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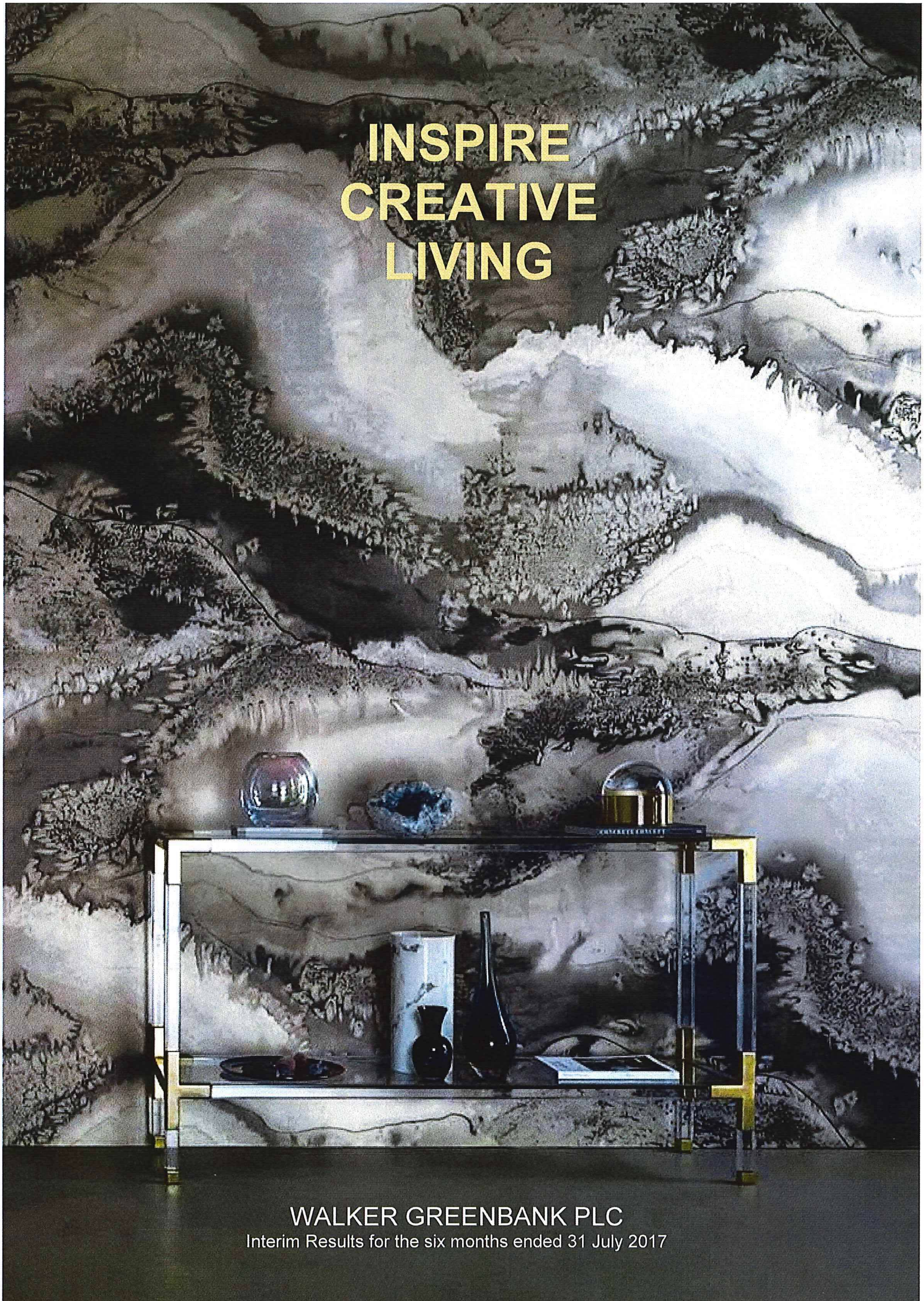

WALKER GREENBANK PLC

Interim Results for the six months ended 31 July 2017

For immediate release **4 October 2017**

WALKER GREENBANK PLC

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

Interim Results for the six months ended 31 July 2017

Walker Greenbank PLC (AIM: WGB), the luxury interior furnishings group, is pleased to announce its interim results for the six month period ended 31 July 2017.

Highlights

- Sales up 29.9% to £54.3 million (H1 2016: £41.8 million) including £10.3 million from Clarke & Clarke, the fabrics and wallpaper business acquired in October 2016
- Overseas Brands sales growth and a strong revenue contribution from Clarke & Clarke offset a weaker UK performance
- Adjusted underlying profit before tax* up 55.3% at £5.9 million (H1 2016: £3.8 million)
- Licencing income up 21.1% in reportable currency, 17.9% in constant currency, at £1.3 million driven by new licensing agreements signed in the prior financial year including blinds in the UK and bedding in the US and Asia
- Final settlement of the insurance claim in respect of the flood in December 2015 at Standfast & Barracks. These interim results include the recognition of £1.3 million (H1 2016: £3.3 million) of insurance reimbursements for loss of profits and net proceeds for asset replacement
- Underlying profit from operations** up 52.8% at £5.5 million (H1 2016: £3.6 million)
- Total statutory profit from operations at £4.8 million (H1 2016: £5.3 million) due to acquisition costs
- Adjusted earnings per share* up 39.4% at 6.86 pence (H1 2016: 4.92 pence)
- Interim dividend up 25.5% at 0.69 pence per share (H1 2016: 0.55 pence per share)

* Excludes accounting charges relating to share-based incentives, defined benefit pension charge and non-underlying items, see note 6.

** Excludes acquisition costs and Standfast flood-related costs.

Terry Stannard, the Chairman of Walker Greenbank, said: "Our results for the first half of this year reflect a strong contribution from last year's acquisition of Clarke & Clarke, a positive export performance and significant growth in licensing.

"Brand sales in the third quarter of the prior year included the invoicing of a backlog of flood-affected orders from the first half of the year. Against this comparator, in the first nine weeks of the current half year Brand sales excluding Clarke & Clarke were down 3.8% in reportable currency, down 4.8% in constant currency, but including Clarke & Clarke were up 31.7% in reportable currency.

"Encouragingly, the Brands' order intake is growing ahead of last year and is on an improving trend in the run-up to our key autumn selling period. Subject to this momentum continuing, the Board expects to meet its expectations for the full year."

