61880

"In any business which is dominated by such factors as design, product quality, marketing and customer service, the difference between success and failure lies in the quality of the employees, together with their leadership, motivation and commitment."

	1993	1992	
Turnover per employee	**£74,500**	£63,500	17% increase
Profit before tax per employee	**£7,500**	£6,100	23% increase

Chairman's Statement

from left to right

Martin Hynes
Group Finance Director

Anne Thomas
Company Secretary

Charles Wightman
Chief Executive

Michael Meyer
Non-Executive Director

David Richards
Non-Executive Chairman

Roger Smurthwaite
Managing Director

RESULTS

I am pleased to report to shareholders that last year saw an improvement in your Group's performance.

Group sales declined marginally to £56.2m entirely as a result of the disposal of discontinued activities. Sales in our core businesses improved by 8.3% from £47.9m to £51.9m and more significantly our overseas sales increased by 40% to £12.0m. These now represent 21% of the Group's turnover.

Group operating profit increased by 9.0% to £6.2m as we benefited fully from last year's reorganisation programme. Pretax profit after exceptional items was 4.1% ahead at £5.7m and earnings per share improved to 4.29p. Reflecting our continued confidence in the Group's trading position and our strong balance sheet, we are proposing a final dividend of 1.90p per ordinary share thus maintaining the total for the year at 3.10p.

EMPLOYEES

As shareholders will see from this report we have chosen this year to focus on the Group's key strength–our employees.

In any business which is dominated by such factors as design, product quality, marketing and customer service, the difference between success and failure lies in the quality of the employees, together with their leadership, motivation and commitment.

As an organisation we strive continuously to improve our performance and we pride ourselves on our success. These results clearly underline our strength in the sector in which we operate and they are a tribute to the hard work, dedication and business skills of all our employees.

I would like to thank all those who have contributed to the Group's continued success.

ALKAR LITIGATION

On 23rd October 1992 after four years of preparation and three weeks in the High Court, we were finally successful in resolving this long standing dispute. It arose out of the acquisition of Alkar, a shop fitting company, in 1987.

In an out of court settlement worth £4.6m, Arthur Young, our former auditors paid the Group £2.9m and Alan and William Carr, the vendors of Alkar, surrendered Walker Greenbank shares, the accumulated dividends on these shares and loans made to the company totalling £1.7m.

Net of all legal and professional fees in the financial year the settlement was worth £3.6m of which £2.6m was in cash. More importantly the satisfactory resolution of this long standing dispute has enabled your senior group management to concentrate all of their efforts on the further successful development of the Group.

BLOOM SIGNS DISPOSAL

1992 saw a further significant decline in the UK market for illuminated signage. Industry overcapacity and intense pressure on profit margins forced Bloom Signs into loss. In line with the Board's strategy of withdrawing from unprofitable non-core businesses, in October 1992 we sold 85% of the company to its management. The consideration was £650,000 of which £75,000 was in cash and £575,000 in deferred payments dependent on future profits. In addition, the company repaid its overdraft of £569,000 on completion thus improving the Group's cash position. We have retained a minority shareholding in order to monitor the repayment of the deferred consideration.

PROPERTY

During the year we sold a further four surplus investment properties which raised a total of £1.3m. We now have a balance of six investment properties which are valued at £4m and which in due course will also be sold.

In January 1993 we undertook a revaluation of all the Group's freehold and long leasehold properties. This resulted in a write down of £2.7m in order to bring the carrying values in line with the currently depressed market conditions. Of this write down £0.5m has been dealt with through the profit and loss account as an exceptional item and £2.2m has been written off against the revaluation reserves.

BALANCE SHEET

In April 1992 we made the final payment of £3.2m arising out of the Group's acquisition of Bryant Corporation in February 1991. However, as a result of the cash inflows from property disposals, the Alkar litigation settlement and operating cash flow, Group borrowings at the year end had marginally increased to £1.6m, which represents gearing of only 6%.

ACQUISITION OF JOHN HARTLEY

After the end of the financial year we purchased John Hartley (Cowling) Ltd. John Hartley is involved in the design, manufacture and sale of commercial upholstery materials for use primarily in the office seating and screening markets.

The total purchase consideration was £1.6m of which £0.7m was debt. The acquisition, together with the capital required for investment in the development of the business, was funded by a share placing.

This acquisition provides a sound platform from which to enter, as a manufacturer, a sector of the market which we have targeted for major growth over the coming years. Under Walker Greenbank ownership there is an exciting opportunity for John Hartley to develop its market position. In addition, John Hartley will contribute significantly to the development of other fabric operations within the Group.

FUTURE OUTLOOK

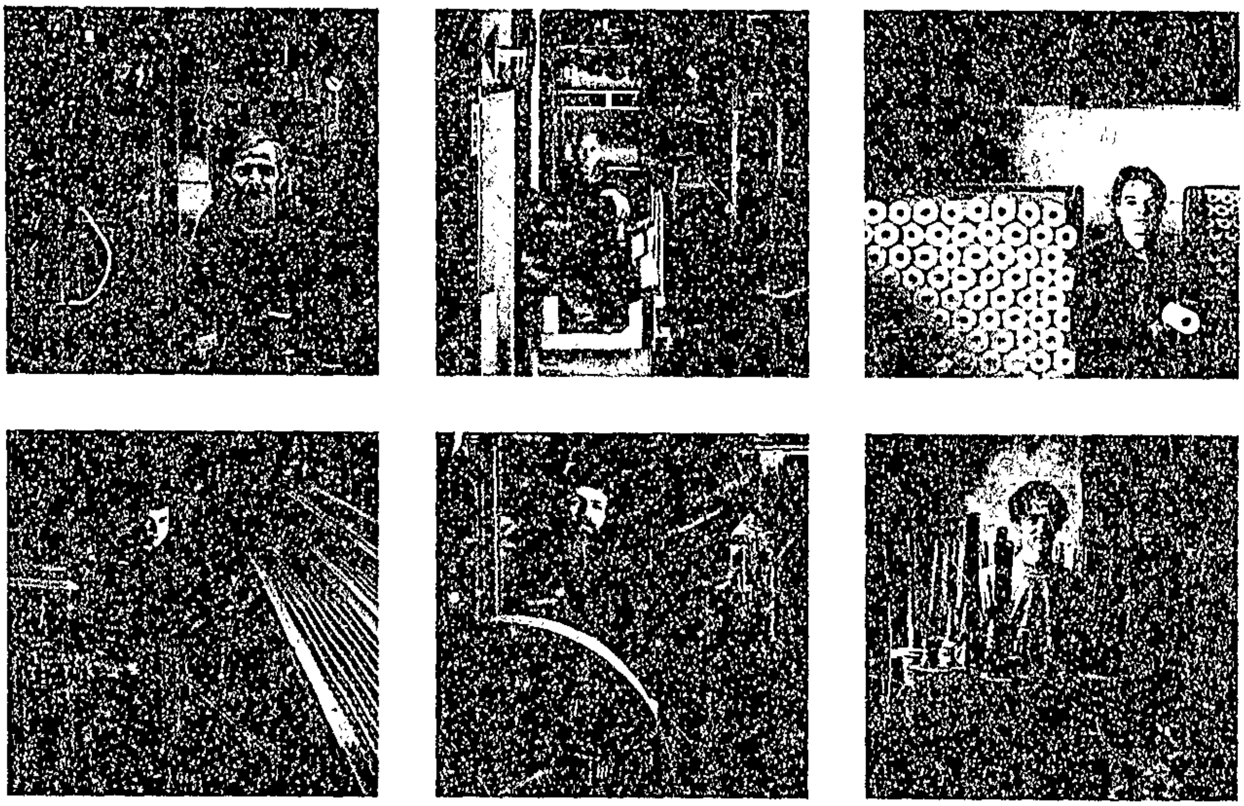
1992 has been another difficult year for the markets in which we operate. The initial signs of UK economic recovery which were visible both before and after the General Election last Spring unfortunately failed to materialise. Our businesses have nevertheless continued to perform well and have all continued to increase their market share.

We believe that we have the strategies, the management, the employees and the balance sheet strength to maintain this momentum.

We are confident that 1993 will see a further improvement in our financial performance. Any economic upturn in our major markets will be an added bonus due to our high level of operational gearing, but this is not something upon which our plans rely. The current year has started encouragingly and the Board looks forward to another year of progress.

David Richards
Chairman

David Richards



from top left, clockwise

Bill Moore
Colourist, print shop
Brymor

Ken Densham
Pre-press Operative, make ready
Anstey

Mandy Philip
Machine Operator, embossing department
Brymor

Tom Antoniak
Ink Technician, surface print room
Anstey

Rob Ingamells
Gravure Printer
Anstey

Stuart Bailey
Apprentice, silk-screen room
Sileby

Group Structure

Commercial Division

The commercial division designs, manufactures, markets and distributes a comprehensive range of durable wallcoverings and fabrics. These products are used in the refurbishment of offices, hotels, banks, hospitals, retail outlets and public buildings of all kinds. Brymor is Europe's largest manufacturer of paper and fabric backed vinyl wallcoverings. 70% of its output is supplied to Muraspec which is responsible for marketing and distribution in Europe. Muraspec commands a dominant market position in the UK and is expanding rapidly in France and Belgium. TWIL distributes many of the division's products in the USA.

photographs listed from left to right

Brymor

Duncan Purves
Finance & Administration Director

Robert Hookey
Manufacturing Director

Brian Armitage
Managing Director

Martyn Bennett
Sales & Marketing Director

Muraspec

Jeremy Vickers
Financial Director

Nick Hooper
Managing Director

John Savage
Commercial Director

Henry Lander
Purchasing & Distribution Director

TWIL

Jim Gillen
Vice President

Mark Bittick
President

Mike Eaves
Vice President

Consumer Division

The consumer division is one of the UK's fastest growing suppliers of wallcoverings and furnishing fabrics to the middle and top end of the retail market. Anstey is Europe's leading manufacturer of quality wallpaper with 60% of production being supplied to group companies. Harlequin designs, markets and distributes a wide range of wallpaper and fabrics for the middle market. The company has subsidiaries in France and Germany and exports through distributors worldwide. Zoffany is the UK's foremost quality wallpaper supplier whose papers and fabrics are used extensively to decorate period properties and luxury hotels.

