

1 March 2016

## **Revolution Bars Group plc (LSE: RBG)** Interim results for the six months ended 31 December 2015

Revolution Bars Group plc (“the Group”), a leading UK operator of premium bars, trading under the Revolution and Revolución de Cuba brands, today announces its interim results for the six months ended 31 December 2015.

### **HIGHLIGHTS**

- Revenue of £59.2m (FY15: £58.0m), an increase of 2.2%.
- Positive like-for-like sales\* of +2.7%.
- EBITDA\*\* of £7.9m (FY15: £7.6m).
- Operating profit margin improved by 40 bps.
- Profit before tax of £4.7m (FY15: £4.3m).
- Non-recurring opening costs for the new sites of £0.3m (FY15: nil) included within the results.
- EPS of 8.0p; interim dividend of 1.5 pence per share.
- Opening of three new Revolución de Cuba bars at Milton Keynes, Leeds and Nottingham.
- Estate growth to 60 sites with 52 Revolution and 8 Revolución de Cuba bars.
- Two new sites planned for the second half of the year to 30 June 2016.

### **Income statement summary**

	<b>FY16</b>	<b>FY15</b>
	<b>£m</b>	<b>£m</b>
<b>Revenue</b>	<b>59.2</b>	58.0
<b>Gross profit</b>	<b>45.0</b>	44.0
<b>Gross margin %</b>	<b>76.0%</b>	75.9%
Operating expenses ***	<b>(40.3)</b>	(39.6)
<b>Operating profit</b>	<b>4.7</b>	4.4
<b>Operating profit %</b>	<b>8.0%</b>	7.6%
<b>EBITDA</b>	<b>7.9</b>	7.6
<b>EBITDA %</b>	<b>13.3%</b>	13.1%
<b>Profit before tax</b>	<b>4.7</b>	4.3

FY16 represent the six months to 31 December 2015. FY15 comparatives represent the six months to 31 December 2014.

\*Like-for-like sales are total retail sales from bars that have been trading continuously for at least twelve months.

\*\*EBITDA denotes earnings before interest, tax depreciation and amortisation.

\*\*\*Operating expenses include sales and distribution costs and administrative expenses.

### **Commenting on the results, Keith Edelman, Chairman, said:**

*“This is another strong set of results for Revolution Bars Group, underpinned by strong like-for-like sales growth and improved profit margins. Particularly pleasing was the opening of three new Revolución de Cuba bars, all of which have performed well in early trading. With two more bars scheduled for opening in the second half, we are confident of meeting our strategic growth targets.”*

For further information:

**Revolution Bars Group plc**

Mark McQuater, CEO

0161 330 3876

Sean Curran, CFO

0161 330 3876

**Instinctif Partners**

Justine Warren / Matthew Smallwood

020 7457 2020

A presentation for analysts will be held today and the presentation will be made available on the Group's corporate website at [www.revolutionbarsgroup.com](http://www.revolutionbarsgroup.com).

## **CHAIRMAN'S STATEMENT**

### **Our business**

The Group's strategy is to provide high quality leisure retail brands in the bar and food sector. We will continue to grow the estate under our two brands, Revolution and Revolución de Cuba, and, having opened three new Revolución de Cuba bars in the period, we now operate from 60 premium bars nationwide. We have expanded the Revolución de Cuba estate from five to eight units in the last six months and believe there remains significant scope for further expansion. This brand is well-positioned and will continue to be the focus for our growth in the short term. We will also expand our Revolution estate and we will be opening a new Revolution bar before the summer.

### **Our results**

In the last six months, we have continued on the journey that we started at IPO in March 2015 and on which we reported last October. Turnover growth, positive like-for-like sales and improved profit conversion were all pleasing to note and reflect, in my view, the underlying appeal of the brands to its target customers.

It was also particularly pleasing to open three new bars in Milton Keynes, Leeds and Nottingham. These sites were opened between October and December 2015 and are trading ahead of our pre-investment expectations. With their non-recurring opening costs absorbed within the reported results, we look forward to positive trading contributions from these sites and others in the second half.

### **Our dividend**

As previously stated, the Board is adopting a progressive dividend policy which reflects the cash flow generation and the long-term earnings potential of the Group whilst retaining sufficient capital to fund investment to grow the business. In line with this policy, the Board has approved an interim dividend and the Company proposes to pay its first interim dividend of 1.5 pence per share in respect of the six months to 31 December 2015. This will be paid on 8 April 2016 to shareholders on the register on 11 March 2016.

