



**WALKERCRIPS**  
GROUP PLC

INTERIM REPORT 2013

# COMPANY OFFICERS

## EXECUTIVE DIRECTORS

R A FitzGerald *FCA*

S K W Lam *FCPA Chartered FCSI*

M J W Rushton

D Hetherton

## NON-EXECUTIVE DIRECTORS

D M Gelber

R A Elliott *FCA Cert PFS*

M J Wright

H M Lim

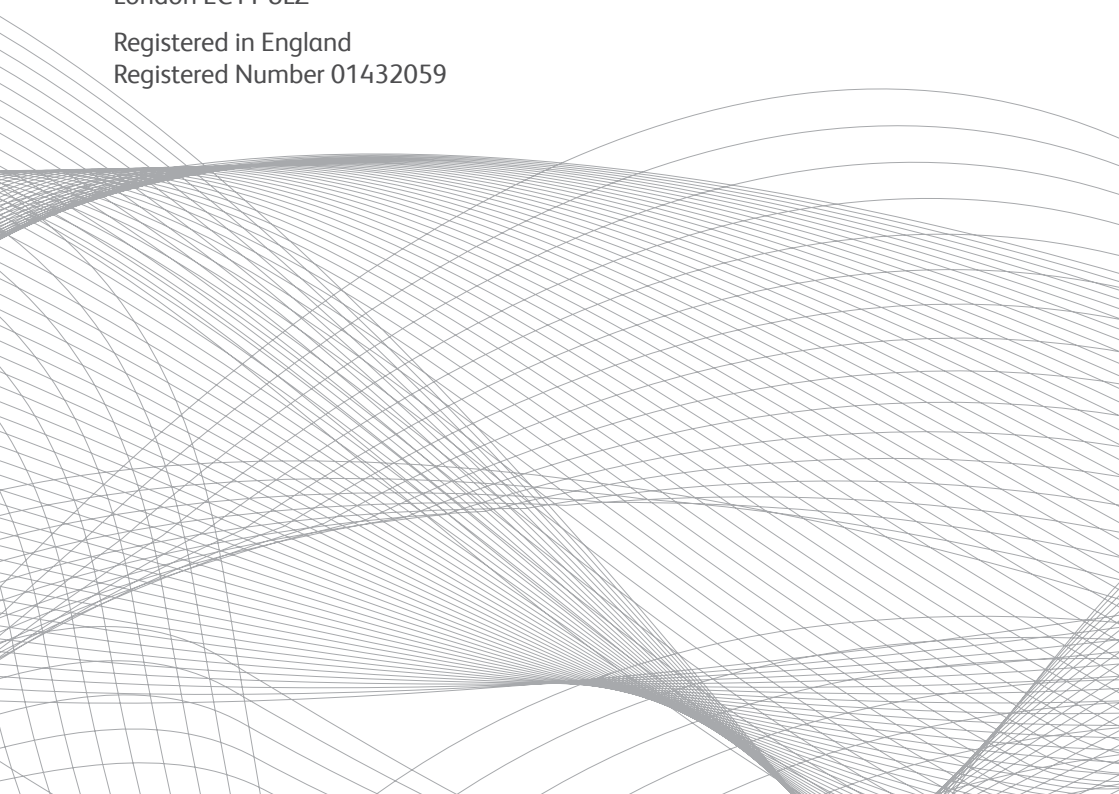
## SECRETARY

D J Hall *DipPFS FMAAT MCSI*

## REGISTERED OFFICE

Finsbury Tower  
103-105 Bunhill Row  
London EC1Y 8LZ

Registered in England  
Registered Number 01432059



## I A WORD FROM MR GELBER



*D M Gelber - Chairman*

“ Our strategy is clearly being executed successfully and this is becoming increasingly widely recognised. The results of refocusing and building the Group’s investment management division and expanding its wealth management division continue to be ahead of our expectations. Targeted regional expansion is gathering pace to complement the growing team of advisers in London and in York. ”

### Highlights

Successful implementation of strategic plan returns Group to operating profit of £0.3 million in the Period (2012: operating loss of £1.1 million)