Anstey

Roger Adley
Commercial Manager

Steve Scott
Production Director

Phil Billington
Managing Director

David Walkinshaw
Financial Controller

Harlequin

Nigel Beach
UK Sales Director

Jim Sherlock
Finance Director (standing)

Derek Bound
Managing Director

Roland Kloetzlen
General Manager – Harlequin Germany

Cyril Andrews
Operations Director

Jon Moore
Export Sales Director

Zoffany

Brent Jackson
Sales Director

Philip Cadle
Managing Director

Tim Theobald
Financial Controller

Robert Langford
Commercial Manager

Michèle De Kock
Marketing Manager

Antony Baglioni
Export Manager

Healthcare Division

Hampshire Medical Developments designs and markets a range of mobility aids for the less able. The company's unique product range is focused on children's seating and assisted bathing. The company is design led and enjoys a leading position in its niche markets. The products are manufactured to the company's specification by a range of sub-contract suppliers and are distributed both in the UK and internationally.

Hampshire Medical

Jon Adams
Sales Manager – Tendercare

Ray Metcalf
Managing Director

Brian Brown
Sales Manager – Appollo

Andrew McIntyre
Finance & Administration Manager

Trading Companies

Commercial Division

BRYMOR
Paddock Wood, Kent

MURASPEC (including B. BROWN & HEMISPHERE)
London
Birmingham
Bristol
Glasgow
Hemel Hempstead
Leeds
Manchester
Paris
Brussels

TWIL
Atlanta, USA

JOHN HARTLEY
Keighley, West Yorkshire

Consumer Division

ANSTEY WALLPAPER COMPANY
Anstey, Leicestershire
Sileby, Leicestershire

HARLEQUIN WALLCOVERINGS
Sileby, Leicestershire
Sierentz, France
Weil am Rhein, Germany

ZOFFANY
Mayfair, London
Rickmansworth, Hertfordshire
Sierentz, France

Healthcare Division

HAMPSHIRE MEDICAL DEVELOPMENTS
Southampton, Hampshire

Commercial Wallcoverings and Fabrics

BRYMOR

Brymor has enjoyed another excellent year with third party sales ahead by 18%. Many of the marketing initiatives introduced after our acquisition of the company in February 1991 are now beginning to bear fruit. Much of the sales increase has come from exports as we have concentrated more sales and marketing activity on the important growth markets in the Far East. In addition, the company has achieved, for the second year running, record levels of manufacturing efficiency and productivity.

Our commitment to investing in the business continues. Late 1992 saw the commissioning of a PVC film laminator and printing press at a total cost of £0.4m. These machines enable us to manufacture lightweight fabric backed vinyl wallcoverings by first printing vinyl film and then laminating this printed film onto cotton scrim. These products are lighter in weight than coated fabric backed products and are widely used in the North American and Far Eastern markets.

Also in late 1992 we commenced the installation of a comprehensive computerised Management Information System in the factory. This system, which will cost £0.4m, will provide us with on-line production information from every major item of plant, thereby improving efficiency, management control, materials usage and stock levels.

This year we will also be investing approximately £0.3m in the building of a new raw materials warehouse in order to cope with the company's continued expansion.

Several new products have been launched during the year. The most significant development is the investment in the new Muralon range of fabric backed vinyl wallcoverings which is scheduled for launch in June 1993. This new range probably represents the largest single product investment by a European manufacturer of commercial wallcoverings in the last 5 years. Its launch comes at a time when the majority of our competitors are being forced by financial constraints to restrict investment in new product development.

MURASPEC

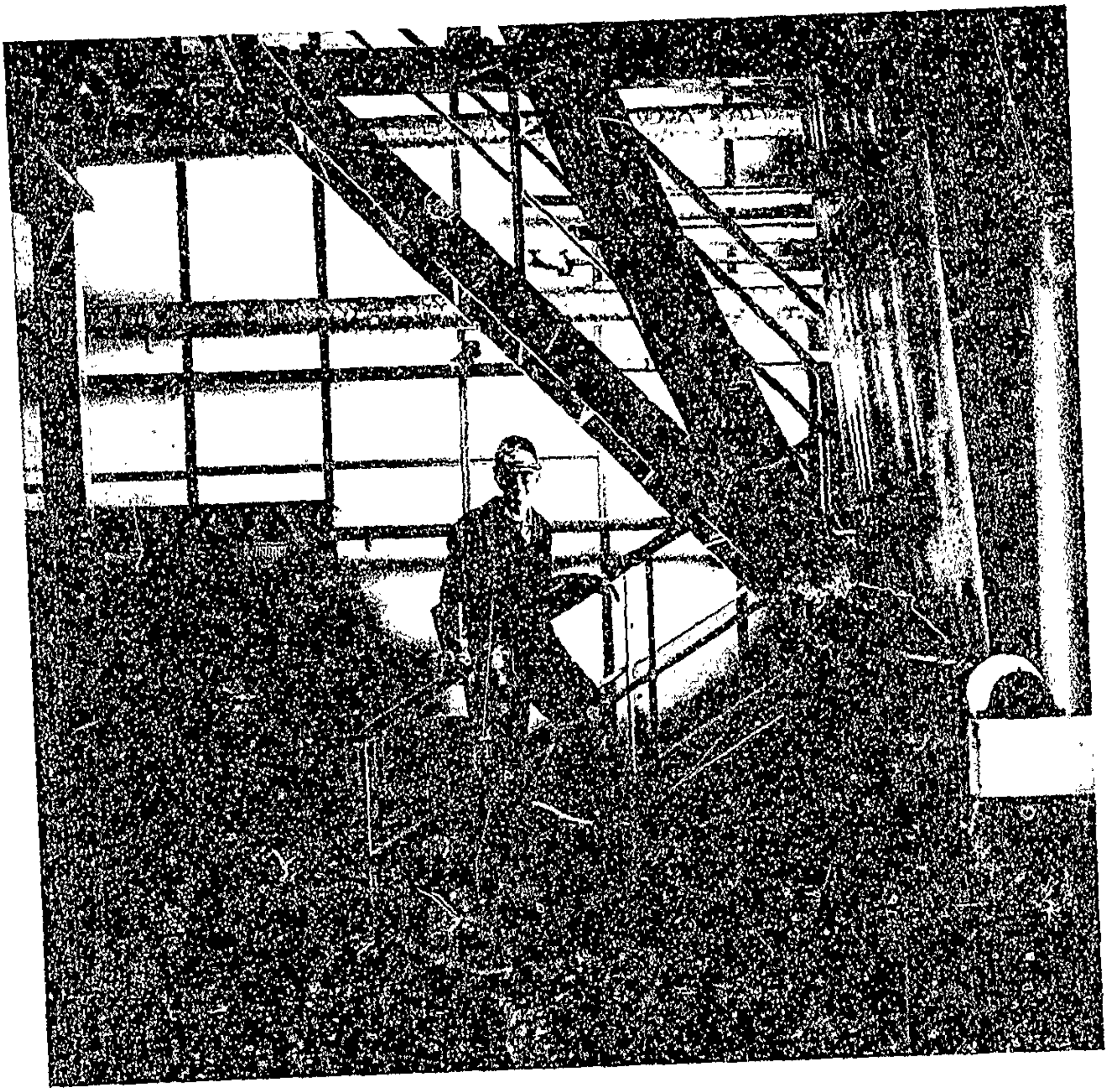
Muraspec's sales in 1992/93 were static despite the significant reduction in the UK of the completion of new building projects. Once again our strategy of concentrating on the refurbishment sector has stood us in good stead as it has proved to be more resilient than the new build area. As a result we have continued to gain market share. Furthermore, our strong market and financial position will enable us to benefit more rapidly than our competitors from any improvement in the UK economy.

Muraspec's development in continental Europe continues to gain momentum. Sales in France increased by 70% last year and we are budgeting for them to increase significantly in the current financial year.

In November 1992 Muraspec opened a further branch office in Brussels to serve the Belgian market. Initial signs are encouraging and we expect that our growth in Belgium will be more rapid than it has been in France as we benefit from the experience gained in the French market over the last four years.

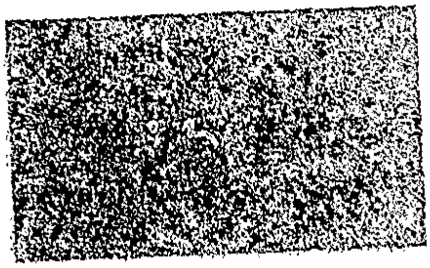
We are researching other Continental markets and developing our sales and marketing strategy for each of the major European economies. Further branch offices will be opened in due course.

Our diversification into commercial upholstery fabrics is now beginning to pay dividends. Sales of the



Jim Brewer
Print Room Supervisor
Brymor

Muralon Woodstock
Manufactured for Muraspec by Brymor



Hemisphere range, launched in July 1991, were 170% ahead last year and have now grown to approximately £1m per annum. There is considerable scope for developing and building on the Hemisphere brand, particularly with the acquisition of John Hartley which is reviewed in more detail later.

TWIL

Our American distribution business, TWIL, is based in Atlanta and currently turns over approximately £2m per annum.

Over the last 2 years we have fundamentally refocused the business. This has involved much closer liaison between TWIL and our manufacturing companies, Anstey and Brymor, which are now distributing many of their products via TWIL. Some of these products are being recoloured and redesigned specifically for the American market.

