Walker Greenbank PLC

PROVIDING LUXURY WORLDWIDE

A meeting for analysts will be held at 10am today, 14 October 2015, at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. For further details, contact Buchanan on 020 7466 5000

For immediate release 14 October 2015

WALKER GREENBANK PLC
("Walker Greenbank" or "the Group")

Interim Results for the 6 months ended 31 July 2015

Walker Greenbank PLC (AIM: WGB), the luxury interior furnishings Group whose brands include Sanderson, Morris & Co., Harlequin, Zoffany, Scion and Anthology, is pleased to announce its interim results for the six month period ended 31 July 2015.

Highlights

- Group sales up 11.4% to £45.8 million (H1 2014: £41.1 million),
- UK Brands sales up 7.6% and overseas Brands sales up 11.6% in reportable currency, 13.5% in constant currency
- Profit before tax up 25.8% at £2.89 million (H1 2014: £2.30 million)
- Adjusted profit before tax* up 12.3% at £3.68 million (H1 2014: £3.28 million)
- Strong performance from Manufacturing with total sales up 8.2% at £18.6 million (H1 2014: £17.2 million) including digital fabric printing sales up 35.0% at £3.2 million
- Earnings per share up 19.5% at 4.04 pence (H1 2014: 3.38 pence)
- Adjusted earnings per share* up 3.9% at 5.35 pence (H1 2014: 5.15 pence)
- Interim dividend up 25.7% to 0.44 pence per share (H1 2014: 0.35 pence per share)

* Adjusted for accounting charges relating to share-based incentives and defined benefit charge

Terry Stannard, the Chairman of Walker Greenbank, said: "Brand sales in the first ten weeks of the second half are up 7.5% in reportable currency (7.9% in constant currency) compared with the same period last year. This is an encouraging performance ahead of our key Autumn selling period and reflects strong trading in the UK, where Brand sales are up 7.5%, and in overseas markets, where Brand sales are up 8.5% in constant currency. Manufacturing also continues to perform strongly. The Board remains confident of meeting expectations for the full year."

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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 and Anthology – 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, 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

The six months to 31 July 2015 represent another successful trading period for Walker Greenbank. It is pleasing to announce another significant increase in sales, profitability and dividends. Total Brand sales for the first half increased by 8.8% in reportable currency (9.8% in constant currency) to £34.6 million compared with the same period last year.

We have delivered considerable growth in the UK, our largest market, where Brand sales increased by 7.6% to £20.2 million compared with the same period last year, reflecting continuing strong contracts sales and continued retail sales growth.

Overseas Brand sales were up 11.6% in reportable currency 13.5% in constant currency to £13.4 million. Overseas Brand sales benefited from the strength of the US dollar, but this was offset by the weakness of the Euro. Sales in the US have grown 30.3% in reportable currency 19.1% in constant currency to £4.4 million, positively impacted by the completion of our flagship New York showroom extension last year.

Brand sales in Western Europe were up 0.9% in reportable currency, owing to the strength of Sterling 13.2% in constant currency to £3.7 million with growth in almost every territory. Our Dubai showroom has contributed to a strong sales performance in the Middle East, up 18.2% in constant currency, and sales in the Rest of the World grew 9.5% in constant currency.

Licensing income in the first six months is down 1.8% in reportable currency but up 5.6% in constant currency, to £0.96 million due mainly to the weakness of the Japanese Yen. We recently announced that Sanderson had collaborated with the consumer electronics manufacturer Pure to produce designer digital radios featuring Sanderson prints. This collaboration is another positive step in our licensing strategy which is taking the Company's designs into lifestyle products, helping us to increase the consumer awareness of our brands.

Vertically integrated high quality British manufacturing with innovative printing techniques distinguishes us from others in our industry. Continued investment in our manufacturing capabilities at both factories has helped deliver a strong performance from our manufacturing sites with total sales growing 8.2% over the first six months, a large proportion of which is digital printing.

We have continued to make significant progress with our growth strategy during the half year, particularly in market penetration through the launch of the third collection from the Anthology brand. We also progressed our digital sales and marketing strategy, including consumer e-commerce development and greater consumer insight. As part of an initiative to get closer to our customers, we are developing a new CRM solution.

