is included following the interim financial statements.

After making enquiries, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the going concern basis has been adopted in preparing the interim statements.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk. The interim financial statements do not include all risk management information and disclosures required in the annual report and accounts; they should be read in conjunction with the Group's annual report and accounts as at 31 January 2019. In

particular, information on the principal risks can be found on page 20 - 21 of the Group's 2019 annual report which comprise of trading environment; competition; foreign exchange; pension funding; recruitment and retention of key employees; reputation; acquisition; major incident such as a fire or flood; IT; and risks resulting from the impact of Brexit. There have been no changes in either the principal risks or risk management policies since the year end.

Unaudited Notes to the interim financial statements (continued)

1. Basis of preparation of interim financial statements (continued)

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 January 2019, with the exception of changes in estimates that are required in determining the provision for income taxes and the following new critical estimates for the newly adopted accounting policies described below.

The Board approved the interim financial statements on 14 October 2019.

Newly adopted accounting policies

IFRS 16 Leases

IFRS 16 supersedes IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. IFRS 16 introduced a single, on-balance sheet accounting model for leases. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. As a result, the Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying leased assets and lease liabilities representing its obligation to make lease payments. The Group has applied IFRS 16 using the modified retrospective transition approach, whereby the initial right-of-use asset values were equal to the present value of the remaining lease payments, discounted at the rate implicit in each lease, or the Group's incremental borrowing rate if this was not readily determinable. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 February 2019 was 2.57%.

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property, vehicles, plant and machinery. Prior to the adoption of IFRS 16, leases of property, plant and machinery were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were previously charged to the Income Statement on a straight-line basis over the period of the lease.

Upon adoption of IFRS 16, the Group elected to apply the practical expedient allowing the standard to be applied only to contracts that were previously identified as leases under IAS17 and IFRIC 4. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or amended on or after 31 January 2019. The Group also elected to use the recognition exemptions for lease contracts that, at the date of transition, have a lease term of 12 months or less and do not contain a purchase option, and lease contracts for which the underlying asset is of low value (<£3,000 ('low-value assets)).

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the transition date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis, and are subject to and reviewed regularly for impairment.

Unaudited Notes to the interim financial statements (continued)

1. Basis of preparation of interim financial statements (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including any initial direct costs incurred) less any lease incentives receivable and variable lease payments that depend on an index or rate. Any variable or lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. Additionally, the carrying amount of lease liabilities is re-measured if there is any relevant contractual change made to the lease such as changes to the lease term or payment profile. Interest charges are included within finance costs within the Income Statement.

Lease term

Extension and termination options are included in a number of property and vehicle leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Accounting impact on the Consolidated Balance Sheet

The impact on the Consolidated Balance Sheet as at 1 February 2019 (the date of transition) is the recognition of the following items:

	1 February 2019 £000
Assets	
Non-current assets	**9,785**
Analysed as right-of-use assets related to: • Properties • Motor vehicles • Plant and machinery	 **8,090** **716** **979**
Current assets	
Prepayments (within trade and other receivables)	**(198)**
Total impact on assets	**9,587**
Current liabilities	
Lease liabilities (under one year)	**(2,506)**
Non-current liabilities	
Lease liabilities (more than one year)	**(7,081)**
Total impact on liabilities	**(9,587)**
Total impact on net assets	**-**

Unaudited Notes to the interim financial statements (continued)

1. Basis of preparation of interim financial statements (continued)

The following table provides a reconciliation from the total operating lease commitment as disclosed at 31 January 2019 to the total lease liabilities recognised in the Consolidated Balance Sheet in the accounts immediately following transition:

	Properties	Plant and machinery	Motor vehicles	Total
	£000	£000	£000	£000
Operating lease commitments at 31 January 2019 *	8,356	1,012	709	10,077
Add: payments due in periods covered by extension options (which management believe to be reasonably certain)	274	11	19	304
Less: short-term leases	(124)	(14)	(59)	(197)
Less: impact of discounting at the date of transition	(496)	(60)	(41)	(597)
Total lease liabilities recognised at the date of transition	**8,010**	**949**	**628**	**9,587**
Of which;				
Current lease liabilities (under one year)	1,933	279	294	2,506