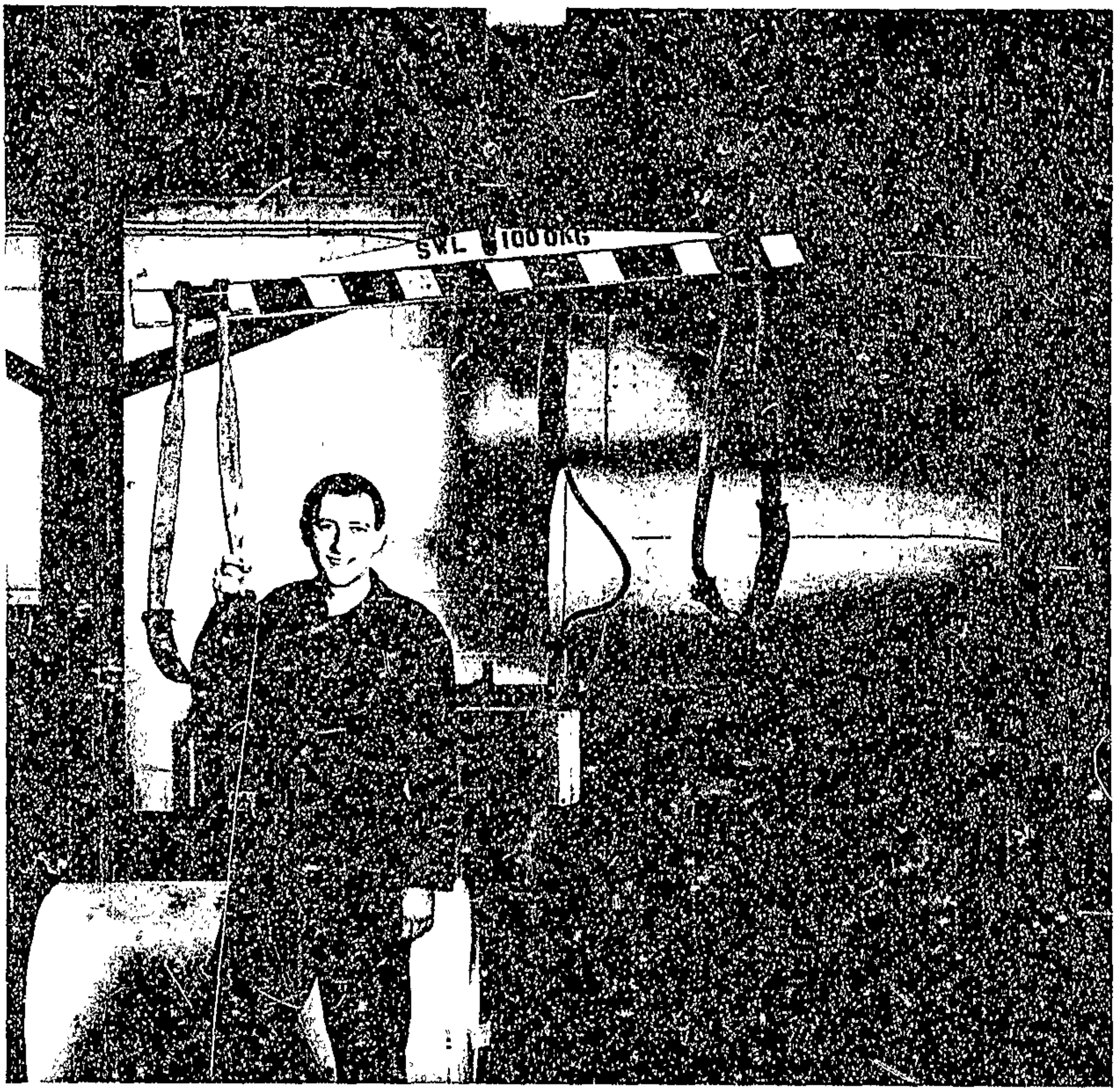
The American wallcoverings market appears to be emerging from several years of significant restructuring and poor profitability. The current indications are that our strategy for TWIL is beginning to work and together with the positive signs of economic recovery in the USA, we anticipate that the American market will again provide opportunities for growth over the coming years.

JOHN HARTLEY

In April 1993 we acquired John Hartley which is based in West Yorkshire. Hartley currently turns over approximately £2.5m and employs 24 people. The company designs, manufactures and markets commercial upholstery fabrics which complement those marketed by Muraspec under the Hemisphere brand.

The company will be managed by Muraspec in order to enable Hartley to benefit from Muraspec's large specification salesforce and unrivalled knowledge of the commercial market. Hartley currently has a UK market share of approximately 10% for its specialist products. With a combination of investment and Muraspec's marketing input there is a major opportunity for Hartley to develop its UK market share. In addition, the company will benefit from Muraspec's development programme in continental Europe.

The acquisition of Hartley will also enable us to develop more rapidly some of our other fabric activities. For example, Hartley will assist with the design and manufacture of new upholstery ranges, not only for Muraspec, but also for Harlequin and Zoffany.



Clive Excell
Machine Assistant [illegible] shop
[illegible]

Muralon Romney
Manufactured for Muraspec by [illegible]

[illegible]

Consumer Wallcoverings and Fabrics

ANSTEY

The Anstey Wallpaper Company has produced another excellent result for the year with an overall sales growth of 24%. More significantly the company has succeeded again in expanding its customer base and has increased third party sales by 100%. Exports increased substantially and now represent 24% of external turnover. Export sales in particular are planned to increase significantly again in the current financial year.

In terms of investment, 1992 has seen three minor projects completed at a total cost of £0.2m. At Anstey a new warehouse has been built and a print cylinder racking system has been installed in order to make maximum utilisation of space in the factory. Both of these measures will enable the factory to handle its planned growth. At nearby Sileby, the centre for the group's silk screen printing activities, a new office and customer facility has been built.

In addition, we have recently purchased an eight colour gravure printing press for £0.4m to cope with increased demand.

HARLEQUIN

Harlequin's sales during the year were static in what have been extremely difficult markets internationally. In the UK we estimate that the market declined by a further 10–15%. However, Harlequin has improved its position significantly with some of the major UK department store groups. This has been achieved largely by virtue of the company's initiative with new fabric collections.

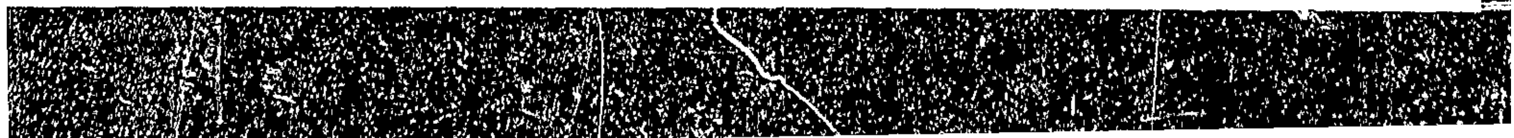
The launch of Flamenco and Xanthos, two highly original fabric led collections, highlights the major commitment by Harlequin to growth in the furnishing fabrics market. Both collections were first shown at the Decorex exhibition, London, in September 1992 and received immediate acclaim. Further exposure at the Heimtex exhibition, Frankfurt, in January 1993 established them in the wider international marketplace and attracted many fabric customers with whom Harlequin had not previously traded.

Harlequin is now recognised as having an extremely comprehensive selection of wallcoverings and coordinated fabrics for the middle market. The company also enjoys an excellent reputation for customer service and for providing value for money. This has recently been confirmed by independent market research which also indicated that Harlequin's coordinated collections are now regarded by independent retailers as being an essential part of their product offering.

Export sales, the majority of which are to Western Europe, were static in a generally flat market. Some useful progress was, however, achieved in France and Germany via Harlequin GmbH and in Scandinavia and the Benelux countries. Exports now account for around 30% of sales and will increase substantially in the current financial year. Apart from the planned growth in Western Europe, Harlequin is also now beginning to make progress in North America and the Far East.

Paul Thompson
Machine Operator, silkscreen room
Sibbs

Princes Gallery
Manufactured for Zoffany Ex
Ansley



HARLEQUIN GMBH

Since acquiring the company in December 1991 we have made a substantial investment in the business. In particular, we have strengthened the sales and marketing functions with the recruitment of several new staff to key positions. We have also established a stronger presence in the market place by introducing the Harlequin book plans into both France and Germany. This alone represents an investment of £0.6m.

Overall, sales last year remained static, largely as a result of the onset of recession in the French and German markets. However, in line with our major strategic objective for acquiring the business, we have already increased the proportion of Harlequin product in the sales mix from 23% prior to acquisition to 30% last year. This proportion will increase further in the current financial year.

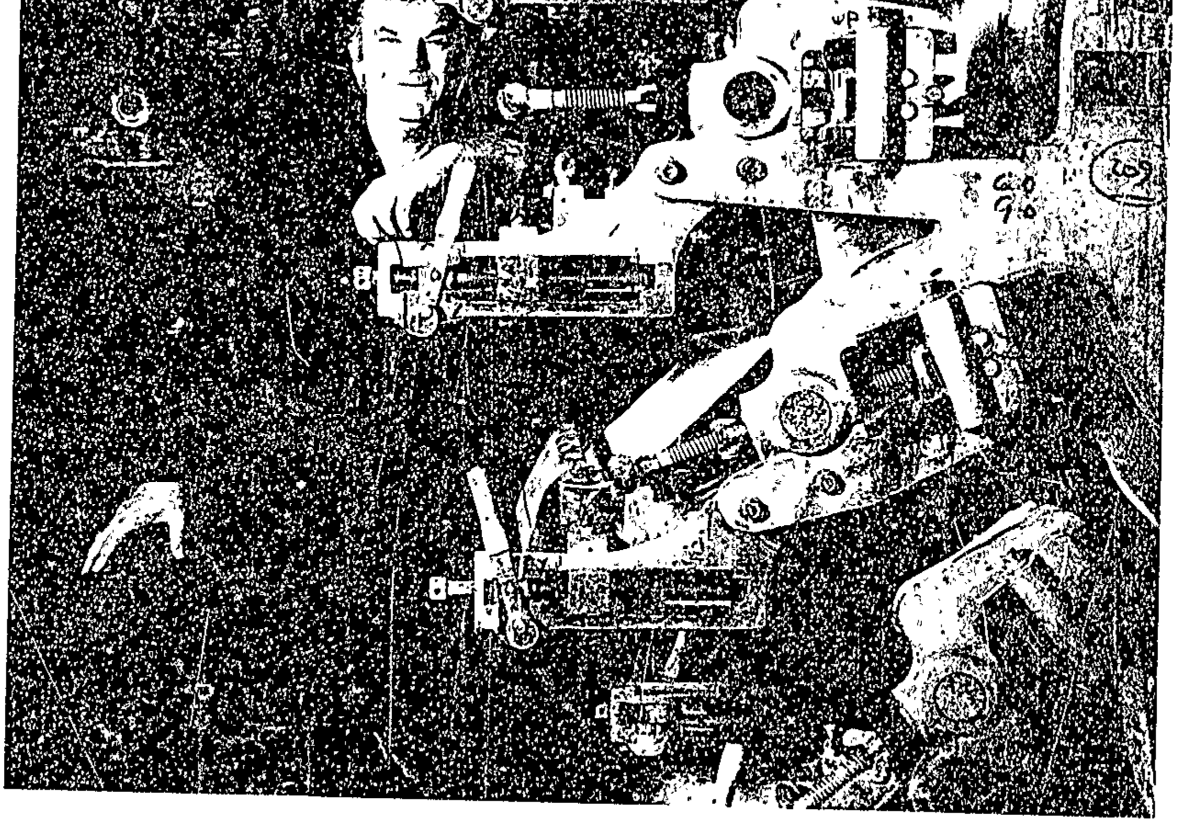
A major project is currently underway to bring all the company's systems into line with those in the UK. Once this has been completed it will lead to significant savings in operating costs.