The Brands

This segment incorporates global trading from our international recognised brands including our overseas subsidiaries in the US and France.

Harlequin incorporating Scion & Anthology

Harlequin has grown its worldwide sales 15.6% to £16.0 million in reportable currency compared with the same period last year. It continues to be the UK's leading mid-market contemporary brand achieving growth of 12.1% in the UK consumer market. Export sales have grown 12.0% in the first half despite the impact of currency. In the US, Harlequin has seen significant growth, up 52.0% in reportable currency. Southern Ireland was the largest market in Europe for the Harlequin group in the first half.

The Scion brand, launched in February 2012, continues to grow well with its substantial third collection, Spirit and Soul, launched in 2014, having increased appeal in overseas markets. For 2015, the fourth collection, Levande, has been joined by Scion's first children's collection Guess Who?

The Anthology brand was launched in April 2014 with two luxury collections of wallcoverings and sales have already exceeded expectations. The third collection was launched in Spring 2015 and will be followed later in the year by Anthology 4, which will be complemented by an exciting range of innovative wide-width fabrics. Anthology was specifically aimed at international markets which are already accounting for more than half of the Brand's sales.

Arthur Sanderson & Sons incorporating the Morris & Co brand

Sales at Sanderson have remained flat at £11.0 million. Recent collections (notably Fabienne) have driven UK growth of 1.2%, which has been offset by a reduction in export markets driven by Eastern Europe.

Zoffany

Zoffany, which is positioned at the upper end of the premium market, has delivered sales growth of 7.7% to £6.0 million compared with the same period last year, with strong performances from recent collections reflecting the focus on design strategy and direction to position the Zoffany brand for sustained growth. Sales to export markets have grown by 0.3% in reportable currency. Zoffany was recently included in the 2015/16 CoolBrands list, compiled by opinion formers and members of the public.

Manufacturing

Manufacturing has delivered another strong performance with sales and profitability both increasing. Total sales grew 8.2% to £18.6 million leading to an increase in profits of 15.3% to £1.8 million.

Anstey

Anstey, our wallpaper manufacturer, has seen sales in the first half remain constant at £9.0 million compared with the same period last year. Third party sales in the UK were up 12.8% and third party export sales were up 16.4% whilst sales to our own Group Brands fell by 16.6% following the launch of a large number of new collections from the Brands in the last quarter of the prior year.

Last year's additional investment in digital printing and correlated digital sampling together with finishing equipment for digital product has contributed to the strong growth of third party sales. These investments have continued to enhance capacity, capability and efficiency.

Standfast

Overall sales at Standfast & Barracks, our fabric printing factory, were 18.2% higher, at £9.6 million, compared with the same period last year. Third party sales in the UK were up 21.7% with sales to our own Group Brands increasing 6.9% year on year. Our continued investment in digital printing has contributed to digital print sales increasing be 35.0% year on year and now represent a third of total revenue. We have also recently installed a digital pigment printer which is part of a collaborative R&D project with the manufacturer which aims to develop the capability to print on new substrates.

Financials

Total sales in the half year increased 11.4% to £45.8 million, from £41.1 million. The profit from operations grew 21.3% to £3.39 million (2014: £2.79 million). Operating profits before an accounting charge relating to the Long Term Incentive Plan (LTIP) have risen 12.2% from £3.37 million to £3.78 million.

The interest charge has increased from £92,000 to £102,000 reflecting the Group's investment in working capital in the form of new collections at the end of the previous financial year. The defined benefit pension charge has fallen slightly from £400,000 to £391,000 driven by a reduction in the service cost.

Profit before tax after the two non-cash charges increased 25.8% to £2.89 million (2014: £2.30 million). Profit before tax, and before the LTIP accounting charge and defined benefit charge, increased 12.3% to £3.68 million (2014: £3.28 million). Earnings per share were up 19.5% at 4.04 pence (2014: 3.38 pence). Profit after tax was £2.4 million (2014: £2.0 million) and adjusted earnings per share were up 3.9% at 5.35 pence (2014: 5.15 pence), after removing the LTIP accounting charge and defined benefit charge.