Non-current lease liabilities (more than one year)	6,077	670	334	7,081
Total lease liabilities recognised at the date of transition	**8,010**	**949**	**628**	**9,587**

* Plant and machinery and motor vehicles were classified as 'other' within note 29b of the 2019 Annual Report

Accounting impact on the Consolidated Income Statement

Save for short-term and low value leases, the Group has recognised depreciation and interest costs in respect of leases that were previously classified in the Consolidated Income Statement for the period, rather than rental charges. The accounting impact on the Consolidated Income Statement was as follows:

	6 months to 31 July 2019		
	Before IFRS 16 application	IFRS16 application	As reported
	£000	£000	£000
Revenue	55,932	-	55,932
Cost of sales	(20,405)	-	(20,405)
Gross profit	35,527	-	35,527
Net operating expenses:			
Distribution and selling expenses	(11,950)	-	(11,950)
Administration expenses	(22,742)	50	(22,692)
Net other income	2,838	-	2,838
Profit from operations	3,673	50	3,723
Finance costs	(91)	(117)	(208)
Profit before tax	3,582	(67)	3,515
Tax expense	(892)	-	(892)
Profit for the period attributable to owners of the parent	2,690	(67)	2,623

Accounting impact on the Consolidated Cash Flow Statement

The adjustments to the Consolidated Income Statement and Balance Sheets described above do not affect the cash balances. However, under IFRS 16 the Group separates the total amount paid for leases within the Consolidated Cash Flow Statement into a capital payment (presented within investing activities) and interest (presented within operating activities). Under IAS 17 operating lease payments were all shown under operating activities. Consequently, there is no change to the Group's net cashflow.

Unaudited Notes to the interim financial statements (continued)

2. Segmental analysis

Walker Greenbank PLC is a designer, manufacturer and distributor of luxury interior furnishings, fabrics and wallpaper. The Board of Walker Greenbank PLC predominantly manages the operations of the Group. The reportable segments of the Group are as follows:

- Brands - comprising the design, marketing, sales and distribution, and licensing activities of Sanderson, Morris & Co., Harlequin, Zoffany, Anthology, Scion, Clarke & Clarke and Studio G brands operated from the UK and its foreign subsidiaries in the US, France, Russia and Germany;

- Manufacturing - comprising the wallcovering and printed fabric manufacturing businesses operated by Anstey and Standfast respectively.

This is the basis on which the Group presents its operating results to the Board of Directors which is considered to be the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8 'Operating Segments'. Additional revenue-only data is also reported to the CODM and is disclosed on the basis explained below. Other Group wide activities and expenses, predominantly related to corporate head office costs, defined benefit pension costs, long term incentive plans expenses, taxation and eliminations of intersegment items, are presented within 'eliminations and unallocated'.

Unaudited Notes to the interim financial statements (continued)

2. Segmental analysis (continued)

a) Principal measures of profit and loss - Income Statement segmental information

Operating segments

6 months to 31 July 2019	**Brands**	**Manufacturing**	**Eliminations and unallocated**	**Total**
	£000	**£000**	**£000**	**£000**
UK Revenue	**22,215**	**6,609**	-	**28,824**
International Revenue	**20,893**	**2,977**	-	**23,870**
Licence Revenue	**3,238**	**-**	-	**3,238**
Revenue - External	**46,346**	**9,586**	-	**55,932**
Revenue - Internal	**-**	**7,557**	**(7,557)**	**-**
Total Revenue	**46,346**	**17,143**	**(7,557)**	**55,932**
Profit/(loss) from operations	**5,615**	**1,038**	**(2,930)**	**3,723**
Finance costs	**-**	**-**	**(208)**	**(208)**
Profit/(loss) before taxation	**5,615**	**1,038**	**(3,138)**	**3,515**
Tax charge	**-**	**-**	**(892)**	**(892)**
Profit/(loss) for the period	**5,615**	**1,038**	**(4,030)**	**2,623**

Business interruption reimbursements to cover loss of profits of £50,000 (2018: £nil) are included within 'Eliminations and unallocated'. Tax charges have not been allocated to a segment.