ZOFFANY

Zoffany continues to go from strength to strength with a further 10% increase in sales last year. Much of this increase came from exports which were up 44% and now represent 16% of total sales. One of the company's major strategic goals and opportunities is to increase this percentage over the coming years.

During the year Zoffany has continued its strategy of developing new products for specific market niches, with the introduction of fabric and wallcovering collections designed and developed for the luxury hotel market. The company has also reinforced its leading position in the consumer market with the introduction of several new ranges. These have been backed up with a repeat of the highly successful advertising campaign incorporating wallpaper inserts into magazines which was first run in 1990/91.

In order to facilitate its continued growth, the sales, marketing and administration functions were relocated recently to new and larger offices in Rickmansworth, 10 miles north west of London. This move has been completed and it provides Zoffany with an efficient base from which to manage the next phase in its successful development.



Mick Stevenson
[illegible] print room
[illegible]

Pemberton Row border
[illegible] for [illegible]
[illegible]

Report of the Directors

The directors submit their annual report, together with the audited accounts of the group for the year ended 31st January 1993.

GROUP RESULTS

The profit before taxation amounted to £5,651,000 (1992: £5,427,000). The directors recommend payment of a final ordinary dividend of 1.90p (1.90p) per share, amounting to £1,737,000 (£1,733,000), making a total of 3.10p (3.10p) and £2,834,000 (£2,827,000) for the year, which with preference dividends of £110,000 (£115,000), leaves a surplus of £2,550,000 (£265,000) after tax and extraordinary items to be transferred to reserves.

REVIEW OF THE BUSINESS

During the year, the board continued a strategy of concentrating the group's ongoing operations and development around the wallcoverings and fabrics businesses. This has resulted in the disposal of Bloom Signs Limited during the financial year and after the year end, the agreement to acquire the entire share capital of John Hartley (Cowling) Ltd. ("John Hartley") for the total consideration of £1,594,000 including £720,000 of debt. Further information on the business and future development of the group is included in the chairman's statement on pages 2 to 5 and in the review of operations on pages 12 to 19.

RESEARCH AND DEVELOPMENT

Development of new and improved products is a continuing feature of the group's operations. Companies are encouraged to explore methods of improving and extending their ranges of products and services.

EXECUTIVE SHARE OPTION SCHEME

No options over ordinary shares were exercised during the year and options over 270,000 ordinary shares have lapsed during the year.

During the year options over 150,000 ordinary shares have been issued.

Options over ordinary shares outstanding at the date of this report are as follows:

Date Granted	No. of Shares	Subscription Price	Exercisable
4th November 1988	352,500	117p	04.11.91 to 03.11.98
4th June 1990	1,250,000	51p	04.06.93 to 03.06.00
14th May 1991	1,335,000	65p	14.05.94 to 13.05.01
7th November 1991	40,000	55p	07.11.94 to 06.11.01
27th January 1993	150,000	73p	27.01.96 to 26.01.03
	3,127,500		

PENSIONS

The group operates defined benefit and defined contribution schemes in the UK for all qualifying employees. Further information on the schemes is given in note 28 to the accounts.

BOARD OF DIRECTORS

The board of directors as at the date of this report (who served throughout the year) is set out on page 45, together with biographical details of the non-executive directors.

The director retiring by rotation is Mr M.C.Hynes who, being eligible, offers himself for re-election. Mr M.C.Hynes has a contract of service for an indefinite term, subject to termination by Walker Greenbank PLC by three years' notice.

DIRECTORS' SHAREHOLDINGS

The interests of the directors in office at 31st January 1993 in the share capital of the company were:

	Number of Ordinary shares		Number of Share options	
	Beneficial 31st Jan 1993	Beneficial 1st Feb 1992	Beneficial 31st Jan 1993	Beneficial 1st Feb 1992
M. C. Hynes	**5,000**	5,000	**200,000**	200,000
M. S. Meyer	**10,000**	10,000	**-**	-
D. G. Richards	**20,000**	-	**-**	-
R. C. Smurthwaite	**101,473**	101,473	**450,000**	450,000
A. C. Wightman	**15,000**	10,000	**400,000**	400,000

None of the directors' interests changed between 31st January 1993 and 14th April 1993.

At no time during the year were any of the directors interested in the share capital of any of the company's subsidiaries.

DIRECTORS' INTERESTS IN MATERIAL CONTRACTS

None of the directors had any material interest in any contract during the year which was significant to the business of the company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the company maintained directors' and officers' liability insurance.

EMPLOYEES

The group keeps its employees informed on matters affecting them and on the progress of the group by way of informal meetings and consultation with employees' representatives. Disabled persons are given full and fair consideration for employment where an appropriate vacancy occurs, having regard to their particular aptitudes and abilities. Whenever possible, arrangements are made for the continuing employment of persons who have become disabled during service, and for appropriate training of all disabled employees, who are given equal consideration with all other employees in promotion and career development.

FIXED ASSETS

Movements in tangible fixed assets are disclosed in note 10 to the accounts.

CHARITABLE CONTRIBUTIONS

During the year the group made donations totalling £4,697 for charitable purposes.

SUBSTANTIAL SHAREHOLDINGS

As at 31st March 1993, the following interests of 3% or more of the issued ordinary share capital have been notified to the company; Schroder Investment Management Limited (6.1%), Barclays Bank PLC (5.3% non-beneficial), TSB Group Plc (5.1%), British Airways Pensions (4.6%), Foreign & Colonial Management Limited (4.3% non-beneficial), ESN Investment Management Limited (4.1% non-beneficial), Edinburgh Fund Management Limited (3.5% non-beneficial).

SPECIAL BUSINESS

Authority was given to the directors at last year's annual general meeting permitting allotments of relevant securities to expire in 1997. A new authority will be proposed at this year's annual general meeting giving authority to allot relevant securities to expire in 1998. This permits allotments of such securities up to an aggregate nominal amount of £4,570,491 representing one third of the current issued ordinary share capital.

The Companies Act 1985 requires that any equity securities issued for cash must first be offered to existing shareholders unless approval by special resolution is obtained to this requirement not applying. Your directors consider it desirable that they should have the ability to make issues of ordinary shares for cash to provide flexibility in the making of issues by way of rights and up to a maximum nominal amount of £685,574, being 5.0% of the present issued ordinary share capital. A special resolution will be proposed (subject to the passing of the resolution referred to in the previous paragraph) empowering the directors to allot such equity securities for such purposes for cash. The power will expire at the conclusion of next year's annual general meeting or 15 months from the passing of the resolution, whichever is the earlier.

Section 166 of the Companies Act 1985 allows the use of the company's available resources to acquire its own shares in the market for cancellation. A special resolution authorising the company to make such purchases was passed at last year's annual general meeting and expires at the forthcoming annual general meeting. Your directors believe that it would be appropriate for the company to continue to have this authority to make such purchases if they are in the interests of the company and its shareholders. If renewed, the authority given to the company to make such purchases will remain in place until the conclusion of the next annual general meeting of the company, or 15 months from the passing of the resolution, whichever is earlier unless the authority is renewed prior to such time. The maximum number of ordinary shares to be purchased pursuant to this authority would not exceed 9,076,000 (representing approximately 10% of the current issued ordinary share capital) and the maximum purchase price per share is an amount equal to 105 per cent of the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day on which the purchase is made.

In accordance with both the articles of association of the company and stock exchange regulations, approval was obtained in June 1989 from the holders of the cumulative convertible redeemable preference shares for the purchase of own shares, such approval to remain in force for a period of five years up to the conclusion of the 1994 annual general meeting.

These proposals should not be taken as an indication that the company will purchase shares at the particular price, or indeed at all, or to imply any opinion on the part of your directors as to the market or other value of the company's ordinary shares. Your directors have no present intention of exercising the authority and will only consider making purchases of the company's shares if they believe that such purchases would result in an increase in earnings per share and be in the best interests of the shareholders.

CLOSE COMPANY PROVISIONS

The directors are of the opinion that the company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

Touche Ross & Co, Chartered Accountants, have indicated their willingness to continue in office as auditors, and a resolution to re-appoint them and to authorise the directors to agree their remuneration will be put to the annual general meeting.