The Group maintains a strong balance sheet with indebtedness at the half year of £0.57 million, a significant inflow of £1.69 million over the last 12 month period (31 January 2015: net funds £0.002 million).

Dividend

The Board has declared an interim dividend of 0.44 pence per share which represents an increase of 25.7% 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 13 November 2015 to shareholders on the register as at 23 October 2015.

Outlook

Brand sales in the first ten weeks of the second half are up 7.5% in reportable currency (7.9% in constant currency) compared with the same period last year. This is an encouraging performance ahead of our key Autumn selling period and reflects strong trading in the UK, where Brand sales are up 7.5%, and in overseas markets, where Brand sales are up 8.5% in constant currency. Manufacturing also continues to perform strongly. The Board remains confident of meeting expectations for the full year.

Terry Stannard
Chairman
14 October 2015

John Sach
Group Chief Executive
14 October 2015

Unaudited Consolidated Income Statement

For the six months ended 31 July 2015

	Note	**6 months to 31 July 2015 £000**	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Revenue	2	**45,834**	41,148	83,373
Profit from operations	3	**3,387**	2,793	7,335
Net defined benefit pension charge	4	**(391)**	(400)	(798)
Finance costs		**(102)**	(92)	(208)
Total finance costs		**(493)**	(492)	(1,006)
Profit before tax		**2,894**	2,301	6,329
Income tax expense	5	**(478)**	(306)	(1,224)
Profit for the period attributable to owners of the parent		**2,416**	1,995	5,105
Earnings per share - Basic (pence)	6	**4.04**	3.38	8.60
Earnings per share - Diluted (pence)	6	**3.95**	3.27	8.28
Adjusted earnings per share - Basic (pence)	6	**5.35**	5.15	11.64
Adjusted earnings per share - Diluted (pence)	6	**5.23**	4.99	11.20

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 31 July 2015

	6 months to 31 July 2015 £000	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Profit for the period	**2,416**	1,995	5,105
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension schemes	**-**	-	(2,011)
(Reduction)/increase of deferred tax asset relating to pension scheme liability	**(9)**	(76)	228
Total items that will not be reclassified to profit or loss	**(9)**	(76)	(1,783)
Items that may be reclassified subsequently to profit or loss:			
Currency translation gains/(losses)	**103**	(54)	(276)
Cash flow hedge gains/(losses)	**148**	(19)	(348)
Total items that may be reclassified subsequently to profit or loss	**251**	(73)	(624)
Other comprehensive expense for the period, net of tax	**242**	(149)	(2,407)
Total comprehensive income for the period attributable to the owners of the parent	**2,658**	1,846	2,698

Unaudited Consolidated Balance Sheet

As at 31 July 2015

	Note	**As at 31 July 2015 £000**	As at 31 July 2014 £000	Audited As at 31 January 2015 £000
Non-current assets				
Intangible assets		**7,090**	7,216	7,158
Property, plant and equipment		**12,634**	12,203	12,714
Deferred income tax assets		**1,087**	1,544	1,591
		20,811	20,963	21,463
Current assets				
Inventories		**20,053**	19,080	22,004
Trade and other receivables		**16,423**	15,370	14,130
Derivative financial asset		**-**	134	-
Cash and cash equivalents		**213**	2,635	971
		36,689	37,219	37,105
Total assets		**57,500**	58,182	58,568
Current liabilities				
Trade and other payables		**(17,703)**	(17,629)	(20,115)
Derivative financial liability		**(47)**	-	(195)
Borrowings	7	**(400)**	(400)	(400)
		(18,150)	(18,029)	(20,710)
Net current assets		**18,539**	19,190	16,395
Non-current liabilities				
Borrowings	7	**(384)**	(4,498)	(569)
Retirement benefit obligation		**(9,903)**	(8,832)	(10,352)
		(10,287)	(13,330)	(10,921)
Total liabilities		**(28,437)**	(31,359)	(31,631)
Net assets		**29,063**	26,823	26,937
Equity				
Share capital		**602**	598	598
Share premium account		**457**	457	457
Foreign currency translation reserve		**(262)**	(143)	(365)
Accumulated losses		**(12,194)**	(14,730)	(14,065)
Other reserves		**40,460**	40,641	40,312
Total equity attributable to owners of the parent		**29,063**	26,823	26,937