Analyst meeting

A meeting for analysts will be held at 10.00 a.m. today, 4 October 2017, at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. For further details, contact Buchanan on 020 7466 5000.

For further information:

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Notes for editors:

About Walker Greenbank

Walker Greenbank PLC is a luxury interior furnishings Group that designs, manufactures and markets wallpapers and fabrics together with a wide range of ancillary interior products. The Group's brand portfolio – comprising Sanderson, Morris & Co, Harlequin, Zoffany, Scion, Anthology, Clarke & Clarke and Studio G – spans heritage and contemporary design and its products are sold in more than 85 countries worldwide. The Group derives significant licensing income from the use of its designs in lifestyle products such as bed linen, rugs and tableware.

The Group employs more than 600 people and has showrooms in London, New York, Chicago, Paris, Amsterdam and Dubai along with partnership showrooms in Moscow and in Shenzhen, China. Its UK manufacturing base, which includes a wallpaper factory in Loughborough and a fabric printing factory in Lancaster, manufactures product both for the Group and for other wallpaper and fabric brands. Continued investment in manufacturing has allowed the Group to offer a wide range of printing techniques.

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/

CHAIRMAN'S AND CHIEF EXECUTIVE'S STATEMENT

Overview

Our half year financial results show a step change in Walker Greenbank's performance reflecting the acquisition in October 2016 of Clarke & Clarke, a fabrics and wallcovering business with two international brands, Clarke & Clarke and Studio G.

During the half year we received, in aggregate, £3.9 million in insurance receipts covering costs and business interruption losses as final settlement of our insurance claim in respect of the flood at Standfast & Barracks, the Company's fabric printing business in Lancaster. In total we have received £19.3 million in insurance payments following the flood.

The adjusted underlying profit before tax*, for the first six months of the year was £5.9 million (H1 2016: £3.8 million), an increase of 55.3% on the same period last year. The reported financial results include the recognition of £1.1 million of insurance reimbursements following the flood at Standfast & Barracks as a contribution to loss of profits.

Total Brand sales for the first half, which include Clarke & Clarke sales of £10.3 million, increased by 33.4% in reportable currency compared with the same period last year to £45.2 million. Excluding Clarke & Clarke, total Brand sales for the half year were up 3.1% at £34.9 million. In the UK, our largest market, Brand sales excluding Clarke & Clarke decreased by 2.6% compared with the same period last year to £18.3 million, impacted by a weaker UK consumer environment.

Excluding Clarke & Clarke, overseas Brand sales were up 10.0% in reportable currency, up 2.7% in constant currency, to £15.4 million. Sales in the US, which is now the Group's second largest market, grew 12.0% in reportable currency and 1.9% in constant currency, compared with the same period last year to £5.0 million. Brand sales in Western Europe were up 6.4% in reportable currency, down 3.0% in constant currency, compared with the same period last year at £4.4 million and sales in the Rest of the World were up 8.2% in constant currency.

During the period we launched Style Library, our initiative to bring together our portfolio of brands including the unification of salesforces, customer service and websites to improve efficiency. We opened our Style Library flagship showroom in Chelsea Harbour in July 2017 to showcase all of our brands. This showroom replaces the individual showrooms at Chelsea Harbour and seeks to offer in one place the widest and most diverse range of the Company's fabrics, wallpapers and paints.

In addition, the Company has continued to develop its international sales channels in the US and its licensing channels both in the UK and overseas. Progress is also being made towards direct distribution in Russia.

Licensing income in the first six months was up 21.1% in reportable currency, 17.9% in constant currency, to £1.3 million largely as a result of new licensing agreements signed in the previous financial year for blinds in the UK and bedding in the US and Asia. We are continuing to pursue the extension of our product offering through new licensing agreements to take the Company's Brands further into lifestyle products and geographical territories.

We believe that our vertically integrated high-quality British manufacturing base, offering innovative printing techniques, differentiates us from others in our industry. The factories have seen improving order books from both new and existing third-party customers driven by digital printing. As a result total manufacturing sales grew 7.5% over the first six months when compared with the flood disrupted period last year driven by export orders to both new and existing customers given the increased international competitiveness resulting from weaker Sterling.

* excluding the Long Term Incentive Plan ("LTIP") accounting charge and the net defined benefit charge

The Brands

This segment incorporates global trading from our internationally recognised brands including our overseas subsidiaries in the US and France. In addition to Sanderson, Morris & Co, Harlequin, Zoffany, Scion and Anthology, the Brands now include Clarke & Clarke and Studio G.

Harlequin incorporating Scion and Anthology

Harlequin saw a reduction in worldwide sales of 1.2% in reportable currency compared with the same period last year to £15.4 million, primarily as a result of a more challenging UK consumer environment. Whilst Harlequin remains the UK's leading mid-market contemporary brand, UK sales reduced by 5.4%. Export sales grew 5.4% in reportable currency, down 1.5% in constant currency in the first half. In the US, Harlequin was up 12.2% in reportable currency, 2.1% in constant currency. Sales in Western Europe grew 5.0% in reportable currency, but fell 4.2% in constant currency when compared with the same period last year.

We are excited by Harlequin's recent collaboration with Clarissa Hulse, the renowned textile designer, to create Lilaea, a vibrant and glamorous range of fabrics displaying Clarissa's trademark style of contemporary botanical designs injected with intense colour.

The Scion brand, launched in February 2012, continues to be a valuable brand for licensing partners where the contemporary and graphic nature of the designs translates to licensed product particularly well. This accessibly priced brand continues to be a success with young, aspirational and fashion-aware customers. The brand's designs have stretched very successfully to a wide range of licensed product ranging from bedding and bath products to window furnishings, apparel, gifting and stationery.

The Anthology brand continues to perform strongly. Anthology 05, which has been complemented by an exciting range of innovative wide-width woven fabrics, has generated strong sales growth. Anthology's recent Definition collection of innovative wallcoverings defined by their textures and intricate backgrounds have been manufactured using technically-advanced machines and production methods.