4 Brunel Court
Cornerhall
Hemel Hempstead
Hertfordshire HP3 9XX

By order of the board
A. E. Thomas
Secretary
14th April 1993

Group Profit and Loss Account

Year ended 31st January 1993

	note	1993 £000	1992 £000
TURNOVER	2	56,156	56,801
Cost of sales		25,489	26,339
GROSS PROFIT		30,667	30,462
Distribution costs		12,426	12,318
Administrative expenses		12,478	12,863
		5,763	5,281
Other operating income		468	594
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS	2	6,231	5,875
Exceptional items		(60)	(212)
OPERATING PROFIT	3	6,171	5,663
Interest receivable		283	107
Interest payable and similar charges	6	(803)	(343)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,651	5,427
Tax on profit on ordinary activities	7	1,626	1,535
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,025	3,892
Extraordinary items	8	1,469	(685)
PROFIT FOR THE FINANCIAL YEAR		5,494	3,207
Dividends	19	2,944	2,942
PROFIT RETAINED, TRANSFERRED TO RESERVES	20	2,550	265
EARNINGS PER SHARE	9	4.29p	4.14p

Balance Sheets

Year ended 31st January 1993

	note	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
FIXED ASSETS					
Tangible assets	10	14,475	16,162	2,620	3,306
Investments	11	4,061	6,724	17,687	22,769
		18,536	22,886	20,307	26,075
CURRENT ASSETS					
Stocks	12	10,354	10,005	–	–
Debtors	13	12,008	12,860	8,367	10,156
Cash at bank and in hand		3,231	1,563	1,818	64
		25,593	24,428	10,185	10,220
CREDITORS: amounts falling due within one year	14	14,666	18,320	7,206	13,505
Net current assets/(liabilities)		10,927	6,108	2,979	(3,285)
Total assets less current liabilities		29,463	28,994	23,286	22,790
CREDITORS: amounts falling due after more than one year	15	(2,393)	(2,970)	(1,572)	–
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	22	(973)	(53)	(12)	–
Other provisions	22	(41)	(438)	–	(295)
		26,056	25,533	21,702	22,495
CAPITAL AND RESERVES					
Called up share capital	18	14,114	14,121	14,114	14,121
Share premium account	20	6,205	6,198	6,205	6,198
Revaluation reserves	20	1,737	4,585	–	–
Profit and loss account	20	5,381	2,010	1,383	2,176
Other reserves	20	1,569	1,569	–	–
Reserve arising on merger	20	(2,950)	(2,950)	–	–
Net reserves		11,942	11,412	7,588	8,374
		26,056	25,533	21,702	22,495

A. C. Wightman
M. C. Hynes
Directors

These accounts were approved by the directors on 14th April 1993

Group Cash Flow Statement

Year ended 31st January 1993

	Note	1993 £000	1993 £000	1992 £000	1992 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		7,731		7,013
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Dividends paid		(2,888)		(2,999)	
Interest received		282		107	
Interest paid		(584)		(4)	
Interest element of finance lease payments		(202)		(339)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(3,392)		(3,235)
TAXATION					
UK Corporation tax paid		(1,020)		(1,331)	
Overseas tax paid		(5)		(6)	
TAX PAID			(1,025)		(1,337)
INVESTING ACTIVITIES					
Purchase of fixed assets		(3,993)		(2,260)	
Purchase of subsidiary, net of cash acquired	24	(3,194)*		(7,583)	
Purchase of investments		(10)		(331)	
Acquisition of Easibathe		-		(60)	
Costs of disposal of investments		(23)		(6)	
Proceeds from disposal of investments		1,321		532	
Alkar litigation		2,647		(288)	
Costs of disposal of subsidiary undertaking		(267)		(209)	
Proceeds from disposal of subsidiary undertaking	25	643		1,943	
Proceeds from disposal of fixed assets		136		1,494	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(2,740)		(6,768)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING			574		(4,327)
FINANCING					
Principal repayments of finance lease obligations		617		718	
Proceeds of short term loan		(813)		-	
Proceeds of medium term loan		(1,567)		-	
Repayments of borrowings		456		278	
NET CASH (INFLOW)/OUTFLOW FROM FINANCING	26		(1,307)		996
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	27		1,881		(5,323)
			574		(4,327)

* Final consideration on the acquisition of Bryant Corporation Plc.

Notes to the Accounts

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention modified for the revaluation of certain properties and in accordance with applicable accounting standards.

BASIS OF CONSOLIDATION

The group accounts consolidate the financial statements of the parent and its subsidiary undertakings made up to 31st January 1993. Profits arising on trading between group undertakings are excluded.

The group profit and loss account includes the results of all companies disposed of during the year up to their effective date of disposal and all companies acquired during the year from their effective date of acquisition.

No profit and loss account is presented for Walker Greenbank PLC as provided by S.230 of the Companies Act 1985. £2,151,000 (£1,915,000) of the profit attributable to shareholders has been dealt with in the accounts of the parent company.

GOODWILL

Purchased goodwill is written off against the profit and loss account reserve upon acquisition. Goodwill arising on consolidation, being the difference between the consideration payable and the fair value of the net assets acquired, is written off against the profit and loss account reserve upon acquisition. As required by UITF 3, goodwill arising on consolidation is charged against the disposal proceeds on the disposal of a company with a corresponding adjustment to the reserves for the amount previously written off.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

The balance sheets of overseas subsidiary undertakings are translated at the rates of exchange ruling at the balance sheet date. The profit and loss accounts are translated at the average rates of exchange applicable to the accounting period. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

TURNOVER

The group turnover represents the invoiced value, excluding VAT, of sales to outside customers.

STOCKS

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials, on a first-in, first-out basis, and direct labour plus attributable production overheads based on a normal level of activity. Net realisable value is based on estimated selling prices less anticipated costs to disposal.

PENSIONS

The group operates both defined benefit and defined contribution schemes. The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods during which members are employed. Any surplus of assets over liabilities is apportioned over the expected remaining service lives of current employees in the schemes.

RESEARCH AND DEVELOPMENT

Research and development expenditure is written off as incurred.

FIXED ASSETS

Depreciation is charged on a straight-line basis on the original cost or subsequent valuation of assets (excluding freehold land) after deduction of any estimated residual value. The principal annual rates are:

Freehold Buildings	2%
Short and Long Leaseholds	Over the unexpired period of lease
Plant, Equipment and Vehicles	Between 5% and 25%
Pattern Books, Shade Cards and Print Rollers	Between 33% and 50%

Land and buildings are stated at cost plus any revaluation reserve less provision for permanent diminution in value.

INVESTMENTS

Investment properties are stated at their latest valuation and the surplus is transferred to the revaluation reserve. Any deficit on the original cost is written off through the profit and loss account. No depreciation is provided in respect of investment properties; this constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their useful economic lives and is necessary to enable the accounts to give a true and fair view.

Other investments held as fixed assets are stated at cost plus any revaluation reserve less provision for permanent diminution in value.

LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income as incurred.

DEFERRED TAXATION

Deferred taxation is provided on all timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2 SEGMENTAL ANALYSIS

(a) Classes of businesses	Turnover 1993 £000	Turnover 1992 £000	Operating profit before exceptional items 1993 £000	Operating profit before exceptional items 1992 £000	Non-interest bearing operating net assets 1993 £000	Non-interest bearing operating net assets 1992 £000
Continuing activities						
Wallcoverings and fabrics	50,172	46,802	7,235	6,819	25,432	26,879
Healthcare	1,703	1,102	56	31	284	265
Head office	–	–	(694)	(802)	6,317	6,103
	51,875	47,904	6,597	6,048	32,033	33,247
Businesses sold	4,281	8,897	(366)	(173)	–	1,442
	56,156	56,801	6,231	5,875	32,033	34,689

(b) Geographical segments	Turnover 1993 £000	Turnover 1992 £000	Operating profit before exceptional items 1993 £000	Operating profit before exceptional items 1992 £000	Non-interest bearing operating net assets 1993 £000	Non-interest bearing operating net assets 1992 £000
By origin:						
United Kingdom	50,821	54,178	6,328	5,900	28,763	33,189
North America	1,877	2,023	(1)	61	1,625	1,160
Europe	3,458	600	(96)	(86)	1,645	340
	56,156	56,801	6,231	5,875	32,033	34,689
By destination:						
United Kingdom	44,166	48,260				
North America	2,907	2,462				
Europe	7,568	4,792				
Rest of the world	1,515	1,287				
	56,156	56,801				

Operating net assets are defined as tangible assets plus net current assets, but excluding cash, borrowings, tax, dividends and deferred consideration payable.

3 OPERATING PROFIT

	1993 £000	1992 £000
The profit is arrived at after charging/(crediting):		
Emoluments of directors (note 4)	631	611
Auditors' remuneration:		
Audit fees	124	160
Taxation and other services	113	63
Depreciation of owned assets	3,053	2,408
Depreciation of assets held under finance leases and hire purchase contracts	627	658
Hire of motor vehicles and plant and machinery	784	836
Other operating leases	670	496
Exceptional items:		
Reorganisation and closure costs	156	1,428
Profit on disposal of trade investments	–	(53)
Profit on disposal of investment properties	(585)	(1,163)
Property write down	489	–
Net exceptional item	60	212

4 EMOLUMENTS OF DIRECTORS OF THE PARENT COMPANY RELATING TO THEIR PERIODS OF OFFICE

	1993 £000	1992 £000
Emoluments including pension contributions and benefits in kind:		
As directors	68	80
As executives	369	356
Profit related pay	112	120
Pension contributions	82	55
	631	611
Remuneration including benefits in kind but excluding pension contributions:		
Chairman	50	53
Highest paid director	195	190

Number of other directors whose remuneration was within the scales:	Number	Number
£5,001 – £10,000	–	1
£15,001 – £20,000	1	1
£105,001 – £110,000	1	1
£175,001 – £180,000	–	1
£180,001 – £185,000	1	–

Executive directors' pay is subject to the recommendations of the remuneration committee which is made up of the non-executive directors who are advised periodically by external consultants.