Unaudited Consolidated Cash Flow Statement

For the six months ended 31 July 2015

	Note	**6 months to 31 July 2015 £000**	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Cash flows from operating activities				
Cash inflow/(outflow) generated from operations	8	**769**	(1,624)	3,468
Interest paid		**(87)**	(80)	(181)
Income tax paid		**(8)**	(5)	(32)
Net cash generated from/(used in) operating activities		**674**	(1,709)	3,255
Cash flows from investing activities				
Purchase of intangible fixed assets		**(220)**	(182)	(420)
Purchase of property, plant and equipment		**(1,012)**	(1,487)	(2,830)
Proceeds from disposal of property, plant and equipment		**-**	-	20
Net cash used in investing activities		**(1,232)**	(1,669)	(3,230)
Cash flows from financing activities				
EBT purchase of shares		**-**	(348)	(348)
Allotment of share capital		**-**	-	8
Net (repayment)/drawdown of borrowings	7	**(200)**	3,531	(400)
Dividends paid to Company's shareholders		**-**	-	(1,144)
Net cash (used in)/generated from financing activities		**(200)**	3,183	(1,884)
Net decrease in cash and cash equivalents		**(758)**	(195)	(1,859)
Cash and cash equivalents at beginning of period		**971**	2,830	2,830
Cash and cash equivalents at end of period		**213**	2,635	971

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 31 July 2015

	Share capital £000	Share premium account £000	Accumulated losses £000	Other reserves: Capital reserve £000	Other reserves: Merger reserve £000	Other reserves: Hedge reserve £000	Foreign currency translation reserve £000	Total equity £000
Balance at 1 February 2015	598	457	(14,065)	43,457	(2,950)	(195)	(365)	26,937
Profit for the period	-	-	2,416	-	-	-	-	2,416
Other comprehensive income:								
Deferred tax relating to pension scheme liability	-	-	(9)	-	-	-	-	(9)
Currency translation differences	-	-	-	-	-	-	103	103
Cash flow hedge	-	-	-	-	-	148	-	148
Total comprehensive income	**-**	**-**	**2,407**	**-**	**-**	**148**	**103**	**2,658**
Transactions with owners, recognised directly in equity:								
Allotment of share capital	4	-	(4)	-	-	-	-	-
Long-term incentive plan charge	-	-	311	-	-	-	-	311
Long-term incentive plan vesting	-	-	(967)	-	-	-	-	(967)
Related tax movements on long-term incentive plan	-	-	124	-	-	-	-	124
Balance at 31 July 2015	**602**	**457**	**(12,194)**	**43,457**	**(2,950)**	**(47)**	**(262)**	**29,063**

	Share capital £000	Share premium account £000	Accumulated losses £000	Other reserves: Capital reserve £000	Other reserves: Merger reserve £000	Other reserves: Hedge reserve £000	Foreign currency translation reserve £000	Total equity £000
Balance at 1 February 2014	590	457	(14,766)	43,457	(2,950)	153	(89)	26,852
Profit for the period	-	-	1,995	-	-	-	-	1,995
Other comprehensive income:								
Deferred tax relating to pension scheme liability	-	-	(76)	-	-	-	-	(76)
Currency translation differences	-	-	-	-	-	-	(54)	(54)
Cash flow hedge	-	-	-	-	-	(19)	-	(19)
Total comprehensive income	**-**	**-**	**1,919**	**-**	**-**	**(19)**	**(54)**	**1,846**
Transactions with owners, recognised directly in equity:								
EBT purchase of shares	-	-	(348)	-	-	-	-	(348)
Allotment of share capital	8	-	-	-	-	-	-	8
Long-term incentive plan charge	-	-	293	-	-	-	-	293
Long-term incentive plan vesting	-	-	(1,584)	-	-	-	-	(1,584)
Related tax movements on long-term incentive plan	-	-	(244)	-	-	-	-	(244)
Balance at 31 July 2014	**598**	**457**	**(14,730)**	**43,457**	**(2,950)**	**134**	**(143)**	**26,823**