Arthur Sanderson & Sons incorporating the Morris & Co brand

Worldwide sales at Sanderson were up 9.9% at £11.7 million in reportable currency, compared with the same period last year. Sales in the US were up 25.0% in reportable currency, 13.9% in constant currency. Sales in Western Europe were up 13.0% in reportable currency, 2.9% in constant currency. Sanderson's Woodland Walk collection has been the best-selling Sanderson collection for several years and has helped this increase in sales.

The Morris & Co. brand has seen positive sales performance up 28.8% to £3.9 million in reportable currency, helped by the launch of the Pure Morris collection which interprets William Morris' iconic designs in a neutral colour palette opening the potential of the brand to a wider audience.

Zoffany

Zoffany, positioned at the upper end of the premium market, saw worldwide sales reduce 0.3% in reportable currency compared with the same period last year to £6.1 million. This was despite strong performances from recent collections reflecting our focus on design strategy to position the Zoffany brand for sustained growth. Sales to export markets were up by 5.6% in reportable currency, down 1.8% in constant currency. The new Damask collection presents seven historical wallpaper designs, reinterpreted to introduce artistry and provenance into contemporary interiors.

Clarke & Clarke

Clarke & Clarke's two brands, Clarke & Clarke and Studio G, are at the more affordable end of our target markets, complementing the Group's existing Brands and representing an exciting addition to our product portfolio. As the brands were acquired in October 2016 we do not have comparative figures on which to calculate half year sales growth though the brands continue to perform in line with the Board's expectations. Studio G has launched four new collections during the half year and will, for the first time, launch 11 new collections in the US during the second half. Clarke & Clarke has launched seven new collections during the half year and is in the process of developing ready-made curtains, a new category, which will be launched in the second half of the current year.

Licensing

We license four of our brands for use in a very wide range of homeware products including bed linen, rugs, towelling, kitchen and tableware, lighting and giftware. In addition to being high margin and an increasing source of profits, licensing helps to increase the recognition of our Brands internationally. Our licensed product is available in many countries worldwide and is an important part of our export strategy. For example, our licensee in Japan has had significant success with Sanderson and Morris & Co designs on bedding and other licensed products. The Pure Morris concept has given our licensees and potential licensees the opportunity to extend their Morris & Co. offering into wider product categories including bedlinen and rugs.

We are very pleased by the growth delivered by our blinds licensee in the UK during the half year and, following the licensee's recent launch of an Australian website, we anticipate further growth. Mirtos, our licensee in China, has recently launched its latest range of bedlinen for Scion, Morris & Co., Sanderson and Harlequin at a trade fair in Shanghai, which we expect to drive growth.

Manufacturing

The fabric printing factory is back in full production following the flood, resulting in increased sales and profitability following a disrupted period last year. Total sales grew 7.5% to £16.1 million leading to an increase in profits of £0.3 million to £0.5 million before receiving a contribution to loss of profits of £1.1 million from our insurer.

Anstey

Anstey, our wallpaper manufacturer, has seen sales in the first half fall by 7.6% in reportable currency, compared with the same period last year, to £8.6 million. Third party sales in the UK were down 2.2% whilst third party export sales were down 15.4% but the order intake is on an improving trend and the benefits of a weaker Sterling are starting to feed through. September 2017 saw the launch of our in-house paint tinting and distribution for our Sanderson and Zoffany brands in partnership with PPG, the global US-based paints and coatings company.

Standfast

Overall sales at Standfast & Barracks, our fabric printing factory, were 32.2% higher in reportable currency, at £7.5 million, compared with the flood-impacted period at the same time last year. Third party sales in the UK were up 47.3% with third party export sales increasing 24.3% compared with the first half last year.

Digital printed fabric sales have increased 39.1% compared with the same period last year. Further investment in a new high speed digital pigment printer is expected in the second half of the current financial year. These investments will continue to enhance capacity, capability and efficiency.

Financials

Total sales in the half year increased 29.9% to £54.3 million, from £41.8 million in the prior period. The underlying profit from operations** grew 52.8% to £5.5 million (2016: £3.6 million).

Statutory profit before tax of £4.1 million (2016: £4.9 million) included non-underlying charges of £980,000 (H1 2016: credits of £1,739,000). These are analysed below:

** Excludes acquisition, Standfast flood-related and restructuring costs

	H1 2017 £000	H1 2016 £000
Statutory profit before tax	**4,069**	4,938
Acquisition related costs	**707**	-
Unwind of discount on contingent consideration	**268**	-
Total acquisition related costs	**975**	-
Standfast flood related costs	**1,125**	4,564
Standfast flood insurance reimbursements	**(1,342)**	(6,303)
Standfast net other income	**(217)**	(1,739)
Restructuring and reorganisation costs	**222**	-
Total non-underlying charges/(credits) included in profit before tax	**980**	(1,739)
Underlying profit before tax	**5,049**	3,199
LTIP accounting charge	**522**	286
Net defined benefit pension charge	**327**	291
Adjusted underlying profit before tax	**5,898**	3,776

Acquisition related costs incurred were in respect of the acquisition of Clarke & Clarke, which completed on 31 October 2016. These include amortisation of intangible assets of £525,000 and a charge of £182,000 associated with the fair value adjustment recognised on the inventory as at the date of acquisition. The balance of the inventory fair value uplift has been fully unwound during the period. A charge of £268,000 has been recognised in respect of unwind of the discount on contingent consideration payable for Clarke & Clarke.

Standfast net other income comprises of proceeds of £217,000 from the reimbursement of costs to replace impaired plant and equipment and intangible assets.

Restructuring and reorganisation costs of £222,000 reflect the ongoing rationalisation of certain operational and support functions. These costs mainly comprise professional fees, employee severance and property costs associated with the reorganisation process.

In addition to the non-underlying net other income described above, a further £1,069,000 has been recognised in underlying net other income which represents business interruption losses for the period to 31 July 2017.

The net underlying interest charge has increased from £60,000 to £134,000 reflecting higher borrowings as a result of utilisation of £5,000,000 of the Group's existing accordion tranche of its bank facilities following the acquisition of Clarke & Clarke in the prior year. The defined benefit pension charge has risen from £291,000 to £327,000 driven by an increase in the interest on pension scheme liabilities as a result of a decrease in the bond rates.