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Revenue for the Period increased 10% to £9.7 million (2012: £8.8 million)

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Gross profit for the Period increased 29% to £6.7 million (2012: £5.2 million) reflecting considerable progress made in investment and wealth management businesses

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Assets Under Management at Period end increased 53% to £1.15 billion (30 September 2012: £0.75 billion)

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Additional exceptional gain of £1.8 million on the disposal of Convertible Unsecured Loan Stock resulted in pre tax profits of £2.2 million (2012: £7.7 million after exceptional gain relating to the disposal of WCAM of £9.9 million)

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Interim dividend up 8.5% to 0.51p per share (2012: 0.47p per share)

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Like for like non-broking income up 31% to £5.1m (2012: £3.9m) representing 52% of total income (2012: 55%)

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Disposal of Keith, Bayley, Rogers & Co Limited, the Group’s corporate finance business, for a cash consideration of £0.3 million

# I CHAIRMAN'S STATEMENT

## Introduction

The Strategic Plan implemented by the Board following the disposal of Walker Crips Asset Managers Ltd (WCAM) in April 2012 and the continuing transformation of the Company from a traditional private client stockbroker to a full service, increasingly fee based, investment and wealth management group, has returned the Group to operating profitability. The Group recorded an Operating Profit of £0.3m for the Period compared to an operating loss of £1.1m in the prior year.

The execution of the Board's plan over the past 18 months has focused on the recruitment of new teams of Investment Managers and Advisers and on making the changes, in line with our corporate strategy, to our investment offering and process and to our cost base. This has created a flexible yet structured platform from which to attract new clients and to continue the growth of assets under management.

## Trading

Revenue for the Period was £9.7m (2012: £8.8m), an increase of 10%.

The introduction of the Retail Distribution Review (RDR) on 1 January 2013, and resultant new fee arrangements, has affected how the Company's Revenue is recorded. In particular, prior to RDR, fees received for the design and distribution of Structured Investments were disclosed gross and introducing commission paid to intermediaries was shown separately in Commission Payable. Post RDR, the net amount of these fees and commissions is included as Revenue. This has the effect of reducing both Revenue and Commissions Payable (on a pre RDR basis), but does not impact Gross Profit (Net Revenue).

Commission payable during the Period decreased by 17% to £3.0m (2012: £3.6m), reflecting the decrease in recorded commissions payable to intermediaries referred to above. On a like for like basis, Commission payable would have increased by 76%.

Gross Profit (Net Revenue) in the Period increased by 29% to £6.7m (2012: £5.2m), demonstrating the considerable strides forward we have taken with our investment and wealth management businesses.

Non-broking income as a proportion of total income decreased to 52% (2012: 65%) as a consequence of the changes in the commission element of the gross revenue from Structured Investments referred to above. On a like for like basis, non-broking income as a proportion of total income was 52% (2012: 55%) reflecting a substantial increase in commission revenue, relative to fees, which were also higher, in the Period.

The cost savings from the office relocations completed in May and June 2013 are now feeding through although they were offset to some extent by higher employment costs, particularly in revenue generating areas, and infrastructure costs that support our ongoing growth strategy. Overall administrative expenses (before exceptional items) in the Period were £6.4m (2012: £5.9m). Group profit before tax of £2.2m (2012: £7.7m) largely reflects a one-off gain of £1.8m on the sale of investments connected to the WCAM disposal (2012: gain of £9.9m on the disposal of WCAM and subsequent sale of connected investments). Part of the consideration for the WCAM disposal was received in the form of unsecured loan stock (CULS) which was convertible into shares in the acquirer, Liontrust Asset Management plc. The final £3.1m of these CULS were converted and sold in the Period, realising final consideration for the WCAM disposal of £16.4m (compared to the original consideration at the time of disposal of £12.3m).

The increase in Trading Investments arose as a result of the investment of part of the proceeds from the sale of the CULS into short term or liquid investments which yield more than the returns available on cash.

Basic earnings per share, boosted by the one off gain, were 4.62 pence (2012: 22.20 pence) and diluted earnings per share were 4.52 pence (2012: 21.47 pence).