### **People**

I would like to acknowledge the dedication and hard work demonstrated by our employees along with our management teams. Our people are key to the success of the Group and I would like to thank them all for their support during FY16 thus far and for their continued contribution to our success.

### **Our future**

Recent trading over January and February has been positive. Like-for-like sales for the eight weeks to 20 February rose by 2.7%. This, taken together with improved profit conversion and the impact of new sites, gives us the platform to be confident about our prospects for the future.

**Keith Edelman**  
**Chairman**

1 March 2016

## **CEO'S STATEMENT**

I am delighted to be reporting on another good set of results for the Group, the highlights of which were continued like-for-like sales growth, improved profit margins and, perhaps most notably, the opening of three new Revolución de Cuba bars.

Like-for-like sales increased by 2.7% overall. Revenue for the six-month period was £59.2 million, (2014: £58.0m). The Christmas period traded well. Like-for-like sales in the eight weeks to 20 February were +2.7%.

The half-year delivered a record profit, measured by EBITDA of £7.9m (FY15: £7.6m), an increase of 3.9%. Profit before tax also rose to £4.7m (FY15: £4.3m), an increase of 9.3%. The first half results absorbed opening costs, associated with the three new sites, of £0.3m (FY15: nil). As these costs are non-recurring, underlying first half profits would be higher. This continues to show that the results are benefitting from customer appeal resulting from our brand positioning, food-friendly environment and premium products.

Our strategy continues to focus on:

- providing our customers with an exceptional and premium drinks and food experience;
- continued profit improvement from existing sites; and
- estate expansion through organic growth of both brands.

### **Christmas**

Christmas trading was good. The calendarisation of the key Christmas dates meant that activity was concentrated close to the holidays themselves. Whilst we anticipated this, it was nonetheless pleasing to see just how well our bar teams coped with the peak demand periods.

### **New sites and pipeline**

In October we opened our first new site since becoming a public company. The Revolución de Cuba bar in the theatre district of Milton Keynes, was followed by further Revolución de Cuba bars in central locations in Leeds and Nottingham. Early trading for all three bars is currently tracking ahead of our pre-investment expectations and we can look forward to more new bars in the second half with confidence.

We are planning to open two new units in the second half of our financial year; a Revolution bar in Stafford and a Revolución de Cuba bar in Liverpool.

### **Existing site profit improvement**

As we have previously said, the Board believes that there is more profit to achieve within the existing estate, as these results demonstrate. Along with the profit increases, profit conversion also rose, with operating profit margins gaining 40bps (including the non-recurring pre-opening costs). We are well-placed to continue to benefit from operational gearing as we grow the estate.

We have a highly-invested estate and we continue to invest both to support existing estate financial performance and in new opportunities. At our Revolution bar in Huddersfield, we undertook an ambitious expansion project, investing over £0.3m and involving significant structural work, to add a covered, year-round, retractable rooftop terrace with a dedicated bar. This has already performed well and we are confident that we will see even better returns in the spring and summer. We are reviewing the estate for further opportunities to enhance and extend our trading spaces.

**Our people**

People remain key to our success and, for that reason, I am delighted to be able to report that we have again earned a place in the Sunday Times Best 100 Companies index. This is voted for by our employees and it is the ninth consecutive year that we have been placed in the top 100. In so doing, we improved our star rating from 1-star to 2-star. I would like to thank all of our employees for their continued hard work and dedication.

**Mark McQuater****Chief Executive Officer**

1 March 2016

## **FINANCIAL REVIEW**

### **Trading performance**

Revenue for the first six months of the year to June 2016 rose by 2.2% to £59.2m (FY15: 58.0m). Like-for-like sales over the same period were 2.7%. Like-for-like sales growth was greater than overall sales growth due to refurbishment downtime in the period and the impact of a closed bar in the comparative period.

Profit before tax rose by £0.4m to £4.7m (FY15: £4.3m). Other profit measures such as operating profit and EBITDA rose by similar amounts. The reported results include the opening costs associated with the new sites, which amounted to £0.3m (FY15: nil). Operating profit margins rose by 40 bps from 7.6% to 8.0%, or 8.4% excluding the non-recurring opening costs.