Underlying profit before tax, excluding the LTIP accounting charge, defined benefit charge and non-underlying items, increased 55.3% to £5.9 million (H1 2016: £3.8 million) and adjusted earnings per share were up 39.4% at 6.86 pence (H1 2016: 4.92 pence), after removing the LTIP accounting charge, defined benefit charge and other non-underlying items. Statutory profit after tax was £3.3 million (H1 2016: £4.0 million) and basic earnings per share were down 28.9% at 4.66 pence (2016: 6.55 pence).

The Group maintains a strong balance sheet with a small improvement to net debt at the half year at £5.1 million (31 January 2017: net debt £5.3 million).

Dividend

The Board is pleased to announce an interim dividend of 0.69 pence per share which represents an increase of 25.5% on the prior half year reflecting the Board's confidence in the current financial position and future financial performance of the Group. The interim dividend will be payable on 17 November 2017 to shareholders on the register as at 20 October 2017.

People

On behalf of the Board, I would like to thank all of our management and employees for their contribution. Post the half-year end, Brands Director Fiona Holmes resigned from the Company's Board and left the business. We would like to record our thanks to Fiona and wish her well in her future endeavours. The recruitment of her replacement is underway.

Outlook

Our results for the first half of this year reflect a strong contribution from last year's acquisition of Clarke & Clarke, a positive export performance and significant growth in licensing.

Brand sales in the third quarter of the prior year included the invoicing of a backlog of flood-affected orders from the first half of the year. Against this comparator, in the first nine weeks of the current half year Brand sales excluding Clarke & Clarke were down 3.8% in reportable currency, down 4.8% in constant currency, but including Clarke & Clarke were up 31.7% in reportable currency.

Encouragingly, the Brands' order intake is growing ahead of last year and is on an improving trend in the run-up to our key autumn selling period. Subject to this momentum continuing, the Board expects to meet its expectations for the full year.

Terry Stannard
Chairman
4 October 2017

John Sach
Group Chief Executive
4 October 2017

Unaudited Consolidated Income Statement
For the six months ended 31 July 2017

	Note	6 months to 31 July 2017			6 months to 31 July 2016		
		Underlying £000	**Non-underlying (note 6) £000**	**Total £000**	Underlying £000	Non-underlying (note 6) £000	Total £000
Revenue	2	**54,254**	**-**	**54,254**	41,826	-	41,826
Cost of sales		**(22,495)**	**(182)**	**(22,677)**	(16,649)	-	(16,649)
Gross profit / (loss)		**31,759**	**(182)**	**31,577**	25,177	-	25,177
Net operating expenses:							
Distribution and selling expenses		**(7,206)**	**-**	**(7,206)**	(6,175)	-	(6,175)
Administration expenses		**(20,112)**	**(747)**	**(20,859)**	(17,045)	-	(17,045)
Net other income	4	**1,069**	**217**	**1,286**	1,593	1,739	3,332
Profit / (loss) from operations		**5,510**	**(712)**	**4,798**	3,550	1,739	5,289
Net defined benefit pension charge	5	**(327)**	**-**	**(327)**	(291)	-	(291)
Finance costs		**(134)**	**(268)**	**(402)**	(60)	-	(60)
Total finance costs		**(461)**	**(268)**	**(729)**	(351)	-	(351)
Profit / (loss) before tax		**5,049**	**(980)**	**4,069**	3,199	1,739	4,938
Tax (expense) / income	7	**(936)**	**121**	**(815)**	(692)	(296)	(988)
Profit / (loss) for the year attributable to owners of the parent		**4,113**	**(859)**	**3,254**	2,507	1,443	3,950

Earnings per share - Basic	8	**4.66p**	6.55p
Earnings per share - Diluted	8	**4.52p**	6.46p
Adjusted earnings per share - Basic	8	**6.86p**	4.92p
Adjusted earnings per share - Diluted	8	**6.66p**	4.86p

Unaudited Consolidated Income Statement (continued)

	Note	Audited Year to 31 January 2017 Underlying £000	Non-underlying (note 6) £000	Total £000
Revenue	2	92,373	-	92,373
Cost of sales		(36,223)	(1,061)	(37,284)
Gross profit / (loss)		56,150	(1,061)	55,089
Net operating expenses:				
Distribution and selling expenses		(12,421)	-	(12,421)
Administration expenses		(36,724)	(3,170)	(39,894)
Net other income	4	2,837	2,248	5,085
Profit / (loss) from operations		9,842	(1,983)	7,859
Net defined benefit pension charge	5	(527)	-	(527)
Finance costs		(186)	(181)	(367)
Total finance costs		(713)	(181)	(894)
Profit / (loss) before tax		9,129	(2,164)	6,965
Tax (expense) / income	7	(1,609)	9	(1,600)
Profit / (loss) for the year attributable to owners of the parent		7,520	(2,155)	5,365

Earnings per share - Basic	8	8.55p
Earnings per share - Diluted	8	8.08p
Adjusted earnings per share - Basic	8	13.67p
Adjusted earnings per share - Diluted	8	12.92p

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 31 July 2017

	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Profit for the period	**3,254**	3,950	5,365
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension schemes	**-**	-	(4,339)
Corporation tax credits recognised in equity	**-**	5	270
Increase in deferred tax asset relating to pension scheme liability	**-**	-	484
Total items that will not be reclassified to profit or loss	**-**	5	(3,585)
Items that may be reclassified subsequently to profit or loss:			
Currency translation (losses) / gains	**(13)**	101	128
Cash flow hedge	**-**	26	26
Total items that may be reclassified subsequently to profit or loss	**(13)**	127	154
Other comprehensive (expense) / income for the period, net of tax	**(13)**	132	(3,431)
Total comprehensive income for the period attributable to the owners of the parent	**3,241**	4,082	1,934