As at the Period end, the Group had net assets of £21.2m (31 March 2013: £19.5m) including net cash of £9.9m (31 March 2013: £7.8m), a very strong balance sheet from which to generate further growth in line with the Board's Strategic Plan.

## CHAIRMAN'S STATEMENT

(continued)

### Operations

#### Investment Management

Discretionary and Advisory assets under management at the Period end were £1.15bn (30 September 2012: £0.75bn; 31 March 2013: £1.03bn), the increase being a clear reflection of the Company's emphasis on fee generation rather than transactional brokerage. Discretionary assets were £0.47bn (30 September 2012: £0.27bn) and Advisory assets were £0.68bn (30 September 2012: £0.48bn).

Gross revenues from the investment management division increased by 11.5% during the Period to £8.6m (2012: £7.8m), a significant improvement considering the negative adjustments required to the reported gross amount as a result of RDR. On a like for like basis, gross revenues in the division would have increased by 46%.

The Structured Investments team continued to build upon its growing reputation in the intermediary market place. During the Period a number of new products were launched which are proving attractive investments to professional advisers and their clients. Product launches increased by 39% when compared to the prior half year.

#### Wealth Management

Revenues and profits at our York-based wealth management division remained stable in the challenging post-RDR environment.

Walker Crips Alternative Investments successfully launched its Short Term Lending Fund in August 2013, the first fund of its type to be regulated. Early marketing has unearthed a keen interest in the fund and, given the need for steady monthly inflows and gradual growth, the initial sales have been positive resulting in the first investments/loans being made.

#### Corporate transactions

On 31 May 2013 the Company completed the disposal of its corporate finance subsidiary Keith, Bayley, Rogers & Co Limited for a cash consideration of £0.3m in line with its Strategic Plan.

#### Dividend

An 8.5% increase in the interim dividend to 0.51 pence per share (2012: 0.47 pence per share) recognises the encouraging progress being made in the Group's trading performance. The interim dividend will be paid on 10 December 2013 to those shareholders on the register at the close of business on 22 November 2013.

### **Directors, Account Executives and Staff**

On behalf of the Board, I would like to thank all my fellow directors, account executives and members of staff for their continued support. The professionalism, diligence, loyalty and camaraderie amongst us give the Company every reason to be regarded as a special place to work.

### **Outlook**

The depressed economic and market conditions of recent years are showing encouraging signs of abating. As we begin the countdown to our centenary year in 2014, your Board is confident that the Group is well positioned to benefit from longer term improvements in market activity.

Our strategy is clearly being executed successfully and this is becoming increasingly widely recognised. The results of refocusing and building the Group's investment management division and expanding its wealth management division continue to be ahead of our expectations. Targeted regional expansion is gathering pace to complement the growing team of advisers in London and in York.

The Group has continued trading profitably since the Period end and remains in a strong financial position.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

**D M Gelber**  
**Chairman**  
**14 November 2013**

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

	Notes	Unaudited Six months to 30 September 2013 £'000	Unaudited Six months to 30 September 2012 £'000	Audited Year to 31 March 2013 £'000
<b>Continuing operations</b>				
Revenue	2	9,722	8,843	20,372
Commission payable		(3,052)	(3,660)	(8,562)
<b>Gross Profit</b>		6,670	5,183	11,810
Share of after tax profit of joint venture		4	7	7
Administrative expenses – other		(6,411)	(5,898)	(12,841)
Administrative expenses – exceptional items	3	-	(384)	(1,299)
Administrative expenses		(6,411)	(6,282)	(14,140)
<b>Operating profit/(loss)</b>		<b>263</b>	<b>(1,092)</b>	<b>(2,323)</b>
<b>Analysed as:</b>				
Operating profit/(loss) before exceptional items		263	(708)	(1,024)
Administrative expenses – exceptional items	3	-	(384)	(1,299)
<b>Operating profit/(loss)</b>		<b>263</b>	<b>(1,092)</b>	<b>(2,323)</b>
Gain/(loss) on disposal of investments	4	1,836	(579)	(189)
(Loss)/gain on disposal of subsidiary undertaking	5	(8)	10,430	11,700
Goodwill impairment charges	6	-	(1,221)	(1,221)
Unrealised gain on revaluation of investments		-	-	828
Investment revenues		141	167	313
Finance costs		(2)	(4)	(5)
<b>Profit before tax</b>		<b>2,230</b>	<b>7,701</b>	<b>9,103</b>
Taxation		(524)	360	50
<b>Profit for the period attributable to equity holders of the company</b>		<b>1,706</b>	<b>8,061</b>	<b>9,153</b>
<b>Earnings per share</b>	7			
Basic		4.62p	22.20p	25.21p
Diluted		4.52p	21.47p	24.39p



# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Unaudited Six months to 30 September 2013 £'000	Unaudited Six months to 30 September 2012 £'000	Audited Year to 31 March 2013 £'000
<b>Profit for the period</b>	<b>1,706</b>	<b>8,061</b>	<b>9,153</b>
<b>Other comprehensive income (expense)</b>			
Profit on revaluation of available-for-sale investments taken to equity	62	81	180
Deferred tax on profit on available-for-sale investments	(13)	(19)	(35)
Deferred tax on share options	-	(3)	(2)
<b>Total comprehensive income for the period attributable to equity holders of the company</b>	<b>1,755</b>	<b>8,120</b>	<b>9,296</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Unaudited 30 September 2013 £'000	Unaudited 30 September 2012 £'000	Audited 31 March 2013 £'000
<b>Non-current assets</b>			
Goodwill	2,901	2,901	2,901
Other intangible assets	1,279	702	1,249
Property, plant and equipment	846	429	636
Investment in joint ventures	30	32	31
Available-for-sale investments	942	4,780	5,792
	5,998	8,844	10,609
<b>Current assets</b>			
Trade and other receivables	41,388	21,350	36,409
Trading investments	1,571	265	634
Deferred tax asset	16	607	182
Cash and cash equivalents	9,970	6,956	7,848
	52,945	29,178	45,073
<b>Total assets</b>	58,943	38,022	55,682
<b>Current liabilities</b>			
Trade and other payables	(37,148)	(17,691)	(35,776)
Current tax liabilities	(544)	(406)	(175)
Bank Overdrafts	(91)	-	-
Shares to be issued	-	-	(226)
	(37,783)	(18,097)	(36,177)
<b>Net current assets</b>	15,162	11,081	8,896
<b>Net assets</b>	21,160	19,925	19,505
<b>Equity</b>			
Share capital	2,515	2,471	2,470
Share premium account	1,818	1,630	1,630
Own shares	(312)	(312)	(312)
Revaluation reserve	668	536	619
Other reserves	4,668	4,667	4,668
Retained earnings	11,803	10,933	10,430
<b>Equity attributable to equity holders of the company</b>	21,160	19,925	19,505

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	Unaudited Six months to 30 September 2013 £'000	Unaudited Six months to 30 September 2012 £'000	Audited Year to 31 March 2013 £'000
<b>Operating activities</b>			
Cash (used by)/generated from operations	(3,149)	1,018	2,413
Interest received	157	140	231
Interest paid	(2)	(4)	(5)
Tax paid	-	(4)	(23)
<b>Net cash (used by)/generated from operating activities</b>	(2,994)	1,150	2,616
<b>Investing activities</b>			
Purchase of property, plant and equipment	(345)	(137)	(490)
Purchase of intangible assets	(474)	(425)	(453)
Net (purchase)/sale of investments held for trading	(908)	119	(250)
Net sale of available for sale investments	6,748	1,662	3,236
Net cash received on disposal of subsidiary	292	5,577	5,451
Dividends received	39	38	27
<b>Net cash generated from investing activities</b>	5,352	6,834	7,521
<b>Financing activities</b>			
Proceeds on issue of shares	6	5	4
Dividends paid	(333)	(1,961)	(3,221)
<b>Net cash used in financing activities</b>	(327)	(1,956)	(3,217)
<b>Net increase in cash and cash equivalents</b>	2,031	6,028	6,920
<b>Net cash and cash equivalents at the start of the period</b>	7,848	928	928
<b>Net Cash and cash equivalents at the end of the period</b>	9,879	6,956	7,848
Cash and cash equivalents	9,970	6,956	7,848
Bank overdrafts	(91)	-	-
	9,879	6,956	7,848