5 **EMPLOYEE INFORMATION, EXCLUDING DIRECTORS**

	1993 £000	1992 £000
Wages and salaries	12,974	13,331
Social security costs	1,245	1,213
Other pension costs	670	708
	14,889	15,252

	Number	Number
The average weekly number of employees during the year:		
Administration and warehousing	516	605
Manufacturing	238	290
	754	895

6 **INTEREST PAYABLE AND SIMILAR CHARGES**

	1993 £000	1992 £000
Bank and other short term interest	601	4
Finance charges payable under finance leases and hire purchase contracts	202	339
	803	343

7 **TAXATION**

	1993 £000	1992 £000
Corporation tax at 33% (33%)	1,802	1,563
Deferred taxation charge/(release)	200	(8)
Write back of ACT previously considered irrecoverable	(400)	–
	1,602	1,555
Adjustments with respect to prior years	24	(20)
	1,626	1,535

8 **EXTRAORDINARY ITEMS**

	1993 £000	1992 £000
Loss on disposal of businesses	(2,095)	(386)
EGM costs	–	(248)
Alkar litigation	3,564	(288)
	1,469	(922)
Taxation	–	237
	1,469	(685)

The group reached a settlement in October 1992 relating to claims against Alan Carr, William Carr and Arthur Young, the group's former auditors. The litigation arose in connection with the group's acquisition of Alkar, a shop fitting company, from the Carrs in 1987. The value of the settlement was £3,564,000 net of associated costs incurred during the year.

The loss on disposal of businesses relates to the disposal of distinct business segments, which in the opinion of the directors were extraordinary events. Goodwill previously written off through the reserves amounting to £886,000 (nil) is included in the loss on disposal of businesses. Within extraordinary items are fees payable to the auditors of £211,000 (£158,000).

9 **EARNINGS PER SHARE**

Earnings per share is based on the profit on ordinary activities after taxation and preference dividends, amounting to £3,915,000 (£3,777,000) and the weighted average of 91,279,507 (91,186,432) ordinary shares in issue during the year. No material dilution of earnings per share would arise if all outstanding share options were exercised.

10 **TANGIBLE FIXED ASSETS**

	Land and buildings £000	Plant, equipment and vehicles £000	Pattern books, shade cards & print rollers £000	Total £000
GROUP				
Cost or valuation:				
1st February 1992	9,589	12,184	6,399	28,172
Additions	140	1,200	3,096	4,436
Disposals	(388)	(557)	(1,508)	(2,453)
Adjustments to fair value	–	(50)	(114)	(164)
Elimination on disposal of subsidiary	(51)	(712)	–	(763)
Transfers to investments	(700)	–	–	(700)
Revaluations	(442)	–	–	(442)
Currency movements	97	55	105	257
31st January 1993	8,245	12,120	7,978	28,343
Depreciation:				
1st February 1992	643	7,842	3,525	12,010
Revenue charge	209	1,570	1,901	3,680
Disposals	(20)	(411)	(1,184)	(1,615)
Elimination on disposal of subsidiary	(5)	(330)	–	(335)
Transfers to investments	(37)	–	–	(37)
Revaluations	(16)	–	–	(16)
Currency movements	29	53	99	181
31st January 1993	803	8,724	4,341	13,868
Net book value				
31st January 1993	7,442	3,396	3,637	14,475
1st February 1992	8,946	4,342	2,874	16,162
Analysis of cost and valuation				
At cost	7,197	12,120	7,978	27,295
At valuation 1993	1,048	–	–	1,048
	8,245	12,120	7,978	28,343

Land and buildings were valued on 31st January 1993 at open market value on the basis of existing use by Chesterton Chartered Surveyors, Ibbett Mosely Chartered Surveyors and C.B. Commercial Real Estate Group Inc. (U.S.A.). The deficit on previous revaluation surpluses of £426,000 has been charged to the revaluation reserve.

10 Tangible fixed assets (continued)

	£000
The net book value of land and buildings comprises:	
Freehold land	2,562
Freehold buildings	4,298
Long leaseholds	421
Short leaseholds	161
Net book value at 31st January 1993	**7,442**
Historical cost of revalued land and buildings	759
Depreciation to 1st February 1992	(34)
Revenue charge	(11)
Net book value at 31st January 1993	**714**

	Land and buildings £000	Plant equipment and vehicles £000	Total £000
COMPANY			
Cost:			
1st February 1992	3,410	309	3,719
Additions	140	15	155
Disposals	–	(65)	(65)
Transfers to investments	(700)	–	(700)
31st January 1993	**2,850**	**259**	**3,109**
Depreciation:			
1st February 1992	312	101	413
Revenue charge	93	62	155
Disposals	–	(42)	(42)
Transfer to investments	(37)	–	(37)
31st January 1993	**368**	**121**	**489**
Net book value			
31st January 1993	**2,482**	**138**	**2,620**
1st February 1992	3,098	208	3,306

Included in the amounts for plant, equipment and vehicles above are the following amounts relating to leased assets and assets acquired under hire purchase contracts:

Net book value	Group Finance leases £000	Group Hire purchase £000	Company Finance leases £000	Company Hire purchase £000
31st January 1993	**1,223**	**14**	–	–
1st February 1992	2,122	21	–	–

11 INVESTMENTS

	Share in associated undertaking £000	Investment properties £000	Other investments £000	Total £000
GROUP				
1st February 1992	12	6,710	2	6,724
Additions	–	411	11	422
Transfers (Note 10)	–	663	–	663
Disposals	(12)	(1,419)	–	(1,431)
Revaluations	–	(2,317)	–	(2,317)
31st January 1993	–	**4,048**	**13**	**4,061**

Other investments include a 15% shareholding in the ordinary share capital of Bloom Signs Limited (illuminated sign manufacturer) registered in England and Wales.

COMPANY	£000	£000
Shares in subsidiary undertakings:		
Historical cost	19,321	
Provisions against carrying value	(3,384)	
1st February 1992		15,937
Movements:		
Sale of Bloom Signs Limited	(2,314)	
Investment in subsidiary undertaking	5	
		(2,309)
		13,628
Investment properties:		
1st February 1992	6,832	
Acquisitions	411	
Disposals	(1,541)	
Transfers (note 10)	663	
Revaluation	(2,317)	
		4,048
Other investments:		
1st February 1992	–	
Investment in Bloom Signs Limited	11	
		11
31st January 1993		**17,687**

Group operating companies are listed on page 43.

Investment properties represent properties awaiting disposal. The investment properties were valued on an open market vacant possession basis as at 31st January 1993, by Chesterton Chartered Surveyors. The historical cost of these investment properties is £3,886,000 (group) and £6,403,000 (company). The deficit on previous revaluation surpluses of £1,828,000 has been charged to revaluation reserve and the write down below cost of £489,000 has been charged to the profit and loss account.

12 STOCKS

	Group 1993 £000	Group 1992 £000
Raw materials	1,531	1,262
Work in progress	616	876
Finished goods	8,207	7,867
	10,354	10,005

13 DEBTORS

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Trade debtors	9,505	10,686	27	36
Amounts owed by subsidiary undertakings	–	–	7,233	8,825
Other debtors	1,659	1,484	960	1,244
Prepayments	844	690	147	51
	12,003	12,860	8,367	10,156

Other debtors include ACT recoverable in more than one year of £519,000 (£574,000) in both the group and the company.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Current instalments due on loans (note 17)	2,469	468	813	–
Obligations under finance leases and hire purchase contracts (note 16)	485	660	–	–
Bank overdrafts	514	747	2,036	1,623
Trade creditors	4,522	4,995	219	381
Amounts owed to subsidiary undertakings	–	–	61	5,081
Corporation tax	99	500	–	35
Other taxes and social security	839	1,082	535	574
Proposed dividends (note 19)	1,789	1,733	1,789	1,733
Other creditors	1,025	6,018	567	3,560
Accruals	2,924	2,117	1,186	518
	14,666	18,320	7,206	13,505

The overdrafts of the company and certain subsidiary undertakings are subject to multilateral guarantees given by the company and those subsidiary undertakings.

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Loans (note 17)	1,845	1,864	1,567	–
Amounts owed to subsidiary undertakings	–	–	5	–
Obligations under finance leases and hire purchase contracts (note 16)	527	1,106	–	–
Other creditors	21	–	–	–
	2,393	2,970	1,572	–

16 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Amounts payable within one year	590	873	–	–
Between one and five years	592	874	–	–
Over five years	–	383	–	–
	1,182	2,130	–	–
Less finance charges allocated to future periods	(170)	(364)	–	–
	1,012	1,766	–	–
Current obligations (note 14)	485	660	–	–
Non-current obligations	527	1,106	–	–
	1,012	1,766	–	–

The commitments under non-cancellable operating leases are as follows:

	Group Land & buildings £000	Group Other £000	Company Land & buildings £000	Company Other £000
Operating leases which expire:				
Within one year	68	83	–	–
Between one and five years	321	155	300	–
Over five years	281	1	62	–
	670	239	362	–

17 LOANS

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Secured loans:				
Bank loan repayable by instalments over more than five years at 85.54% of prime rate of USA lender	307	283	–	–
Bank loans				
– repayable over 15 years at 12.875% fixed rate	1,477	1,544	–	–
– repayable over 10 years, to 1998 at 1.75% above LIBOR	–	280	–	–
– repayable by 1995 at 1.5% above LIBOR	150	225	–	–
Unsecured loans:				
Bank loan				
– repayable August 1995 at 1% above LIBOR	1,567	–	1,567	–
Loan note				
– repayable April 1993 at 1.5% below LIBOR	813	–	813	–
Total loans	4,314	2,332	2,380	–

17 Loans (continued)	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Amounts due at 31st January 1993 are repayable as follows:				
Over five years	278	1,089	–	–
Between two and five years	1,567	585	1,567	–
Between one and two years	–	190	–	–
After more than one year (note 15)	1,845	1,864	1,567	–
Within one year (note 14)	2,469	468	813	–
	4,314	2,332	2,380	–

Since the year end, notice has been given by the group to repay both the 12.875% fixed rate loan and the 1.5% above LIBOR loan. All secured loans are secured against the applicable group property.

18 SHARE CAPITAL

	Number of shares	£
Ordinary shares of 15p each:		
Authorised: 1st February 1992	110,000,000	16,500,000
31st January 1993	140,000,000	21,000,000
Allotted, called up and fully paid:		
1st February 1992	91,186,432	13,677,964
Conversion of preference shares	223,379	33,507
31st January 1993	91,409,811	13,711,471

On the 24th June 1992 the authorised share capital of the company was increased by the creation of 30 million ordinary shares of 15p each.