Operating segments (Restated*)

6 months to 31 July 2018	Brands	Manufacturing	Eliminations and unallocated	Total
	£000	£000	£000	£000
UK Revenue	23,137	7,509	-	30,646
International Revenue	19,482	2,554	-	22,036
Licence Revenue	2,000	-	-	2,000
Revenue - External	44,619	10,063	-	54,682
Revenue - Internal	-	6,245	(6,245)	-
Total Revenue	44,619	16,308	(6,245)	54,682
Profit/(loss) from operations *	4,688	555	(1,241)	4,002
Finance costs	-	-	(135)	(135)
Profit/(loss) before taxation *	4,688	555	(1,376)	3,867
Tax charge	-	-	(784)	(784)
Profit/(loss) for the period *	4,688	555	(2,160)	3,083

*We have reclassified restructuring costs of £177,000 to the Brands and Manufacturing operating segments for the 6 months to 31 July 2018.

2. Segmental analysis (continued)

b) Additional segmental revenue information

The segmental revenues of the Group are reported to the CODM in more detail as follows;

Revenue by export market for Brands.

	6 months to 31 July 2019	6 months to 31 July 2018
Brands international revenue by export market	**£000**	£000
Western Europe	**6,134**	5,819
US	**7,999**	6,897
Rest of the World	**6,760**	6,766
Total brands international revenue by export market	**20,893**	19,482

Revenue of the Brands reportable segment - revenue from operations in all territories where the sale is sourced from the Brands operations, together with contract and licence revenue:

	6 months to 31 July 2019	6 months to 31 July 2018
Brands revenue analysis	**£000**	£000
Harlequin, incorporating Anthology and Scion	**12,725**	14,371
Sanderson, incorporating Morris & Co.	**12,120**	11,194
Zoffany	**4,854**	5,725
Clarke & Clarke, incorporating Studio G	**13,158**	11,062
Other brands	**251**	267
Licensing	**3,238**	2,000
Total brands revenue	**46,346**	44,619

Revenue of the Manufacturing reportable segment - including revenues from internal sales to the Group's Brands:

	6 months to 31 July 2019	6 months to 31 July 2018
Manufacturing revenue analysis	**£000**	£000
Standfast	**7,763**	6,868
Anstey	**9,380**	9,440
Total manufacturing revenue	**17,143**	16,308

3. Analysis of revenue by category

	6 months to 31 July 2019 £000	6 months to 31 July 2018 £000
Sale of goods	**52,694**	52,682
Licence royalty income	**3,238**	2,000
Total revenue	**55,932**	54,682

4. Seasonality and cyclicality

There is no material seasonality or cyclicality impacting the interim financial statements.

5. Net other income

Net other income comprises consideration received from the sale of marketing materials and additional services of £2,644,000 (2018: £3,278,000), and business interruption reimbursements to cover loss of profits of £50,000 (2018: £nil). In addition, there was non-underlying net other income of £144,000 (2018: £565,000) as per note 7.

6. Net defined benefit pension charge

	6 months to 31 July 2019 £000	6 months to 31 July 2018 £000
Expected return on pension scheme assets	**832**	815
Interest on pension scheme liabilities	**(944)**	(898)
Scheme expenses met by the Group	**(247)**	(240)
Net defined benefit pension charge	**(359)**	(323)

The Group paid contributions of £671,000 (2018: £750,000) and scheme administration costs of £247,000 (2018: £240,000) to the Group's two defined benefit schemes, further details of which can be found in the 2019 annual report.