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Called up share capital £'000	Share premium £'000
<b>Equity as at 31 March 2012</b>	<b>2,470</b>	<b>1,626</b>
Revaluation of investment at fair value		
Deferred tax credit to equity		
Movement on deferred tax on share options		
Profit for the 6 months ended 30 September 2012		
Total recognised income and expense for the period		
March 2012 final dividend		
Special interim dividend		
Issues of shares on exercise of options	1	4
<b>Equity as at 30 September 2012</b>	<b>2,471</b>	<b>1,630</b>
Revaluation of investment at fair value		
Deferred tax credit to equity		
Movement on deferred tax on share options		
Profit for the 6 months ended 31 March 2013		
Total recognised income and expense for the period		
Restatement (Note 10)		
September 2012 interim dividend		
Special Interim dividend		
Issues on shares of exercise options	(1)	
<b>Equity as at 31 March 2013</b>	<b>2,470</b>	<b>1,630</b>
Revaluation of investment at fair value		
Deferred tax charge to equity		
Profit for the 6 months ended 30 September 2013		
Total recognised income and expense for the period		
March 2013 final dividend		
Issue of shares on exercise of options	1	5
Issue of shares on acquisition of intangible asset	44	183
<b>Equity as at 30 September 2013</b>	<b>2,515</b>	<b>1,818</b>

Own shares held	Capital Redemption	Other	Revaluation	Retained earnings	Total Equity
£'000	£'000	£'000	£'000	£'000	£'000
(312)	111	4,559	474	4,833	13,761
			81		81
			(19)		(19)
		(3)			(3)
				8,061	8,061
		(3)	62	8,061	8,120
				(327)	(327)
				(1,634)	(1,634)
					5
<b>(312)</b>	<b>111</b>	<b>4,556</b>	<b>536</b>	<b>10,933</b>	<b>19,925</b>
			100		100
			(17)		(17)
		1			1
				1,091	1,091
		1	83	1,091	1,175
				(334)	(334)
				(171)	(171)
				(1,089)	(1,089)
					(1)
<b>(312)</b>	<b>111</b>	<b>4,557</b>	<b>619</b>	<b>10,430</b>	<b>19,505</b>
			62		62
			(13)		(13)
				1,706	1,706
			49	1,706	1,755
				(333)	(333)
					6
					227
<b>(312)</b>	<b>111</b>	<b>4,557</b>	<b>668</b>	<b>11,803</b>	<b>21,160</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2013

## 1. Basis of preparation and accounting policies

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS). These condensed financial statements are presented in accordance with IAS 34 Interim Financial Reporting.

The condensed consolidated financial statements have been prepared on the basis of the accounting policies and methods of computation set out in the Group's consolidated financial statements for the year ended 31 March 2013.

The condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2013. The interim financial information is unaudited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's financial statements for the year ended 31 March 2013 have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not draw attention to any matters by way of emphasis. They also did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

## Going Concern

As both the net asset base and cash position remain healthy, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they also conclude in accordance with guidance from the Financial Reporting Council, that the use of the going concern basis for the preparation of the financial statements continues to be appropriate.

## Interests in joint ventures

The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are accounted for in the consolidated financial statements under the equity method.

Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of the joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to / from the Group and their amount can be measured accurately.

## Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed in future periods.

## Intangible assets

At each period end date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

## Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

## Principal risks and uncertainties

Under the Financial Conduct Authority's Disclosure and Transparency Rules, the Directors are required to identify those material risks to which the company is exposed and take appropriate steps to mitigate those risks. The principal risks and uncertainties faced by the Group are discussed in detail in the Annual Report for the year ended 31 March 2013.

## Related party transactions

No transactions took place in the period that would materially or significantly affect the financial position or performance of the group.