	Number of shares	£
Cumulative convertible redeemable preference shares of 25p each:		
Authorised: 1st February 1992 and **31st January 1993**	6,000,000	1,500,000
Allotted, called up and fully paid:		
1st February 1992	1,770,958	442,739
Conversion to ordinary shares	(159,558)	(39,890)
31st January 1993	1,611,400	402,849

The preference shares bear a fixed cumulative preferential dividend at 6.5p per share per annum, and are convertible into ordinary shares in August in any of the years to 2005 at the rate of 7 ordinary shares for every 5 preference shares. Any preference shares which remain unconverted after August 2005 may be redeemed by the company at 100p per share.

19 DIVIDENDS

	1993 £000	1992 £000
Ordinary - paid	1,097	1,094
- proposed	1,737	1,733
	2,834	2,827
Preference - paid	58	115
- proposed	52	–
	110	115
Total dividends	2,944	2,942

The directors propose a final dividend in respect of the year ended 31st January 1993 of 1.90p (1.90p) per ordinary share payable on 9th July 1993 to shareholders registered at close of business on 10th June 1993. This makes a total dividend for the year of 3.10p (3.10p) per ordinary share.

20 RESERVES

	Share premium account £000	Revaluation reserves £000	Profit and loss account £000	Other reserves £000	Merger reserves £000	Goodwill reserves £000
GROUP						
1st February 1992	6,198	4,585	2,010	1,569	(2,950)	–
Adjustment to goodwill	–	–	–	–	–	(126)
Goodwill written-off	–	–	(126)	–	–	126
Premium on conversion of preference shares	7	–	–	–	–	–
Transfer of goodwill on disposal of company	–	–	886	–	–	–
Transfer of amount equivalent to additional depreciation on revalued assets	–	(46)	46	–	–	–
Retained earnings for the year	–	–	2,550	–	–	–
Currency translation movements	–	–	15	–	–	–
Property disposals	–	(548)	–	–	–	–
Revaluation of property	–	(2,254)	–	–	–	–
31st January 1993	6,205	1,737	5,381	1,569	(2,950)	–
COMPANY						
1st February 1992	6,198	–	2,176	–	–	–
Deficit for the year	–	–	(793)	–	–	–
Premium on conversion of preference shares	7	–	–	–	–	–
31st January 1993	6,205	–	1,383	–	–	–

	£000
Other reserves represent:	
Share premium of companies acquired and accounted for under merger accounting principles	1,276
Capital reserve arising on consolidation	293
	1,569
Revaluation reserves represent:	
Investment properties	689
Tangible fixed assets – land and buildings	1,048
	1,737

The cumulative amount of goodwill which has been written off to the profit and loss account reserve in respect of existing group companies is £8,293,000 (£9,053,000).

21 CAPITAL EXPENDITURE

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Authorised and contracted	29	16	–	–
Authorised but not yet contracted	712	300	–	–

22 PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Deferred taxation provided in the accounts is as follows:				
Capital allowances in excess of depreciation	928	136	–	–
Other timing differences	143	80	62	–
	1,071	216	62	–
Advance corporation tax	(98)	(163)	(50)	–
	973	53	12	–
Deferred taxation not provided in the accounts is as follows:				
Capital allowances	143	154	–	–
Capital gains rolled over	–	14	–	–
	143	168	–	–

	Group 1993 £000	Company 1993 £000
Deferred taxation movement for the year:		
1st February 1992	216	–
Elimination on disposal of subsidiary	(17)	–
Current year charge	200	62
Adjustment in respect of prior years	672	–
31st January 1993	1,071	62

OTHER PROVISIONS

	Group 1993 £000	Company 1993 £000
1st February 1992	438	295
Current year charge	24	–
Applied	(421)	(295)
31st January 1993	41	–

23 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITES

	1993 £000	1993 £000	1992 £000	1992 £000
Operating profit		6,171		5,663
EGM costs	–		(248)	
Depreciation	3,680		3,066	
Write down of properties	489		–	
Loss/(profit) on disposal of tangible fixed assets	23		(1,058)	
Profit on disposal of investments	(585)		(158)	
(Increase)/decrease in stocks	(472)		989	
(Increase)/decrease in operating debtors and prepayments	(802)		1,983	
Decrease in creditors and provisions	(773)		(3,224)	
		1,560		1,350
Net cash inflow from operating activities		7,731		7,013

24 ACQUISITION OF SUBSIDIARY UNDERTAKINGS

	1993 £000	1992 £000
Net assets acquired:		
Tangible fixed assets	–	6,968
Working capital and provisions	–	(1,760)
	–	5,208
Goodwill arising on acquisition	–	5,048
Cost of acquisition of subsidiary undertakings	–	10,256
Discharged by:		
Cash paid	3,194	7,006
Deferred consideration	(3,194)	3,250
	–	10 256
Cash outflow from acquisition comprised:		
Cash paid	3,194	7,006
Cash at bank and in hand acquired	–	(251)
Bank overdraft acquired	–	828
	3,194	7,583

25 DISPOSAL OF SUBSIDIARY UNDERTAKINGS

	1993 £000	1992 £000
Net assets disposed of:		
Tangible fixed assets	428	289
Working capital and provisions	(292)	1,831
	136	2,120
Goodwill	886	–
	1,022	2,120
Costs of disposal	267	209
	1,289	2,329
Loss on disposal	(1,203)	(386)
	86	1,943
Capitalisation of remaining interest	(11)	–
Sale consideration received	75	1,943
Cash inflow from disposals comprised:		
Cash received	75	1,943
Cash at bank and in hand disposed of	(1)	–
Repayment of bank overdraft	569	–
	643	1,943

26 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	1993 Share capital and premium £000	1993 Loans and finance lease obligations £000	1992 Share capital and premium £000	1992 Loans and finance lease obligations £000
1st February 1992	20,319	4,098	20,319	1,858
Cash inflow from financing	–	1,307	–	(996)
Loan obligations of subsidiary undertaking acquired	–	–	–	2,487
Lease obligations of subsidiary undertaking disposed of	–	(145)	–	–
Inception of finance lease contracts	–	8	–	722
Effect of foreign exchange rate differences	–	58	–	27
31st January 1993	20,319	5,326	20,319	4,098

27 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1993 £000	1992 £000
1st February 1992	908	6,223
Net cash inflow/(outflow)	1,881	(5,323)
Effect of foreign exchange rate differences	63	8
31st January 1993	2,852	908

Analysis of the balances of cash equivalents	1993 £000	1992 £000	Change in year £000
Cash at bank and in hand	3,366	1,655	1,711
Bank overdraft	(514)	(747)	233
	2,852	908	1,944

Cash and cash equivalents include bills of exchange receivable of £135,000 (£92,000) with an original maturity of less than 90 days.

28 PENSIONS

The group operates defined benefit and defined contribution pension schemes in the UK for all qualifying employees. The major scheme is of the defined benefit type and the assets of the schemes are held in separate trustee administered funds.

The pension cost relating to the defined benefit scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. This scheme is subjected to triennial actuarial reviews with the most recent one being at 1st October 1990. The principal actuarial assumptions applied were as follows:

Investment returns	9.0% per annum
Salary growth	7.0% per annum
Pension increases	5.0% per annum in excess of Guaranteed Minimum Pension

Assets have been valued using the discounted income method assuming a dividend growth rate of 4% per annum.

At the latest actuarial valuation, the aggregate market value of the assets of the major scheme was £8,844,000 and the actuarial value of the assets was sufficient to cover 114% of the liability for benefits which have accrued to members on an ongoing basis. The employer's contribution rate takes account of the surplus disclosed by the valuation over the expected remaining service lives of the current employees who are in the scheme.

The total pension cost for the group was £752,000 (£763,000) of which £688,000 (£645,000) related to the defined benefit scheme.

29 POST BALANCE SHEET EVENT

Subsequent to the year end agreement was reached to purchase the entire share capital of John Hartley (Cowling) Ltd. for the total consideration of £1,594,000 including net borrowings of £720,000. The acquisition will be funded by a vendor placing and a placing for cash of 3,891,429 ordinary shares which will raise £2,696,760. In addition, the vendors will retain 432,433 ordinary shares in Walker Greenbank PLC. The balance of the funds raised over the total consideration will be used to develop the business.

Auditors' Report

TO THE MEMBERS OF WALKER GREENBANK PLC

We have audited the financial statements on pages 24 to 42 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31st January 1993 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.
Chartered Accountants and Registered Auditor
10-12 East Parade
Leeds
LS1 2AJ
14th April 1993

Touche Ross & Co

Group Operating Companies

WALLCOVERINGS GROUP

COMMERCIAL DIVISION

B. BROWN (HOLBORN) LIMITED*
Hertfordshire Telephone 0442 68890

BRYMOR LIMITED
Kent Telephone 0622 871384

MURASPEC LIMITED*
Hertfordshire Telephone 0442 68890

MURASPEC SARL*
Paris/France Telephone 010 33 1 40 86 23 24

TEXTILE WALLCOVERINGS INTERNATIONAL LIMITED*
Atlanta/USA Telephone 0101 404 435 9720

CONSUMER DIVISION

ANSTEY WALLPAPER COMPANY LIMITED*
Leicestershire Telephone 0533 364181

HARLEQUIN WALLCOVERINGS GMBH
Germany Telephone 010 49 762 173 076

HARLEQUIN WALLCOVERINGS LIMITED*
Leicestershire Telephone 0509 816575

ZOFFANY LIMITED*
London Telephone 0923 710680

HEALTHCARE DIVISION

HAMPSHIRE MEDICAL DEVELOPMENTS LIMITED
Hampshire Telephone 0703 667711

*Subsidiary undertakings of Wallcoverings International Limited, 4 Brunel Court, Corner hall, Hemel Hempstead, Hertfordshire, HP3 9XX.

All companies are wholly owned and are registered in England and Wales with the following exceptions:
Textile Wallcoverings International Limited - incorporated in the USA
Muraspec SARL - incorporated in France
Harlequin Wallcoverings GmbH - incorporated in Germany

A list of all subsidiary undertakings will be attached to the next annual return.

