

5 December 2017

NORTHGATE PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2017

Strong growth in Spain and slowing decline in UK of vehicles on hire with good progress against strategic initiatives.

Northgate plc (“Northgate”, the “Company” or the “Group”), the UK, Spain and Ireland’s leading specialist in light commercial vehicle hire, announces its interim results for the half year ended 31 October 2017.

We have made good progress in H1 on each of our strategic initiatives and remain on track to deliver targeted FY18 KPIs as announced at our Capital Markets Event on 4 October 2017. We are encouraged by the early stages of our turnaround in the UK, evidenced by 2.8% growth in closing vehicles on hire. This progress is in line with management expectations. We expect increased momentum as the initial investment that has been undertaken this period takes effect.

Financial highlights

- Revenue increased 10.4% to £349.7m (2016 - £316.7m);
- Underlying profit before tax of £33.8m (2016 – £40.4m), impacted by:
 - Expected decline in PPU on disposals including £3.1m adverse impact from previous changes in vehicle depreciation rates; and
 - £1.0m positive effect of the strengthened Euro.
- Profit before tax £31.0m (2016 – £40.0m);
- Underlying basic earnings per share 20.7p (2016 – 25.8p);
- Basic earnings per share 19.1p (2016 – 25.5p);
- 7.0% increase in interim dividend to 6.1p per share (2016 – 5.7p) along with updated dividend policy with dividend cover range of 2.0x-3.0x underlying basic earnings per share;
- Investment to support higher growth in Spain together with the effects of adverse foreign exchange impacts on Euro debt (£10.3m) drove net debt higher to £421.0m (April 2017 - £309.9m) and ROCE to 8.7% (2016 – 10.7%)

Operational highlights & strategic progress

Early signs of operational progress are coming through in the UK, while Spain continues to perform strongly.

Flexible and Minimum term business

- Group average vehicles on hire (VOH) in Q2 grew 1.9% vs Q2 prior year;
- Group closing VOH grew 5.7% since April 2017 driven by outstanding growth in Spain (up 9.3%) and growth in UK (up 2.8%, but underlying decline of 0.8% once seasonal hires are excluded); and
- Minimum term proposition growing strongly following a relaunch in the UK and continued momentum in Spain, with gains from competitors and converting customers from vehicle ownership to rental.

Group rental margin of 14.7% compared to 15.2% in the same period last year with operational leverage improvement in Spain offset by more competitive pricing stance and other factors in UK and Ireland.

Vehicle sales

- Total vehicle sales increased by 16.6% to 17,600 compared with 15,100 in the same period last year;
- Average PPU declined by 44.1% to £600 (2016 - £1,073) as a result of depreciation unwind and selling younger fleet. No evidence of market residual values softening; and
- Strong progress in the implementation of the UK Van Monster strategy including 18.8% increase in retail sales and 5 new sites opened since 30 April 2017.

UK self help actions

- Measures to arrest decline in UK VOH gradually beginning to take effect;
- UK executive strengthened, sales and marketing capability significantly enhanced, commercial hub established, IT migration path agreed and new system contract signed.
- Focus remains on implementing self help actions to turn around performance including improving VOH trajectory in second half of the year.

Strategic progress

Kevin Bradshaw, Chief Executive Officer, commented:

“This has been a period of reset as we lay the foundations to enable Northgate to deliver our strategy and the targets that we set out at the Capital Markets Event on 4 October 2017.

There are already signs of the strategy working with 6% growth in closing VOH, 60% of which has been driven by minimum term products.

Our self help agenda in the UK remains firmly underway and Spain continues to outperform in its rental business justifying further investment as it accelerates its next phase of minimum term roll out.

We continue to expect our profit this year to be skewed towards the second half, with various cost savings and benefits from the implementation of our strategy starting to have an impact.

I am confident we will see further benefits of the strategy and investment coming through in subsequent reporting periods, which will generate strong growth in value for our shareholders.”