Unaudited Consolidated Balance Sheet
As at 31 July 2017

	Note	As at 31 July 2017 £000	As at 31 July 2016 £000	Audited As at 31 January 2017 (Restated) £000
Non-current assets				
Intangible assets		**32,143**	7,118	32,561
Property, plant and equipment		**16,252**	13,844	15,845
		48,395	20,962	48,406
Current assets				
Inventories		**29,046**	20,840	30,305
Trade and other receivables		**20,345**	16,010	19,508
Cash and cash equivalents	9	**1,708**	2,930	1,516
		51,099	39,780	51,329
Total assets		**99,494**	60,742	99,735
Current liabilities				
Trade and other payables		**(22,557)**	(17,751)	(25,685)
Borrowings	9	**(6,860)**	(397)	(6,825)
Provision for other liabilities and charges		**(1,280)**	-	(3,570)
		(30,697)	(18,148)	(36,080)
Net current assets		**20,402**	21,632	15,249
Non-current liabilities				
Borrowings	9	**-**	-	-
Deferred income tax liabilities		**(2,502)**	(142)	(2,573)
Retirement benefit obligation		**(6,789)**	(3,711)	(7,413)
Provision for other liabilities and charges		**(2,636)**	-	(2,376)
		(11,927)	(3,853)	(12,362)
Total liabilities		**(42,624)**	(22,001)	(48,442)
Net assets		**56,870**	38,741	51,293
Equity				
Share capital		**709**	606	696
Share premium account		**18,681**	457	16,390
Foreign currency translation reserve		**(441)**	(455)	(428)
Accumulated losses		**(2,586)**	(2,374)	(5,872)
Other reserves		**40,507**	40,507	40,507
Total equity attributable to owners of the parent		**56,870**	**38,741**	**51,293**

The restatement of the year ended 31 January 2017 is explained in note 1.

Unaudited Consolidated Cash Flow Statement

For the six months ended 31 July 2017

	Note	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Cash flows from operating activities				
Cash generated from operations	10	**1,722**	3,053	12,381
Interest paid		**(118)**	(59)	(162)
Corporation tax paid		**(1,102)**	(844)	(2,294)
Net cash generated from operating activities		**502**	2,150	9,925
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired		**-**	-	(27,073)
Purchase of intangible assets		**(448)**	(348)	(792)
Purchase of property, plant and equipment		**(1,662)**	(3,073)	(5,976)
Proceeds from disposal of property, plant and equipment		**-**	-	89
Insurance proceeds relating to investing activities		**1,785**	1,398	2,268
Net cash used in investing activities		**(325)**	(2,023)	(31,484)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		**-**	-	16,022
Debt issue costs		**-**	-	(40)
Net repayment of loans	9	**(200)**	(200)	(400)
Dividends paid to Company's shareholders		**-**	-	(1,818)
Net cash (used in) / generated from financing activities		**(200)**	(200)	13,764
Net decrease in cash and cash equivalents		**(23)**	(73)	(7,795)
Cash and cash equivalents and bank overdraft at beginning of period		**(5,110)**	2,902	2,902
Effect of exchange rate fluctuations on cash held		**(19)**	101	(217)
Cash and cash equivalents and bank overdraft at end of period	9	**(5,152)**	2,930	(5,110)

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 31 July 2017

	Attributable to owners of the parent							
			Other reserves					
	Share capital £000	Share premium account £000	Accumulated losses £000	Capital reserve £000	Merger reserve £000	Hedge reserve £000	Foreign currency translation reserve £000	Total equity £000
Balance at 1 February 2017	696	16,390	(5,872)	43,457	(2,950)	-	(428)	51,293
Profit for the period	-	-	3,254	-	-	-	-	3,254
Other comprehensive income:								
Corporation tax credits recognised in equity	-	-	-	-	-	-	-	-
Deferred tax relating to pension scheme liability	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	(13)	(13)
Cash flow hedge	-	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**3,254**	**-**	**-**	**-**	**(13)**	**3,241**
Transactions with owners, recognised directly in equity:								
Allotment of share capital	13	2,291	(2)	-	-	-	-	2,302
Long-term incentive plan charge	-	-	443	-	-	-	-	443
Long-term incentive plan vesting	-	-	(404)	-	-	-	-	(404)
Related tax movements on long-term incentive plan	-	-	(5)	-	-	-	-	(5)
Balance at 31 July 2017	**709**	**18,681**	**(2,586)**	**43,457**	**(2,950)**	**-**	**(441)**	**56,870**

	Attributable to owners of the parent							
			Other reserves					
	Share capital £000	Share premium account £000	Accumulated losses £000	Capital reserve £000	Merger reserve £000	Hedge reserve £000	Foreign currency translation reserve £000	Total equity £000
Balance at 1 February 2016	602	457	(5,700)	43,457	(2,950)	(26)	(556)	35,284
Profit for the period	-	-	3,950	-	-	-	-	3,950
Other comprehensive income:								
Corporation tax credits recognised in equity	-	-	5	-	-	-	-	5
Currency translation differences	-	-	-	-	-	-	101	101
Cash flow hedge	-	-	-	-	-	26	-	26
Total comprehensive income	**-**	**-**	**3,955**	**-**	**-**	**26**	**101**	**4,082**
Transactions with owners, recognised directly in equity:								
Allotment of share capital	4	-	(4)	-	-	-	-	-
Long-term incentive plan charge	-	-	258	-	-	-	-	258
Long-term incentive plan vesting	-	-	(664)	-	-	-	-	(664)
Related tax movements on long-term incentive plan	-	-	(219)	-	-	-	-	(219)
Balance at 31 July 2016	**606**	**457**	**(2,374)**	**43,457**	**(2,950)**	**-**	**(455)**	**38,741**

Unaudited Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent							
				Other Reserves				
	Share capital £000	Share premium account £000	Accumulated losses £000	Capital reserve £000	Merger reserve £000	Hedge reserve £000	Foreign currency translation reserve £000	Total equity £000
Balance at 1 February 2016	602	457	(5,700)	43,457	(2,950)	(26)	(556)	35,284
Profit for the year	-	-	5,365	-	-	-	-	5,365
Other comprehensive Income:								
Remeasurements of defined benefit pension schemes	-	-	(4,339)	-	-	-	-	(4,339)
Corporation tax credits recognised in equity	-	-	270	-	-	-	-	270
Deferred tax relating to pension scheme liability	-	-	484	-	-	-	-	484
Currency translation differences	-	-	-	-	-	-	128	128
Cash flow hedge	-	-	-	-	-	26	-	26
Total comprehensive income	-	-	1,780	-	-	26	128	1,934
Transactions with owners, recognised directly in equity:								
Dividends	-	-	(1,818)	-	-	-	-	(1,818)
Allotment of share capital	94	15,933	(4)	-	-	-	-	16,023
Long-term incentive plan charge	-	-	658	-	-	-	-	658
Long-term incentive plan vesting	-	-	(664)	-	-	-	-	(664)
Related tax movements on long-term incentive plan	-	-	(124)	-	-	-	-	(124)
Balance at 31 January 2017	**696**	**16,390**	**(5,872)**	**43,457**	**(2,950)**	**-**	**(428)**	**51,293**

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 2018. 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 2017 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 2017, 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 2016, unless otherwise stated.