Unaudited Notes to the interim financial statements (continued)

7. Non-statutory profit measures

Underlying profit measures

The Group seeks to present a measure of underlying performance which is not impacted by material non-recurring items or items considered non-operational in nature. This measure of profit is described as 'underlying' and is used by management to measure and monitor performance. The excluded items are referred to as 'non-underlying' items.

Non-underlying items

The non-underlying items included in profit are as follows:

	6 months to 31 July 2019 £000	6 months to 31 July 2018 £000
(i) Acquisition related:		
Amortisation of acquired intangible assets	**(508)**	(508)

		(508)	(508)
(ii) Restructuring and reorganisation costs	(a)	**(694)**	(95)
(iii) Anstey fire:			
Insurance reimbursements		**144**	650
Incremental costs and property, plant and equipment repairs		**-**	(85)
	(b)	**144**	565
Total non-underlying items included in profit before tax		**(1,058)**	(38)
Tax on non-underlying items		**190**	78
Total impact of non-underlying items on profit after tax		**(868)**	40

(a) Restructuring and reorganisation costs relate to the reorganisation of the Group and comprise of the rationalisation of certain operational and support functions. These costs mainly comprise employee severance of £284,000 (2018: £nil) associated with the Clarke & Clarke Haslingden site exit together with a further £410,000 (2018: £nil) in respect of professional fees and dual running costs associated with the reorganisation process.

(b) Anstey fire-related net other income of £144,000 (2018: £565,000) comprise proceeds arising from the reimbursement of repair costs in respect of plant and equipment and related costs following a minor fire.

In addition to the non-underlying items detailed above, an adjustment is made for the LTIP accounting charge and net defined benefit pension charge in arriving at the 'Adjusted profit' and 'Adjusted earnings per share'.

Unaudited Notes to the interim financial statements (continued)

8. Income tax expense

	6 months to 31 July 2019 £000	6 months to 31 July 2018 £000
Current tax:		
- UK, current tax	**(777)**	(906)
- UK, adjustments in respect of prior years	**(222)**	(161)
- overseas, current tax	**(20)**	-
Corporation tax	**(1,019)**	(1,067)
Deferred tax:		
- current year	**96**	76
- adjustments in respect of prior years	**31**	207
Deferred tax	**127**	283
Tax charge for the period	**(892)**	(784)

No overseas taxation is anticipated to become payable within the immediate future due to the availability of gross tax losses of approximately £3,200,000 (2018: £3,200,000).

The deferred tax balance at 31 July 2019 included within these interim financial statements has been calculated at a rate of 17%, as this is the rate at which the balances are expected to unwind.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016 and became substantively enacted in Finance Bill 2016 on 6 September 2016 to reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

A deferred tax credit of £127,000 (2018: credit of £283,000) arose in the period to 31 July 2019 on the profits for the period and adjustments in respect of prior years.

Unaudited Notes to the interim financial statements (continued)

9. Earnings per share

Basic earnings per share ('EPS') is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the year, excluding those held in the Employee Benefit Trust ('EBT') and those held in treasury, which are treated as cancelled. The adjusted basic earnings per share is calculated by dividing the adjusted earnings by the weighted average number of shares. As a consequence of the difficult marketplace impacting the profitability of the Group, PBT performance criteria within LTIPs 10 and 11 are not being met and as a consequence these Long-Term Incentive Plan ("LTIP") awards are not dilutive.