## 2. Segmental analysis

	Investment Management	Wealth Management	Total
<b>Revenue (£'000)</b>			
6m to 30 September 2013	8,645	1,077	9,722
6m to 30 September 2012	7,752	1,091	8,843
Year to 31 March 2013	17,782	2,590	20,372

<b>Result (£'000)</b>			Unallocated Costs	Operating Profit
6m to 30 September 2013	574	115	(426)	263
6m to 30 September 2012	(674)	183	(601)	(1,092)
Year to 31 March 2013	(1,231)	444	(1,536)	(2,323)

Subsequent to the sale of subsidiary Keith Bayley Rogers & Co Ltd, the Directors have determined that Corporate Finance is no longer a segment of continuing significance and has therefore been omitted from current and prior periods which have been restated. The immaterial amounts involved have been included within the Investment Management segment for all periods.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2013  
(continued)

### 3. Administrative expenses – exceptional items

There were no exceptional items in the six months to 30 September 2013.

In the prior period, up to the 30 September 2012, costs were incurred in relocating a large part of the Group's operations to more cost effective premises. The Group wrote down Leasehold improvement costs incurred for the old lease premises to a level more accurately reflecting their value in use. Additional write down costs amounted to £210,000 during the period. In the prior full year period, up to the 31 March 2013, these costs amounted to £228,000.

In the prior period, up to the 30 September 2012, significant legal and professional fees were incurred in the transfer of a number of investment managers and their clients from Savoy Investment Management Ltd and other corporate transactions. These amounted to £174,000 in the period and due to their size and one-off nature, the Board decided to disclose them separately. In the prior period, up to the 31 March 2013, these costs amounted to £585,000.

In the prior period, up to the 31 March 2013, the Group awarded discretionary bonuses to specific staff and executive directors of £486,000 in recognition of their efforts in helping to create and support the asset management subsidiary (WCAM) whose sale realised a profit of £11.7 million.

### 4. Gain on disposal of investments

During the period, conversion and disposal of Liontrust Convertible Unsecured Loan Stock (CULS) with a nominal value of £3.03million and the redemption of the remaining holding with a nominal value of £0.07m, yielded a profit of £1,836,000.

During the periods to 30 September 2012 and 31 March 2013 the Group disposed of its entire holding of Liontrust ordinary shares (received as part consideration on the disposal of WCAM – see note 5), incurring a loss on disposal of £579,000.

In addition, conversion and disposal of a part of the holding of Liontrust Convertible Unsecured Loan Stock yielded a profit of £390,000 in the year to 31 March 2013. Due to their level of materiality and one-off nature, the Board has decided to disclose all these items separately.

### 5. Loss on disposal of subsidiary undertaking

On 31 May 2013 the Group completed the disposal of its subsidiary Keith Bayley Rogers & Co Limited (following FCA approval).

On 12 April 2012, the Group completed the disposal of its subsidiary WCAM to Liontrust Asset Management plc (following FCA and shareholder approval). The gain on this disposal in the period to 31 March 2013 was subsequently increased to £11.7m, from the previously stated amount of £10.4m for the period to 30 September 2012 due to a revaluation of the Liontrust CULS received as part of the consideration for the disposal.

### 6. Goodwill impairment charges

There were no impairment charges in the six months to 30 September 2013.

In the periods to 30 September 2012 and 31 March 2013, given the difficulties experienced generally in global markets, and the continued negative impact on the trading performance of some of the Group's business units, the Board decided to write down the Goodwill associated with the reduction in the cash generative performance of these businesses.



## 7. Earnings per share

The calculation of basic earnings per share for continuing operations is based on the post-tax profit for the period of £1,706,000 (2012: £8,061,000) and on 36,938,203 (2012: 36,311,548) ordinary shares of 6 2/3p, being the weighted average number of ordinary shares in issue during the period.

The effect of the exercise of outstanding options would be to reduce the reported earnings per share. The calculation of diluted earnings per share is based on 37,752,011 (2012: 37,553,085) ordinary shares, being the weighted average number of ordinary shares in issue during the period adjusted for dilutive potential ordinary shares.

## 8. Dividends

The interim dividend of 0.51p per share (2012 :0.47p) is payable on 10 December 2013 to shareholders on the register at the close of business on 22 November 2013. The interim dividend has not been included as a liability in this interim report.