The Group's accounting policies for the year ended 31 January 2018 will be set out in the annual report for that year. Since the Group's previous annual financial report for the year ended 31 January 2017, a number of authoritative pronouncements issued by the International Accounting Standards Board and IFRS IC along with new or revised accounting standards are now effective for financial years ending 31 January 2018. None of these have any material impact on either the current or prior period financial statements. Additional authoritative pronouncements have been issued and will become effective in later years; these have not been adopted early by the Group.

Further details of authoritative pronouncements effective for financial years ending 31 January 2018 and additional authoritative pronouncements that have been issued and will become effective in later years will be set out in the financial statements of the Group for the year ending 31 January 2018.

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 2017 is based on the statutory accounts for the financial year ended 31 January 2017, 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 6 month period ended 31 July 2017 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. Accordingly, the going concern basis has been adopted in preparing the interim statements.

Prior year restatement
During the year end 31 January 2017, the Group acquired the entire share capital of Globaltex 2015 Limited in October 2016. In accordance with IFRS 3 Business Combinations, the directors made an initial assessment of the fair values of the acquired assets and liabilities and contingent consideration, resulting in goodwill of £14,736,000 being created in the consolidated balance sheet. During the six months ended 31 July 2017 (i.e. within 12 months of the acquisition date), the Directors undertook a review of the provisional fair values, with adjustments being reflected within the carrying value of goodwill as at the acquisition date. Net adjustments of £955,000 were made this year, increasing the contingent consideration, other payables and respective goodwill which are shown as a prior year restatement of the Unaudited Consolidated Balance Sheet. The 31 January 2017 net assets are unaffected by this adjustment.

The Board approved the interim financial information on 4 October 2017.

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 and France;
- 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

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

6 months to 31 July 2017	**Brands £000**	**Manufacturing £000**	**Eliminations and unallocated £000**	**Total £000**
UK Revenue	**23,468**	**7,287**	**-**	**30,755**
International Revenue	**20,345**	**1,805**	**-**	**22,150**
Licence Revenue	**1,349**	**-**	**-**	**1,349**
Revenue – External	**45,162**	**9,092**	**-**	**54,254**
Revenue – Internal	**-**	**6,983**	**(6,983)**	**-**
Total Revenue	**45,162**	**16,075**	**(6,983)**	**54,254**
Profit/(loss) from operations	**5,975**	**495**	**(1,672)**	**4,798**
Net defined benefit pension charge	**-**	**-**	**(327)**	**(327)**
Finance costs	**-**	**-**	**(402)**	**(402)**
Profit/(loss) before taxation	**5,975**	**495**	**(2,401)**	**4,069**
Tax charge	**-**	**-**	**(815)**	**(815)**
Profit/(loss) for the period	**5,975**	**495**	**(3,216)**	**3,254**

Business interruption reimbursements to cover loss of profits of £1,069,000 (2016: £1,593,000) are included within 'Eliminations and unallocated'. Tax charges have not been allocated to a segment.

6 months to 31 July 2016	Brands £000	Manufacturing £000	Eliminations and unallocated £000	Total £000
UK Revenue	18,756	6,207	-	24,963
International Revenue	13,973	1,776	-	15,749
Licence Revenue	1,114	-	-	1,114
Revenue – External	33,843	7,983	-	41,826
Revenue – Internal	-	6,977	(6,977)	-
Total Revenue	33,843	14,960	(6,977)	41,826
Profit from operations	3,605	174	1,510	5,289
Net defined benefit pension charge	-	-	(291)	(291)
Finance costs	-	-	(60)	(60)
Profit before taxation	3,605	174	1,159	4,938
Tax charge	-	-	(988)	(988)
Profit for the period	3,605	174	171	3,950

12 months to 31 January 2017	Brands £000	Manufacturing £000	Eliminations and unallocated £000	Total £000
UK Revenue	42,531	12,227	-	54,758
International Revenue	31,552	3,497	-	35,049
Licence Revenue	2,566	-	-	2,566
Revenue – External	76,649	15,724	-	92,373
Revenue – Internal	-	16,320	(16,320)	-
Total Revenue	76,649	32,044	(16,320)	92,373
Profit/(loss) from operations	9,239	1,026	(2,406)	7,859
Net defined benefit pension charge	-	-	(527)	(527)
Finance costs	-	-	(367)	(367)
Profit/(loss) before taxation	9,239	1,026	(3,300)	6,965
Tax charge	-	-	(1,600)	(1,600)
Profit/(loss) for the year	9,239	1,026	(4,900)	5,365

Unaudited Notes to the interim financial statements (continued)

2. Segmental analysis continued

b) Additional segmental revenue information

The segmental revenues of the Group are reported to the CODM in more detail. One of the analysis presented is revenue by export market for Brands.

Brands international revenue by export market	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Western Europe	**6,220**	4,173	9,594
Scandinavia	**1,343**	1,121	2,557
Eastern Europe	**1,643**	1,085	2,374
Europe Total	**9,206**	6,379	14,525
Middle East	**1,170**	684	1,345
Far East	**2,018**	1,533	3,308
US	**6,604**	4,487	10,310
South America	**191**	222	458
Australasia	**635**	432	1,004
Other	**521**	236	602
	20,345	13,973	31,552

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:

Brands revenue analysis	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Harlequin, incorporating Anthology and Scion	**15,371**	15,556	31,270
Sanderson, incorporating Morris & Co	**11,701**	10,648	22,516
Zoffany	**6,121**	6,138	12,162
Clarke & Clarke, incorporating Studio G	**10,266**	-	7,267
Other brands	**354**	387	868
Licensing	**1,349**	1,114	2,566
	45,162	33,843	76,649

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

Manufacturing revenue analysis	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Standfast	**7,479**	5,657	15,097
Anstey	**8,596**	9,303	16,947
	16,075	14,960	32,044

Unaudited Notes to the interim financial statements (continued)

3. Analysis of revenue by category

	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Sale of goods	**52,905**	40,712	89,807
Licence royalty income	**1,349**	1,114	2,566
	54,254	41,826	92,373

4. Net other income

Net other income arising as a result of the flood at Standfast, the Group's fabric printing factory in December 2015, is £1,069,000
(2016: £1,593,000) and represents business interruption reimbursements to cover loss of profits in the current period from repeat business.