	6 months to 31 July 2019			6 months to 31 July 2018		
	Earnings	**Weighted average number of shares**	**Per share amount**	Earnings	Weighted average number of shares	Per share amount
	£000	**(000s)**	**Pence**	£000	(000s)	Pence
Basic earnings per share	**2,623**	**70,984**	**3.70**	3,083	70,926	4.35
Diluted earnings per share	**2,623**	**70,984**	**3.70**	3,083	70,926	4.35
Adjusted basic and diluted earnings per share:						
Add back LTIP accounting charge	-			68		
Add back Net defined benefit pension charge	359			323		
Non-underlying items (note 6)	1,058			38		
Tax effects of non-underlying items and other addbacks	(105)			(157)		
Adjusted basic earnings	**3,935**	**70,984**	**5.54**	3,355	70,926	4.73

per share						
Adjusted diluted earnings per share	**3,935**	**70,984**	**5.54**	3,355	70,926	4.73

Walker Greenbank's issued ordinary share capital with voting rights consists of 70,983,505 (2018: 70,983,505) ordinary shares of 1p each of which no (2018: nil) ordinary shares are held in treasury and no (2018: nil) ordinary shares are held by the Walker Greenbank PLC EBT. Shares held in treasury or by the EBT are treated as cancelled when calculating EPS.

On 29 May 2018, 142,238 shares vested under the Company's LTIP. To satisfy the vesting, 87,994 shares of 1p each were allotted at par value.

Unaudited Notes to the interim financial statements (continued)

10. Analysis of net funds / (debt)

	1 February 2019 £000	Cash flow £000	Other non-cash changes £000	31 July 2019 £000
Cash and cash equivalents	2,415	(17)	62	**2,460**
Bank overdraft	(1,981)	437	6	**(1,538)**
Cash and cash equivalents and bank overdraft	434	420	68	**922**
Finance lease liabilities	(9,587)	1,291	(370)	**(8,666)**
Net funds / (debt)	**(9,153)**	**1,711**	**(302)**	**(7,744)**

In December 2015, the Group entered into a £12,500,000 multi-currency revolving credit facility with Barclays Bank PLC for a five-year period and cancelled the existing Receivables facilities. The agreement also includes a £10,000,000 accordion facility option to further increase available credit which provides substantial headroom for future growth. An initial bank arrangement fee of £100,000 and an additional £40,000 is amortised over the life of the loan. Following full settlement of a five-year variable rate Term Loan in July 2017, total facilities from Barclays Bank PLC comprise the revolving credit facility secured on the Group's freehold property which may be drawn down in either sterling or euro.

The total Barclays Bank PLC facilities are capped at £22,500,000 (31 January 2019: £22,500,000); the utilisation of the facilities at 31 July 2019 was £1,538,000 (31 January 2019: £1,981,000). The revolving credit facility bears interest at a variable rate based on a margin above LIBOR (for sterling loans) or the EURIBOR (for euro loans).

Under the Barclays Bank PLC facilities, the Group is subject to compliance of two financial covenants, being interest cover and leverage. Any non-compliance with covenants could, if not remedied or waived, constitute an event of default with respect to any such arrangements. The Group has reported to Barclays Bank PLC that it was in full compliance with its covenants throughout each of the periods presented and expects to be for the remaining term of the agreement.

Unaudited Notes to the interim financial statements (continued)

11. Cash generated from operations

	6 months to	6 months to

	31 July 2019 £000	31 July 2018 £000
Profit before tax	**3,514**	3,867
Defined benefit pension charge	**359**	323
Net finance costs	**208**	135
Depreciation and impairment of property, plant and equipment (including right-of-use assets)	**2,769**	1,230
Amortisation	**859**	825
Insurance reimbursements	**(144)**	(650)
LTIP charge recognised in equity	**-**	75
LTIP vesting	**-**	(135)
Unrealised foreign exchange losses / (gains) included in operating profit	**(218)**	(86)
Defined benefit pension cash contributions	**(918)**	(1,001)
Cash generated from operating activities pre-insurance proceeds	**6,429**	4,583
Insurance proceeds relating to operating activities	**144**	650
Cash generated from operating activities post-insurance proceeds	**6,573**	5,233
Changes in working capital		
(Increase) / decrease in inventories	**(787)**	1,677
(Increase) / decrease in trade and other receivables	**(2,474)**	(868)
Increase / (decrease) in trade and other payables	**243**	(1,861)
Cash generated from operations	**3,555**	4,181

Unaudited Notes to the interim financial statements (continued)

12. Retirement benefit obligations

The Group sponsors the following funded pension schemes in the UK: the Walker Greenbank Pension Plan and the Abaris Holdings Limited Pension Scheme. The Walker Greenbank Pension Plan is the biggest scheme. All schemes contain defined benefits sections, which are closed to new members and the accrual of future benefits, however the Abaris Holdings Limited Pension Scheme also contains a defined contribution section, although this section is relatively small.