Unaudited Consolidated Statement of Changes in Equity (continued)

	Share capital £000	Share premium account £000	Accumulated losses £000	Other reserves: Capital reserve £000	Other reserves: Merger reserve £000	Other reserves: Hedge reserve £000	Foreign currency translation reserve £000	Total equity £000
Balance at 1 February 2014	590	457	(14,766)	43,457	(2,950)	153	(89)	26,852
Profit for the year	-	-	5,105	-	-	-	-	5,105
Other comprehensive income:								
Remeasurements of defined benefit pension schemes	-	-	(2,011)	-	-	-	-	(2,011)
Deferred tax relating to pension scheme liability	-	-	228	-	-	-	-	228
Currency translation differences	-	-	-	-	-	-	(276)	(276)
Cash flow hedging reserve – released to Income Statement	-	-	-	-	-	(153)	-	(153)
Cash flow hedging reserve – recognised in equity during the year	-	-	-	-	-	(195)	-	(195)
Total comprehensive income	**-**	**-**	3,322	-	-	(348)	(276)	2,698
Transactions with owners, recognised directly in equity:								
Dividends	-	-	(1,144)	-	-	-	-	(1,144)
EBT purchase of shares	-	-	(348)	-	-	-	-	(348)
Allotment of share capital	8	-	-	-	-	-	-	8
Long-term incentive plan charge	-	-	629	-	-	-	-	629
Long-term incentive plan vesting	-	-	(1,584)	-	-	-	-	(1,584)
Related tax movements on long-term incentive plan	-	-	(174)	-	-	-	-	(174)
Balance at 31 January 2015	**598**	**457**	**(14,065)**	**43,457**	**(2,950)**	**(195)**	**(365)**	**26,937**

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 2016. 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.

The Group has chosen not to adopt IAS 34 'Interim Financial Reporting' in preparing these interim financial statements for the period to 31 July 2015 as it is not mandatory for AIM listed companies.

The Group's accounting policies for the year ended 31 January 2016 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 2015, 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 2016. 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 2016 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 2016.

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 2015 is based on the statutory accounts for the financial year ended 31 January 2015, 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 2015 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.

The Board approved the interim financial information on 14 October 2015.

Adoption of Financial Reporting Standard (FRS) 101 – Reduced Disclosure Framework

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, Walker Greenbank PLC is required to change its accounting framework for its entity financial statements, which is currently UK GAAP, for its financial year commencing 1 February 2015. The Group is required to make a choice between two alternative sets of accounting standards: FRS 101, which allows UK companies to use the recognition and measurement requirements of IFRS, but with reduced disclosures; or FRS 102, which represents new UK GAAP, based on IFRS for small and medium-sized enterprises (SMEs), amended for UK-specific circumstances. The Board considers that it is in the best interests of the Group for the Company to adopt FRS 101 'Reduced Disclosure Framework' since this will enable the streamlining and simplification of reporting procedures. No material disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101. In accordance with the provisions set out in FRS 101.5, a shareholder or shareholders holding in aggregate 5% or more of the total issued shares in the Company may object to the use of the disclosure exemptions, in writing, to the Company Secretary at the registered office no later than 11 November 2015.

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 – comprises the design, marketing, sales, distribution, and licensing activities of Sanderson, Morris & Co, Harlequin, Zoffany, Anthology and Scion brands operating 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 2015	**Brands £000**	**Manufacturing £000**	**Eliminations and unallocated £000**	**Total £000**
UK Revenue	**20,155**	**9,307**	-	**29,462**
International Revenue	**13,436**	**1,978**	-	**15,414**
Licence Revenue	**958**	**-**	-	**958**
Revenue – External	**34,549**	**11,285**	-	**45,834**
Revenue – Internal	**-**	**7,362**	**(7,362)**	**-**
Total Revenue	**34,549**	**18,647**	**(7,362)**	**45,834**
Profit/(loss) from operations	**3,335**	**1,807**	**(1,755)**	**3,387**
Net borrowing costs	**-**	**-**	**(102)**	**(102)**
Net pension charge	**-**	**-**	**(391)**	**(391)**
Profit/(loss) before taxation	**3,335**	**1,807**	**(2,248)**	**2,894**
Tax charge	**-**	**-**	**(478)**	**(478)**
Profit/(loss) for the period	**3,335**	**1,807**	**(2,726)**	**2,416**