### **Finance revenue and cost**

Finance costs were £0.1m in the period (FY15: nil) reflecting the Group's usage of its £5.0m Revolving Credit Facility, provided by the Group's bankers.

### **Taxation**

The net income tax charge of £0.7m (FY15: nil) consists of current income tax expense arising from the standard rate of UK corporation tax, as adjusted for permanent and temporary timing differences and the effect of changes in the tax rate. During FY15, the Group benefited from the receipt of losses under Group relief. As this related to the portion of the financial year before the IPO, this is not expected to recur. Adjusting for this Group relief changes the effective rate of tax in the prior period to 23%.

### **Operating cash flow and net debt**

The Group continued to be cash generative in the period with operating cash inflow of £5.1m, an increase of £2.3m over the prior period (FY15: £2.8m).

The Group had drawn £2.5m of its committed revolving credit facility at the end of the period, principally relating to capital expenditure outflows associated with the development of the new sites, all of which opened within a ten-week period. Cash and cash equivalents were £1.6 million at the balance sheet date (FY15: £3.8 million).

### **Capital expenditure**

The Group spent £7.8m on capital expenditure during the first six months of FY16 (FY15: £2.4m). Of this, £4.4m (FY15: nil) was incurred on the three new openings and certain advance spend on upcoming pipeline sites. The remainder, £3.4m was incurred on the existing estate (FY15: £2.4m) including the expansion works at Revolution Huddersfield.

### **Earnings per share**

The basic and diluted earnings per share for the period were 8.0 pence (FY15: 8.7pence per share), the latter relating to the period before IPO when the business was able to take advantage of group reliefs to reduce its tax charge substantially. Adjusting the prior period earnings per share to remove the effects of pre-IPO group relief reduces the comparative to 6.8 pence per share.

### **Basis of preparation**

As previously reported, the Group operates a four-four-five accounting calendar and as each accounting period can refer only to complete accounting weeks, the period under review reflects the results of the twenty-six weeks to 26 December 2015. Operating such a calendar means that it is sometimes necessary to adopt a 53-week accounting year. The current year will be a 53-week year and the second half will report on the 27 weeks to 2 July 2016.

**Dividend**

The Board is declaring an interim dividend of 1.5 pence per share, (FY15: no dividend due to recent IPO). This will be paid on 8 April to shareholders on the register on 11 March 2016.

**Sean Curran**  
**Chief Financial Officer**  
1 March 2016

**Revolution Bars Group plc**  
**Consolidated Income Statement**  
**for the six months ended 31 December 2015**

	(Unaudited) Six months ended 31 December 2015 £'000	(Audited) Six months ended 31 December 2014 £'000	(Audited) Year ended 30 June 2015 £'000
Revenue	59,248	57,979	111,760
Cost of sales	(14,210)	(13,954)	(27,124)
<b>Gross profit</b>	<b>45,038</b>	44,025	84,636
Administrative expenses			
- operating expenses, excluding exceptional items	(40,316)	(39,347)	(76,237)
- exceptional items	-	(295)	(5,405)
<b>Total administrative expenses</b>	<b>(40,316)</b>	(39,642)	(81,642)
<b>Operating profit</b>	<b>4,722</b>	4,383	2,994
Finance income	-	1	1
Finance expense	(71)	(43)	(94)
<b>Profit on ordinary activities before taxation</b>	<b>4,651</b>	4,341	2,901
Tax on ordinary activities	(651)	(16)	(580)
<b>Profit and total comprehensive income for the period</b>	<b>4,000</b>	4,325	2,321
<b>Earnings per share</b>			
Basic and diluted	<b>8.0</b>	8.7	4.6