The pension costs relating to the UK defined benefit schemes are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. These schemes are subject to triennial actuarial reviews with the most recent ones having been April 2018. An updated funding valuation for IAS 19 financial reporting purposes was completed as at 31 July 2019.

The assumptions applied for valuation of the defined benefit schemes are fully disclosed in the annual financial statements for the year ended 31 January 2019 and continue to be applied in the half year ended 31 July 2019 with the exception of the discount rate assumption which has been updated to 2.1%. The net defined benefit pension charge recognised in the half year represents the relevant proportion of the annual amounts expected to be recognised for the year ending 31 January 2020 and are based on previous actuarial estimates. The net retirement benefit obligation recognised at 31 July 2019 is based on the actuarial valuation under IAS 19 'Employee Benefits' at 31 July 2019 with actuarial gains for the period being recognised together with the deferred tax effect of movements in the net retirement benefit obligation which has also been recognised in the half year. An updated funding valuation for IAS 19 financial reporting purposes will be completed for the next annual financial statements for the year ending 31 January 2020, at which time any actuarial gains and losses arising throughout the year will be recognised, including those arising from a change in the underlying assumptions applied for valuation of the defined benefit schemes.

13. Dividends

Following shareholder approval at the Company's Annual General Meeting on 19 July 2019, a final dividend in respect of the financial year

ended 31 January 2019 of 2.55 pence per share (2018: 3.68 pence) was paid on 9 August 2019 to shareholders on the register as at 19 July 2019. The total cost of this was £1,810,079 (2018: £2,612,000).

The directors have declared an interim dividend of 0.52 pence per share (2018: 0.69 pence), totalling £369,000 (2018: £490,000) for the six months ended 31 July 2019, which will be payable on 22 November 2019 to shareholders on the register on 25 October 2019.

14. Related party transactions

Transactions between Group companies, which are related parties, have been eliminated on consolidation and are therefore not disclosed. Other transactions which fall to be treated as related party transactions are those relating to the remuneration of key management personnel, which are not disclosed in the interim financial statements, and which will be disclosed in the Group's next annual report; and transactions between the Group and the Group's defined benefit pension plan, which are disclosed in note 6.

15. Events after the reporting period

On 3 October 2019, the Group renewed its £12,500,000 multi-currency revolving credit facility with Barclays Bank PLC for a further five-year period. The agreement also includes a £5,000,000 accordion facility option to further increase available credit which provides substantial headroom for future growth.

Unaudited Notes to the interim financial statements (continued)

Responsibility Statement

The Directors confirm that, to the best of their knowledge, these interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes as fair review of the information required by Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8, namely:

- An indication of the important events that have occurred during the first half year and their impact on the interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- Material related party transactions in the first half year and any material changes in the related party transactions described in the last annual report.

By order of the Board

Lisa Montague Chief Executive Officer	Mike Gant Chief Financial Officer

Independent review report to Walker Greenbank PLC

Report on the interim financial statements

Our conclusion

We have reviewed Walker Greenbank PLC's interim financial statements (the "interim financial statements") in the Interim Results for the six months ended 31 July 2019 of Walker Greenbank PLC for the six-month period ended 31 July 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

What we have reviewed

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 31 July 2019;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results for the six months ended 31 July 2019 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Results for the six months ended 31 July 2019, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Results for the six months ended 31 July 2019 in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results for the six months ended 31 July 2019 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statement involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results for the six months ended 31 July 2019 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
St Albans
14 October 2019

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