6 months to 31 July 2014	Brands £000	Manufacturing £000	Eliminations and unallocated £000	Total £000
UK Revenue	18,732	7,932	-	26,664
International Revenue	12,035	1,473	-	13,508
Licence Revenue	976	-	-	976
Revenue – External	31,743	9,405	-	41,148
Revenue – Internal	-	7,826	(7,826)	-
Total Revenue	31,743	17,231	(7,826)	41,148
Profit/(loss) from operations	3,075	1,567	(1,849)	2,793
Net borrowing costs	-	-	(92)	(92)
Net pension charge	-	-	(400)	(400)
Profit/(loss) before taxation	3,075	1,567	(2,341)	2,301
Tax charge	-	-	(306)	(306)
Profit/(loss) for the period	3,075	1,567	(2,647)	1,995

12 months to 31 January 2015	Brands £000	Manufacturing £000	Eliminations and unallocated £000	Total £000
UK Revenue	38,468	15,802	-	54,270
International Revenue	24,151	2,871	-	27,022
Licence Revenue	2,081	-	-	2,081
Revenue – External	64,700	18,673	-	83,373
Revenue – Internal	-	16,401	(16,401)	-
Total Revenue	64,700	35,074	(16,401)	83,373
Profit/(loss) from operations	7,387	3,658	(3,710)	7,335
Net borrowing costs	-	-	(208)	(208)
Net pension charge	-	-	(798)	(798)
Profit/(loss) before taxation	7,387	3,658	(4,716)	6,329
Tax charge	-	-	(1,224)	(1,224)
Profit/(loss) for the year	7,387	3,658	(5,940)	5,105

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 in the Brands.

Brands international revenue by export market	**6 months to 31 July 2015 £000**	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Western Europe	**3,651**	3,619	7,038
Scandinavia	**933**	827	1,762
Eastern Europe	**1,137**	1,210	2,256
Europe Total	**5,721**	5,656	11,056
Middle East	**682**	575	1,026
Far East	**1,589**	1,423	2,957
US	**4,379**	3,359	7,041
Australasia	**537**	562	1,083
South America	**187**	175	361
Other	**342**	285	627
	13,437	12,035	24,151

Revenue of the Brands reportable segments – revenue from operations in all territories where the sale is sourced from the United Kingdom and overseas subsidiary operations, excluding internal sales to overseas subsidiaries, together with contract and license revenue:

Brands revenue analysis	**6 months to 31 July 2015 £000**	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Harlequin, incorporating Anthology & Scion	**16,049**	13,887	28,982
Sanderson, incorporating Morris & Co	**11,029**	11,039	21,698
Zoffany	**5,993**	5,567	11,223
Other brands	**520**	274	716
Licensing	**958**	976	2,081
	34,549	31,743	64,700

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

Manufacturing revenue analysis	**6 months to 31 July 2015 £000**	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Standfast	**9,615**	8,136	16,744
Anstey	**9,032**	9,095	18,330
	18,647	17,231	35,074

3. Analysis of operating profit by function of expense

	6 months to 31 July 2015 £000	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Revenue	**45,834**	41,148	83,373
Cost of sales	**(18,924)**	(15,987)	(32,674)
Gross profit	**26,910**	25,161	50,699
Net operating expenses	**(23,130)**	(21,793)	(42,359)
LTIP accounting charge for the period*	**(393)**	(575)	(1,005)
Profit from operations	**3,387**	2,793	7,335

*The LTIP accounting charge of £393,000 (2014: £575,000) although not considered an exceptional cost has been separately disclosed within this note to aid comparison and analysis.