Five Year Record

	1989 £000	1990 £000	1991 £000	1992 £000	1993 £000
Turnover	118,635	127,270	75,340	56,801	56,156
Trading profit before depreciation	7,667	12,665	9,417	8,729	9,851
Depreciation	2,747	3,031	2,452	3,066	3,680
Operating profit	4,920	9,634	6,965	5,663	6,171
Net interest (charge)/credit	(1,835)	(2,516)	1,068	(236)	(520)
Profit before taxation	3,085	7,118	8,033	5,427	5,651
Taxation charge	757	2,305	2,789	1,535	1,626
Profit after taxation	2,328	4,813	5,244	3,892	4,025
Extraordinary items	(3,799)	(5,441)	(1,949)	(685)	1,469
Minority interest	(6)	(45)	–	–	–
	(1,477)	(673)	3,295	3,207	5,494
Dividends	2,175	2,627	2,941	2,942	2,944
Retained profit/(loss)	(3,652)	(3,300)	354	265	2,550
Capital employed:					
Share capital	14,104	14,106	14,121	14,121	14,114
Reserves	10,820	17,133	18,894	11,412	11,942
Equity	24,924	31,239	33,015	25,533	26,056
Deferred taxation	448	87	55	53	973
Loans	11,400	981	294	2,332	4,314
Minority interest	35	69	–	–	–
	36,807	32,376	33,364	27,918	31,343
Earnings per share	2.41p	5.10p	5.63p	4.14p	4.29p

Prior year figures have been restated to reflect the write-off of goodwill through the profit and loss account arising on the disposal of subsidiary undertakings.

Directors and Advisors

DIRECTORS

Executive directors

Charles Wightman B.Sc., F.C.A. Chief Executive
Roger Smurthwaite Managing Director
Martin Hynes A.C.A. Finance Director

Non-executive directors

David Richards C.B.E., F.C.A. has served as a non-executive director since February 1988 and was appointed Chairman in June 1990. He was President of the Institute of Chartered Accountants in 1979-1980 and Deputy Chairman of the Monopolies and Mergers Commission for 7 years.

Michael Meyer was appointed a non-executive director on 12th February 1991. He is currently Chairman of Emess plc, an international lighting company, and a non-executive director of TR Smaller Companies Investment Trust PLC.

The Audit and Remuneration Committees of Walker Greenbank PLC are comprised of the non-executive directors.

Secretary
Anne Thomas

Registered office
4 Brunel Court
Cornerhall
Hemel Hempstead
Hertfordshire
HP3 9XX

Registered in England No. 61880

ADVISORS

Auditors
Touche Ross & Co
10-12 East Parade
Leeds LS1 2AJ

Solicitors
McKenna & Co
Mitre House
160 Aldersgate Street
London EC1A 4DD

Solicitors
Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

Financial Advisors
S. G. Warburg & Co Ltd
2 Finsbury Avenue
London EC2M 2PA

Stockbrokers
S. G. Warburg Securities Ltd
1 Finsbury Avenue
London EC2M 2PA

Registrars
Independent Registrars
Group Limited
Newlands Drive
Witham
Essex CM8 2UL

Bankers
Barclays Bank PLC
99 Hatton Garden
London EC1N 8DN

Bankers
Commerzbank AG
10-11 Austin Friars
London EC2P 2JD

Bankers
Wachovia Corporate
Services Inc
7 Albemarle Street
London W1X 3HF

Notice of Meeting

The ninety-fifth Annual General Meeting of the members of Walker Greenbank PLC will be held at the Howard Hotel, Temple Place, Strand, London WC2R 2PR on Wednesday 26th May 1993 at 2.30 pm for the transaction of the following business:

1. To receive the reports of the directors and of the auditors, together with the accounts for the year ended 31st January 1993.

2. To declare a final dividend on the ordinary share capital of the Company for the year ended 31st January 1993 at the rate of 1.90p per ordinary share.

3. To re-elect the director retiring by rotation, Mr M.C. Hynes, who being eligible seeks re-election.

4. To re-appoint Touche Ross & Co as auditors, and to authorise the directors to agree their remuneration for the year.

5. As special business to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

   That the directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined for the purposes of section 80 of the Companies Act 1985) ("the Act") up to an aggregate nominal amount of £4,570,491 provided that this authority shall expire on the date being five years after the passing of this resolution unless renewed, varied or revoked by the company in general meeting save that the company may before such expiry or the expiry of any renewal of this authority make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired and provided further that this authority shall be in substitution for and supersede and revoke any other earlier such authorities.

6. As special business to consider and, if thought fit, to pass the following resolution as a special resolution :

   That, subject to the passing of the resolution numbered 5 above, the directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined for the purposes of the sections 89 to 96 of the Act) for cash pursuant to the general authority conferred on them for the purposes of section 80 of the Act by the resolution numbered 5 above as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited:

   (a) to the allotment of equity securities in connection with a rights issue or other offer in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of such holders of ordinary shares on a fixed record date are proportionate (as nearly as may be) to the respective numbers of shares held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to the rights of the holders of the cumulative convertible redeemable preference shares of 25p each in the capital of the Company ("Convertible Preference Shares") (which may include the offer of such equity securities to the holders of the Convertible Preference Shares on terms which reflect the rights and privileges attached to such shares) and fractional entitlements or to deal with any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or any other stock exchange in any territory; and

(b) to the allotment (otherwise than pursuant to paragraph (a) above) of equity securities having, in the case of relevant shares (as defined in section 94(5) of the Act), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount not exceeding in aggregate the sum of £685,574

and this power shall (unless renewed, varied or revoked by the Company) expire on the date being fifteen months from the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company next following the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

7. As special business to consider and, if thought fit, to pass the following resolution as a special resolution:

That the Company be and is hereby generally and unconditionally authorised pursuant to section 166 of the Act to make one or more market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 15p each in the capital of the Company subject to the following restrictions and provisions:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 9,076,000;

(b) the minimum price which may be paid for an ordinary share is not less than the nominal value of such share (exclusive of advance corporation tax and expenses);

(c) the maximum price which may be paid for an ordinary share is an amount (exclusive of advance corporation tax and expenses) being not more than 105 per cent of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day on which the ordinary share is purchased;

(d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 1994 or within fifteen months from the date of the passing of this resolution, whichever shall be the earlier (except in relation to a purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or in part after such date); and

(e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of such authority, and may make a purchase of ordinary shares pursuant to any such contract which purchase or contract would or might be executed wholly or partly after the expiration of such authority.

By order of the board,
A. E. Thomas
Secretary
30th April 1993

Registered Office:
4 Brunel Court
Cornerhall
Hemel Hempstead
Hertfordshire HP3 9XX

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and a proxy need not be a member of the Company. Forms of proxy, of which one is enclosed herewith, must be lodged at Independent Registrars Group Limited, Broseley House, Newlands Drive, Witham, Essex CM8 2BR, not less than 48 hours before the meeting.

In accordance with the requirements of the London Stock Exchange there will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excluded) at the registered office of the Company from the date of this notice until the date of the annual general meeting:

(a) The register of directors' interests in accordance with section 325 of the Companies Act 1985.

(b) Copies of the directors' contracts of service with the company.

The documents will also be available on the day and at the place of the meeting from 2.15pm until the conclusion of the meeting.

Walker Greenbank PLC - form of proxy

For use at the Annual General Meeting of Walker Greenbank PLC to be held on 26th May 1993

I/We ____

of ____

being (an) Ordinary Shareholder(s) of Walker Greenbank PLC, hereby appoint the Chairman of the meeting,

failing whom ____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2.30pm on the 26th May 1993 and at every adjournment thereof. The proxy is requested to comply with the voting instructions, if any, shown in the spaces below and subject thereto, shall be entitled to vote or abstain from voting at his discretion on all matters arising at the meeting.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive the report and accounts for the year ended 31st January 1993	☐	☐
2. To approve the ordinary dividend	☐	☐
3. To re-elect Mr M.C. Hynes as a director	☐	☐
4. To re-appoint the retiring auditors and authorise the directors to agree the remuneration of the auditors	☐	☐
5. To authorise the directors to allot relevant securities under section 80 of the Companies Act 1985	☐	☐
SPECIAL RESOLUTIONS		
6. To empower to a limited extent the directors to allot shares as if Section 89(1) of the Companies Act 1985 did not apply	☐	☐
7. To authorise the Company to make market purchases of its own shares	☐	☐

Please indicate how you wish your proxy to vote by ticking the appropriate box. If the form is duly signed but with no direction as to how the proxy is to vote, the proxy will vote or abstain from voting at his discretion.

Dated this ____________ - ____________ day of ________________________ 1993

Signature ____

NOTES:

(i) To be valid this document must be signed and together with the power of attorney or any other written authority (if any), under which it is signed or an office or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or authority, must be deposited at the office of the Company's registrars, Independent Registrars Group Limited, Broteley House, Newlands Drive, Witham, Essex CM8 2BR, not later than 48 hours before the time fixed for the meeting.

(ii) If this proxy is executed by an individual, it must be under his hand or under the hand of his attorney duly authorised in writing. If this proxy is executed by a corporation, it must either be under its seal or under the hand of a duly authorised officer or attorney.

(iii) If any other proxy is desired, strike out the name mentioned and insert the name or names preferred. A proxy need not be a member of the Company.

(iv) In the case of joint holders the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. The most senior joint holder is he or she whose name appears first in the order in which the names stand in the register of the members in respect of the joint holding.

(v) The lodging of a form of proxy does not prevent a member from attending and voting at the meeting in person if he or she so wishes. In such a case any votes cast by the member will be accepted to the exclusion of those cast by the proxy holder.

SECOND FOLD

BUSINESS REPLY SERVICE
Licence No CL450

1

FIRST FOLD

Independent Registrars Group Limited
Broseley House
Newlands Drive
Witham
Essex CM8 2BR

THIRD FOLD
AND TUCK IN FLAP OPPOSITE