5. Net defined benefit pension charge

	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Expected return on pension scheme assets	**900**	1,040	2,064
Interest on pension scheme liabilities	**(994)**	(1,108)	(2,199)
Scheme expenses met by the Group	**(233)**	(223)	(392)
Net charge	**(327)**	(291)	(527)

6. 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 before tax are as follows:

		6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
(i) Acquisition related:				
Transaction costs	(a)	**-**	-	(1,552)
Amortisation of acquired intangible assets		**(525)**	-	(342)
Unwind of the fair value uplift adjustment on inventory	(b)	**(182)**	-	(1,061)
Unwind of discount on contingent consideration	(c)	**(268)**	-	(181)
		(975)	-	(3,136)
(ii) Standfast flood:				
Incremental costs, inventory loss and property, plant and equipment impairments		**(1,125)**	(4,564)	(7,165)
Insurance reimbursements		**1,342**	6,303	9,413
	(d)	**217**	1,739	2,248
(iii) Restructuring and reorganisation costs	(e)	**(222)**	-	(1,276)
Total non-underlying items included in profit before tax		**(980)**	1,739	(2,164)
Tax on non-underlying items		**121**	(296)	9
Total impact of non-underlying items on profit after tax		**(859)**	1,443	(2,155)

6. Non-statutory profit measures continued

Costs detailed in (a) - (c) below incurred in the period to 31 July 2017 relate to the acquisition of Clarke & Clarke, which completed on 31 October 2016.

(a) Transaction costs comprise legal and professional fees in relation to the acquisition.
(b) In accordance with IFRS, the inventory value was uplifted to fair value at the date of the acquisition by £1,243,000 and this adjustment increased cost of sales in the post-acquisition period. £182,000 (2016: £nil) cost in respect of unwind of the fair value uplift adjustment is considered an exceptional cost of sale. The balance of the fair value uplift has been fully unwound during the period.
(c) A charge of £268,000 (2016: £nil) has been recognised in respect of unwind of the contingent consideration on acquisition in finance costs.
(d) The net other income balance of £217,000 (2016: £1,739,000) comprises of proceeds arising from reimbursement of costs to replace impaired plant and equipment and intangible assets.
(e) Restructuring and reorganisation costs relate to the ongoing reorganisation of the Group and comprise of the rationalisation of certain operational and support functions. These costs mainly comprise professional fees, employee severance and property costs associated with the reorganisation process and are included in administration expenses.

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'.

7. Income tax expense

	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Current tax:			
- UK, current tax	**(891)**	(757)	1,367
- UK, adjustments in respect of prior years	**-**	(201)	78
- overseas, current tax	**-**	-	-
Corporation tax	**(891)**	(958)	1,445
Deferred tax:			
- current year	**90**	(268)	271
- adjustments in respect of prior years	**-**	219	(12)
- effect of changes in corporation tax rates	**(14)**	19	(104)
Deferred tax	**76**	(30)	155
Tax charge for the period	**(815)**	(988)	(1,600)

No overseas taxation is anticipated to become payable within the immediate future due to the availability of gross tax losses of approximately £2,474,000 (2016: £1,302,000).

The deferred tax balance at 31 July 2017 included within these interim financial statements has been calculated at a rate of 17%, as this is the rate at which the majority of 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 £76,000 (2016: charge of £30,000) arose in the period to 31 July 2017 on the profits for the period.

A deferred tax charge of £5,000 (2016: £219,000) has been recognised for movements in the deferred tax relating to the long-term incentive plan. The movements in deferred tax relating to the long-term incentive plan have been recorded in equity in accordance with the Group's accounting policy.

Unaudited Notes to the interim financial statements (continued)

8. 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 improved profitability of the Group, PBT performance criteria within LTIPs 9 and 10 are now being met and as a consequence these Long Term Incentive Plan ("LTIP") awards are now dilutive.

		6 months to 31 July 2017			6 months to 31 July 2016			Audited Year to 31 January 2017	
	Earnings £000	**Weighted average number of shares (000s)**	**Per Share Amount Pence**	Earnings £000	Weighted average number of shares (000s)	Per Share Amount Pence	Earnings £000	Weighted average number of shares (000s)	Per Share Amount Pence
Basic earnings per share	**3,254**	**69,846**	**4.66**	3,950	60,351	6.55	5,365	62,732	8.55
Effect of dilutive securities:									
Shares under LTIP	-	**2,088**	-	-	767	-	-	3,645	-
Diluted earnings per share	**3,254**	**71,934**	**4.52**	3,950	61,118	6.46	5,365	66,377	8.08
Adjusted basic and diluted earnings per share:									
Add back LTIP accounting charge	522			286			756		
Add back net defined benefit pension charge	327			291			527		
Non-underlying items (note 6)	980			(1,739)			2,164		
Tax effects of non-underlying items and other addbacks	(291)			180			(235)		
Adjusted basic earnings per share	**4,792**	**69,846**	**6.86**	2,968	60,351	4.92	8,577	62,732	13.67
Adjusted diluted earnings per share	**4,792**	**71,934**	**6.66**	2,968	61,118	4.86	8,577	66,377	12.92

On 31 May 2017, 421,218 shares vested under the Company's LTIP. To satisfy the vesting, 227,247 shares of 1 pence each were allotted at par value and 4,909 shares were issued from the Walker Greenbank PLC EBT.

On 26 June 2017, the Company issued 1,116,586 ordinary shares of 1 pence each at an issue price of 206.25 pence per share in respect of the first tranche of the performance related Clarke & Clarke earn-out consideration for the period ended 31 January 2017.

Following these transactions Walker Greenbank's issued ordinary share capital with voting rights consists of 70,895,511 (2016: 60,604,309) ordinary shares of which no (2016: nil) ordinary shares are held in treasury and no (2016: 4,909) 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.