4. Net defined benefit pension charge

	6 months to 31 July 2015 £000	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Expected return on pension scheme assets	**879**	1,092	2,179
Interest on pension scheme liabilities	**(1,067)**	(1,279)	(2,552)
Scheme expenses met by the Group	**(203)**	(213)	(425)
Net charge	**(391)**	(400)	(798)

Unaudited Notes to the interim financial statements (continued)

5. Income tax expense

	6 months to 31 July 2015 £000	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Current tax:			
- UK, current tax	**(451)**	-	(582)
- overseas, current tax	**-**	(5)	(14)
Corporation tax	**(451)**	(5)	(596)
Deferred tax:			
- current year	**(112)**	(301)	(669)
- adjustments in respect of prior years	**84**	-	-
- effect of change in corporation tax rate to 20% (2014: 20%)	**1**	-	41
Deferred tax	**(27)**	(301)	(628)
Tax charge for the period	**(478)**	(306)	(1,224)

The rate of corporation tax changed from 21% to 20% with effect from 1 April 2015. Accordingly the UK companies' results for this accounting year are taxed at an effective whole year rate of 20.17%. Changes to UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes have not been substantively enacted at the reporting date, their effects are not included within these interim financial statements.

The deferred tax balance at 31 July 2015 included within these interim financial statements has been calculated at a rate of 20%, being the rate enacted in the Finance Act (2013), as this is the rate at which majority of the balances are expected to unwind.

No overseas taxation is anticipated to become payable within the immediate future due to availability of gross tax losses of approximately £1.5 million (2014: £1.9 million).

A deferred tax charge of £27,000 (2014: £301,000) arose in the period to 31 July 2015 on the profits for the period.

A deferred tax charge of £9,000 (2014: £76,000) has been recognised for movements in the deferred tax relating to the pension liability. The movements in deferred tax relating to the pension liability have been recognised in the Statement of Comprehensive Income in accordance with the Group's accounting policy.

A deferred tax charge of £469,000 (2014: £244,000) 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)

6. 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 period, 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 result of the improved profitability of the Group, PBT performance criteria within LTIPs 7, 8 and 9 are now being met and as a consequence these LTIP awards are now dilutive.

	6 months to 31 July 2015			6 months to 31 July 2014			Year to January 2015		
	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	**2,416**	**59,819**	**4.04**	1,995	59,092	3.38	5,105	59,335	8.60
Effect of dilutive securities	**-**	**-**	**-**	-	-	-	-	-	-
Shares under LTIP	**-**	**1,390**	**-**	-	1,919	-	-	2,360	-
Diluted earnings per share	**2,416**	**61,209**	**3.95**	1,995	61,011	3.27	5,105	61,695	8.28
Adjusted basic and diluted earnings per share:									
Add back LTIP accounting charge	**393**			575			1,005		
Add back Net defined benefit pension accounting charge	**391**			400			798		
Add/(less) Deferred tax arising on LTIP	**-**			72			-		
Adjusted basic earnings per share	**3,200**	**59,819**	**5.35**	3,042	59,092	5.15	6,908	59,335	11.64
Adjusted diluted earnings per share	**3,200**	**61,209**	**5.23**	3,042	61,011	4.99	6,908	61,695	11.20

On 18 May 2015, 1,090,326 shares vested under the Company's Long Term Incentive Plan. To satisfy the vesting, 409,962 shares of 1 pence each were allotted at par value and a further 188,272 shares were issued from the Walker Greenbank PLC Employee Benefit Trust "EBT". Following these transactions Walker Greenbank's issued ordinary share capital with voting rights consists of 60,172,521 (2014: 59,762,559) ordinary shares of which no (2014: nil) ordinary shares are held in treasury and no (2014: 188,272) ordinary shares are held by the EBT.

On 22 May 2014, 1,849,663 shares vested under the Company's Long-Term Incentive Plan of which 997,008 shares were issued from the Walker Greenbank PLC Employee Benefit Trust.

The market value of shares held by the EBT at 31 July 2015 was £nil (2014: £395,371). The total number of shares held in the EBT at 31 July 2015 represented 0% (2014: 0.3%) of the issued shares.