## 9. Total Income (£'000)

	Six months Ended 30 September 2013	Six months Ended 30 September 2012	Year Ended 31 March 2013
Revenue	9,722	8,843	20,372
Investment revenues	141	167	313
	9,863	9,010	20,685

The Group's income can also be categorised as follows for the purpose of measuring a Key Performance Indicator, non-broking income to total income.

Income (£'000)	Six months Ended 30 September 2013	%	Six months Ended 30 September 2012	%	Year Ended 31 March 2013	%
Broking	4,722	48	3,172	35	7,832	38
Non-Broking	5,141	52	5,838	65	12,853	62
	9,863	100	9,010	100	20,685	100

## 10. Restatement

Due to a misinterpretation of guidance regarding the basis of its calculation of tariff data submitted to the Financial Conduct Authority used to determine the Financial Services Compensation Scheme levy for the company's regulated subsidiary, Walker Crips Stockbrokers Limited, for the years to 31 March 2011 and 31 March 2012, the Company made adjustments for these material underpayments in the financial statements for the year to 31 March 2013.

The net impact after tax on equity reserves of these adjustments is £334,000.

# I DIRECTORS' RESPONSIBILITY STATEMENT

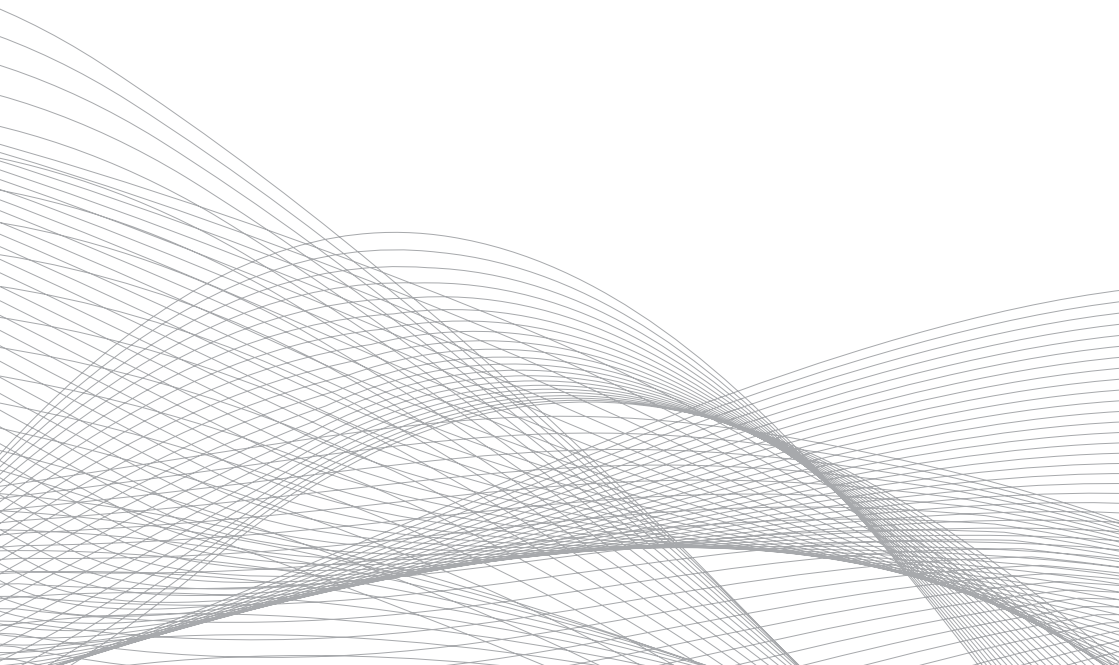
**The Directors confirm that to the best of their knowledge:**

- (a) The condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;
- (b) The half yearly report from the Chairman (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R; and
- (c) The half yearly report from the Chairman includes a fair review of the information required by DTR 4.2.8R as far as applicable.

On Behalf of the Board

A handwritten signature in black ink, appearing to read 'Rodney FitzGerald', with a long horizontal flourish extending to the right.

**Rodney FitzGerald**  
**Chief Executive Officer**  
**14 November 2013**





**Walker Crips Group plc**

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