In order to finance the initial cash consideration to acquire 100% of the issued share capital of Clarke & Clarke, a placing of a total of 8,947,369 new ordinary shares of 1 pence each in the Company was announced on 12 October 2016. These shares, which represented approximately 12.9% of the Company's issued ordinary share capital on admission to trading on AIM (excluding treasury shares), were placed at a price of 190.0 pence per share raising proceeds of approximately £17,000,000.

On 16 May 2016, 773,397 shares vested under the Company's Long Term Incentive Plan. To satisfy the vesting, 431,788 shares of 1 pence each were allotted at par value.

8. Earnings per Share continued

The market value of shares held by the EBT at 31 July 2017 was £nil (2016: £9,352). The total number of shares held in the EBT at the period end represented 0% (2016: 0.01%) of the issued shares.

9. Analysis of net funds / (debt)

	1 February 2017 £000	Cash flow £000	Current portion of term loan £000	Other non-cash changes £000	31 July 2017 £000
Cash and cash equivalents	1,516	192	-	-	**1,708**
Bank overdraft	(6,626)	(234)	-	-	**(6,860)**
Cash and cash equivalents and bank overdraft	(5,110)	(42)	-	-	**(5,152)**
Term loan due within 1 year	(199)	200	-	(1)	-
Term loan due after 1 year	-	-	-	-	-
	(199)	200	-	-	-
Net debt	(5,309)	158	-	(1)	**(5,152)**

In December 2015, the Group entered into a new £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 of 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 (2016: £22,900,000); the utilisation of the facilities at 31 July 2017 was £6,860,000 (2016: £397,000). 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.

10. Cash generated from operations

	6 months to 31 July 2017 £000	6 months to 31 July 2016 £000	Audited Year to 31 January 2017 £000
Profit before tax	**4,069**	4,938	6,965
Defined benefit pension charge	**327**	291	527
Net finance costs	**402**	60	367
Depreciation and impairment of property, plant and equipment	**1,253**	988	2,172
Insurance reimbursements	**(2,411)**	(7,896)	(12,250)
Amortisation	**853**	334	1,019
Charge for LTIP recognised in equity	**443**	258	658
LTIP vesting	**(404)**	(664)	(664)
Unrealised foreign exchange losses / (gains) included in operating profit	**22**	(84)	56
Defined benefit pension cash contributions	**(951)**	(893)	(1,766)
Cash (used in) / generated from operating activities pre insurance proceeds	**3,603**	(2,668)	(2,916)
Insurance proceeds relating to operating activities	**2,126**	9,852	13,165
Cash generated from operating activities post insurance proceeds	**5,729**	7,184	10,249
Changes in working capital			
Decrease / (increase) in inventories	**1,259**	(2,736)	(5,976)
(Increase) / decrease in trade and other receivables	**(2,080)**	(219)	2,728
(Decrease) / increase in trade and other payables	**(3,186)**	(1,176)	5,380
Cash generated from operations	**1,722**	3,053	12,381

Unaudited Notes to the interim financial statements (continued)

11. Retirement benefit obligations

The Group operates 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 carried out as at 31 January 2017, based on membership data at 5 April 2015, updated to take account of benefit outgo since 5 April 2015, using actuarial assumptions at 31 January 2017.

The assumptions applied for valuation of the defined benefit schemes are fully disclosed in the annual financial statements for the year ended 31 January 2017 and continue to be applied in the half year ended 31 July 2017. 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 2018, and are based on previous actuarial estimates. The net retirement benefit obligation recognised at 31 July 2017 is based on the actuarial valuation under IAS 19 'Employee Benefits' at 31 January 2017 updated for movements in net defined benefit pension charge and contributions paid during the half year period which include additional payments to the pension scheme to reduce the deficit along with regular contributions to fund scheme expenses. The deferred tax effect of movements in the net retirement benefit obligation 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 2018, 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.

12. Business combinations

On 12 October 2016, the Group conditionally acquired Clarke & Clarke for an initial cash consideration of £25,000,000 and a contingent consideration of up to £17,500,000, in aggregate, payable in the Company's shares linked to the performance of the acquired business over a four year period, giving a total potential consideration of up to £42,500,000 excluding working capital adjustments. The completion date for the transaction was 31 October 2016.

As of 31 January 2017, the assumed probability adjusted contingent consideration was recalculated to be approximately £5,329,000. On 26 June 2017, the Group issued 1,116,586 ordinary share shares of 1 pence each in the Company (the "Consideration Shares") in respect of the first tranche of the performance related earn-out consideration. This first tranche of Consideration Shares has been issued following Clarke & Clarke achieving its variable EBITDA target for the period ended 31 January 2017. The Consideration Shares have been issued at an issue price of 206.25 pence per share (being the average closing price for the Company's Ordinary Shares 10 business days preceding 16 June 2017) and are subject to a 12 month lock-in period.

The Group remeasures the contingent consideration at fair value at each balance sheet date. The estimated fair value of the contingent consideration at 31 July 2017 was approximately £3,916,000, which is classified at Level 3 in the fair value hierarchy.

Following finalisation of the Group's tax computations for the year ended 31 January 2017, purchase consideration for Clarke & Clarke has been reassessed in respect of tax reliefs relating to the acquiree's pre-acquisition position. This has resulted in an increase of £338,000 taken against goodwill which is shown as a prior year restatement of the Unaudited Consolidated Balance Sheet.

13. Dividends

The directors paid on 11 August 2017, a final dividend of 3.06 pence per share (2016: 2.45 pence), a total of £2,169,000 (2016: £1,485,000) for the financial year ended 31 January 2017.

The directors have announced an interim dividend of 0.69 pence per share (2016: 0.55 pence), a total of £489,000 (2016: £333,000) for the six months ended 31 July 2017, which will be payable on 17 November 2017 to shareholders on the register on 20 October 2017.

14. Events after the reporting period

On 14 August 2017 Fiona Holmes, Managing Director of the Brands business, resigned from the Company's Board and left the business with immediate effect to pursue other interests.

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 of Walker Greenbank PLC for the 6 month period ended 31 July 2017. 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 Unaudited Consolidated Balance Sheet as at 31 July 2017;
- the Unaudited Consolidated Income Statement and Unaudited Consolidated Statement of Comprehensive Income for the period then ended;
- the Unaudited Consolidated Cash Flow Statement for the period then ended;
- the Unaudited 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 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, 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 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 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 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
3 October 2017

a) The maintenance and integrity of the Walker Greenbank PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.