7. Analysis of net funds

	1 February 2015 £000	Net cash flow £000	Current portion of term loan facilities £000	Other non-cash changes £000	31 July 2015 £000
Cash at bank and in hand	971	(758)	-	-	**213**
Borrowings due within 1 year	(400)	200	(200)	-	**(400)**
Borrowings due after 1 year	(569)	-	200	(15)	**(384)**
	(969)	200	-	(15)	**(784)**
Net funds/(debt)	2	(558)	-	(15)	**(571)**

The Group's current borrowing facilities will expire in January 2016 and the Group is currently finalising terms with Barclays Bank PLC for a new five-year facility to replace these. The proposed facility will be a committed revolving loan amounting to £12.5 million with a further £10 million available as an additional accordion, if required. The proposed loan will bear interest at variable interest rates based on a margin above LIBOR (London Interbank Offered Rate) and a commitment fee payable on the undrawn facilities. The Group will be subject to financial covenants under the proposed facility, being interest cover and leverage. No new additional security would be required, and the proposed facility will retain the existing security on the Group's freehold property which is currently in place. It is anticipated that the new facility will be finalised and become effective in November 2015.

8. Cash generated from operations

	6 months to 31 July 2015 £000	6 months to 31 July 2014 £000	Audited Year to 31 January 2015 £000
Profit before tax	**2,894**	2,301	6,329
Defined benefit pension charge	**391**	400	798
Finance costs	**102**	92	208
Depreciation	**1,060**	958	1,798
Amortisation	**291**	252	551
Gain on disposal of property, plant and equipment	**-**	-	(17)
Charge for long-term incentive plan recognised in equity	**311**	293	629
Long-term incentive plan vesting	**(967)**	(1,577)	(1,584)
Unrealised foreign exchange losses/(gains) included in operating profit	**132**	(23)	(271)
Defined benefit pension cash contributions	**(840)**	(776)	(1,665)
	3,374	1,920	6,776
Changes in working capital			
Decrease/(increase) in inventories	**1,951**	(652)	(2,298)
(Increase) in trade and other receivables	**(2,293)**	(1,486)	(1,524)
(Decrease)/increase in trade and other payables	**(2,263)**	(1,406)	514
Cash inflow/(outflow) generated from operations	**769**	(1,624)	3,468

9. 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 in April 2012. An updated funding valuation for IAS 19 financial reporting purposes was completed for the previous annual financial statements to 31 January 2015.

The assumptions applied for valuation of the defined benefit schemes are fully disclosed in the annual financial statements for the year ended 31 January 2015 and continue to be applied in the half year ended 31 July 2015. 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 2016, and are based on previous actuarial estimates. The net retirement benefit obligation recognised at 31 July 2015 is based on the actuarial valuation under IAS 19 at 31 January 2015 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. A full triennial valuation for IAS 19 financial reporting purposes will be completed for the next annual financial statements for the year ending 31 January 2016, 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.

10. Dividends

The directors paid on 7 August 2015, a final dividend of 1.96 pence per share (2014: 1.57pence), a total of £1,179,000 (2014: £935,000) for the financial year ended 31 January 2015.

The directors have declared an interim dividend of 0.44 pence per share (2014: 0.35 pence), a total of £265,000 (2014: £209,000) for the financial year ending 31 January 2016, which will be payable on 13 November 2015 to shareholders on the register on 23 October 2015.

Independent review report to Walker Greenbank PLC

Introduction

We have been engaged by the Company to review the interim financial statements in the half-yearly financial report for the six months ended 31 July 2015, which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report 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.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The interim financial statements included in this half-yearly financial report has been prepared in accordance with basis of preparation as set in note 1.

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 financial statements since they were initially presented on the website.

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

Our responsibility

Our responsibility is to express to the Company a conclusion on the interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, 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.

Scope of review

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 Ireland) 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half-yearly financial report for the six months ended 31 July 2015 is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1 and the AIM Rules for Companies.

PricewaterhouseCoopers LLP
Chartered Accountants
13 October 2015
St Albans