**Revolution Bars Group plc**  
**Consolidated Statement of Financial Position**  
**at 31 December 2015**

	(Unaudited) 31 December 2015 £'000	(Audited) 31 December 2014 £'000	(Audited) 30 June 2015 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	51,449	46,420	46,726
<b>Current assets</b>			
Inventories	3,706	3,591	2,984
Trade and other receivables	7,474	8,487	9,237
Cash and cash equivalents	1,553	3,824	2,652
	<b>12,733</b>	<b>15,902</b>	<b>14,873</b>
<b>Total assets</b>	<b>64,182</b>	<b>62,322</b>	<b>61,599</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities	(2,500)	-	-
Trade and other payables	(14,584)	(14,649)	(18,440)
Tax payable	(1,563)	(49)	(529)
	<b>(18,647)</b>	<b>(14,698)</b>	<b>(18,969)</b>
<b>Non-current liabilities</b>			
Deferred tax liability	(2,994)	(3,293)	(3,377)
Financial liabilities	-	-	-
Other liabilities	(2,816)	(1,802)	(2,678)
	<b>(5,810)</b>	<b>(5,095)</b>	<b>(6,055)</b>
<b>Total liabilities</b>	<b>(24,457)</b>	<b>(19,793)</b>	<b>(25,024)</b>
<b>Net assets</b>	<b>39,725</b>	<b>42,529</b>	<b>36,575</b>
<b>Equity attributable to equity holders of the parent</b>			
Issued share capital	50	-	50
Merger reserve	11,645	11,645	11,645
Reserves	28,030	30,884	24,880
<b>Total equity</b>	<b>39,725</b>	<b>42,529</b>	<b>36,575</b>

**Revolution Bars Group plc**  
**Consolidated Statement of Cash Flow**  
**for the six months ended 31 December 2015**

	(Unaudited) Six months ended 31 December 2015 £'000	(Audited) Six months ended 31 December 2014 £'000	(Audited) Year ended 30 June 2015 £'000
<b>Cash flows from operating activities</b>			
Profit before tax from operations	4,651	4,341	2,901
Net finance costs	71	42	93
Depreciation of property, plant and equipment	3,071	3,175	6,211
Loss on disposal of property, plant and equipment	-	-	-
(Increase) / decrease in inventories	(723)	(285)	323
Decrease / (increase) in trade and other receivables	1,762	(828)	(1,578)
(Decrease) / increase in trade and other payables	(3,741)	(3,665)	1,048
Tax paid	-	-	-
<b>Net cash flows generated from operating activities</b>	<b>5,091</b>	<b>2,780</b>	<b>8,998</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(7,794)	(2,378)	(5,719)
Proceeds from disposal of property, plant and equipment	-	-	-
<b>Net cash flows used in investing activities</b>	<b>(7,794)</b>	<b>(2,378)</b>	<b>(5,719)</b>
<b>Cash flow from financing activities</b>			
Equity dividend paid	(850)	-	(4,000)
Interest received	-	1	1
Interest paid	(45)	(43)	(94)
Drawdown of borrowings	2,500	-	-
<b>Net cash flows generated from / (used in) financing activities</b>	<b>1,605</b>	<b>(42)</b>	<b>(4,093)</b>
Net (decrease) / increase in cash and cash equivalents	(1,098)	360	(814)
Opening cash and cash equivalents	2,651	3,465	3,465
<b>Closing cash and cash equivalents</b>	<b>1,553</b>	<b>3,825</b>	<b>2,651</b>

**Revolution Bars Group plc**  
**Consolidated Statement of Changes in Equity**  
**for the six months ended 31 December 2015**

	Reserves			Total shareholders' equity £'000
	Issued Share Capital £'000	Merger reserve £'000	Retained earnings £'000	
<b>At 30 June 2014</b>	-	11,645	26,559	38,204
Total comprehensive income for the period	-	-	4,325	4,325
<b>At 31 December 2014</b>	-	11,645	30,884	42,529
Total comprehensive income for the period	-	-	(2,004)	(2,004)
Issued share capital	50	-	-	50
Dividend	-	-	(4,000)	(4,000)
<b>At 30 June 2015</b>	50	11,645	24,880	36,575
Total comprehensive income for the period	-	-	4,000	4,000
Dividend	-	-	(850)	(850)
<b>At 31 December 2015</b>	<b>50</b>	<b>11,645</b>	<b>28,030</b>	<b>39,725</b>

## Notes to the Half-yearly Financial Report

### 1. Reporting entity

Revolution Bars Group plc (the 'Company') is a limited liability company incorporated in the United Kingdom. The address of the Registered Office is 21 Old Street, Ashton under Lyne, OL6 6LA, United Kingdom. The Company is listed on the London Stock Exchange.

This Half-yearly Financial Report is an interim management report as required by DTR 4.2.3 of the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

These condensed consolidated interim financial statements as at and for the six months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the 'Group').

### 2. Basis of preparation

The comparative figures for the financial year ended 30 June 2015 are extracted from the Company's statutory accounts for that year. Those accounts have been reported on by the Company's auditor, filed with the Registrar of Companies and are available on request from the Company's Registered Office or to download from [www.revolutionbarsgroup.com](http://www.revolutionbarsgroup.com). The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated financial statements of the Group for the six months ended 31 December have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2015. Except for the 31 December 2014 and 30 June 2015 comparatives, the financial information set out herein is unaudited but has been reviewed by the auditors, KPMG LLP, and their report to the Company is attached.

The annual financial statements of the Group are prepared in accordance with IFRSs adopted by the European Union.

### 3. Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2015. These accounting policies are expected to be applied for the full year to 30 June 2016.

### Going concern

The Directors have reviewed the Group's trading forecasts for the next twelve months and formed a judgement at the time of approving the financial information that there is a reasonable expectation that the Group has adequate resources, including its committed £5 million revolving credit facility, to continue in operational existence for the foreseeable future. The Directors also expect to utilise the RCF for cash flow management and general business purposes as required from time to time. For this reason the Directors continue to adopt the going concern basis in preparing the consolidated financial information.

## Income tax

The major components of income tax for each period are:

	Six months ended 31 December 2015 £'000	Six months ended 31 December 2014 £'000	Year ended 30 June 2015 £'000
<b>Analysis of charge in the year</b>			
<b>Current tax</b>			
UK corporation tax on the profit for the period	1,034	-	480
<b>Deferred tax</b>			
Origination and reversal of timing differences	(45)	16	100
Adjustment in respect of prior periods	(338)	-	-
	651	16	580
<b>Factors affecting current tax charge for each period</b>			
Profit on ordinary activities before taxation	4,651	4,341	2,901
Profit on ordinary activities at standard rate of UK corporation tax rate (2016 - 20%, 2015 - 20.75% )	930	912	602
Effects of:			
Group relief	-	(1,161)	(1,220)
Expenses not deductible for tax	123	263	1,194
Capital allowances in excess of depreciation	(19)	2	(106)
<b>Current tax charge for the year</b>	<b>1,034</b>	<b>16</b>	<b>470</b>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2015 has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

## EPS

On 16 February 2015 a share sub-division took place whereby each Ordinary Share of £1 each was sub-divided into 1,000 Ordinary Shares of 0.1 pence each.

Basic and diluted earnings per share is calculated by dividing the result attributable to equity holders by the weighted average number of shares in issue during the period, as adjusted to reflect the share sub-division that took place on 16 February 2015.

The calculation of illustrative earnings per Ordinary Share is based on the results for the period, as set out below.

	Six months ended 31 December 2015 £'000	Six months ended 31 December 2014 £'000	Year ended 30 June 2015 £'000
Profit for the period (£'000)	4,000	4,325	2,321
Weighted average number of shares (as adjusted for share sub-division)	50,000,000	50,000,000	50,000,000
Basic and diluted earnings per Ordinary Share (pence)	8.0	8.7	4.6

## Exceptional items

	Six months ended 31 December 2015 £'000	Six months ended 31 December 2014 £'000	Year ended 30 June 2015 £'000
Property with onerous lease	-	-	1,212
Professional fees for initial public offering	-	-	4,193
Restructuring costs	-	89	-
Loss on disposal of fixed assets	-	206	-
<b>Total exceptional items</b>	-	295	5,405

## Dividends

A final dividend of 1.7p per share totalling £850,000 was declared on 6 November 2015 and was paid on 20 November 2015.

An interim dividend of 1.5 pence per share totalling £766,667 was declared on 1 March 2016 and will be paid on 8 April 2016. This is not recognised as a liability at 31 December 2015.

## Responsibility Statement of the Directors

The Directors confirm that to the best of their knowledge:

- The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union; and
- The Interim Management Report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure and Transparency Rules of the Financial Conduct Authority, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure and Transparency Rules of the Financial Conduct Authority, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that have done so.

The Directors of Revolution Bars Group plc are detailed on page 20 of the Revolution Bars Group plc Annual Report 2015.

By order of the Board

**Sean Curran**

Finance Director

**INDEPENDENT REVIEW REPORT TO REVOLUTION BARS GROUP PLC**

**Introduction**

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

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

**Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note [2], the financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

**Our responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

**Michael Frankish****for and on behalf of KPMG LLP***Chartered Accountants*

1 St Peter's Square, Manchester, M2 3AE

1 March 2016