There will be a presentation to analysts at 9.30am today at Numis, 5th floor, London Stock Exchange building, 10 Paternoster Square, London EC4M 7LT. If you have not already registered for attendance then please contact MHP Communications on the number below. A live webcast of the presentation will be available to view via a link on the Company's website: www.northgateplc.com

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Notes to Editors:

Northgate plc is the leading light commercial vehicle hire business in the UK, Ireland and Spain by fleet size and has been operating in the sector since 1981.

Northgate's core business is the hire of light commercial vehicles to businesses on a flexible or term basis, giving customers the ability to manage their vehicle fleet requirements in a way which can adapt to changing business needs without the requirement to enter into a long term commitment.

Further information regarding Northgate plc can be found on the Company's website:

www.northgateplc.com

GAAP reconciliation and glossary of terms

Throughout this report we refer to underlying results and measures. The underlying measures allow management and other stakeholders to better compare the performance of the Group between the current and prior period, without the effects of one-off or non-operational items.

Underlying measures exclude certain one-off items such as those arising from restructuring activities and recurring non-operational items, including certain intangible amortisation. A reconciliation of GAAP to non-GAAP underlying measures and a glossary of terms used in this document is outlined beneath the Financial review.

Business review

Overview

Group revenue was £349.7m (2016 - £316.7m) with revenue from the hire of vehicles increasing 2.1% to £234.5m (2016 - £229.6m) (0.3% decline on a constant currency basis) and revenue from the disposal of vehicles increasing 32.3% to £115.2m (2016 - £87.1m) (30.4% increase on a constant currency basis). Foreign exchange impact accounted for £7.6m of the increase.

Spain has grown flexible VOH by 2,100 and growth in minimum term VOH has been 1,400 net of 700 legacy returns.

UK closing VOH has increased by 1,100 (including 1,400 seasonal hires) compared to an increase of 100 in the same period last year (including 1,200 seasonal hires). The minimum term hire product was re-launched in September and progress has been encouraging with 1,300 closing VOH at the end of the period.

The effects of previous depreciation rate changes impacted profit before tax adversely by £3.1m but this was offset by foreign currency gains of £1.0m.

Underlying operating profit was £39.1m compared to £45.0m in the prior period and underlying earnings per share were 20.7p compared to 25.8p in the prior period.

Cash generated from operations before net vehicle capex in the period of £95.3m (2016 – £103.7m), stated before £175.5m (2016 - £93.7m) of net vehicle capex (after disposal proceeds) in the period. Debt levels since the year end were impacted by a £10.3m foreign currency revaluation. However, Euro assets shelter the balance sheet against this movement and Group facilities and debt covenants continue to show comfortable headroom.

Dividend

An interim dividend of 6.1p has been declared, which represents an increase of 7.0% on last year and reflects our confidence in delivering against the strategic objectives we have set for the business.

The interim dividend will be paid on 26 January 2018 to shareholders on the register at the close of business on 14 December 2017.

The Board understands the importance of dividends to our shareholders. In order to reflect this and the confidence in the Company's ability to deliver the strategy set out at the recent Capital Markets Event the Board is today updating its dividend policy such that underlying basic earnings per share will cover the total annual dividend within a range of 2.0x-3.0x (previously 2.5x-3.75x).

Board changes

As announced on 26 September 2017, David Tilston has been appointed Interim Chief Financial Officer.

Outlook

In the second half, we anticipate that our business in Spain will continue to trade strongly with the combined minimum term and flexible rental propositions being well received by customers. It is encouraging to see 30% of Spanish minimum term growth substituting vehicle ownership, as the

potential for further growth in this segment is significant.

There are indications that the measures to arrest the decline in vehicles on hire in the UK are gradually beginning to take effect. We remain focused on implementing self help actions to turn around performance including improving the VOH trajectory during the second half.

We continue to expect our profit this year to be skewed towards the second half, with various cost savings and benefits from the implementation of our strategy due to impact in the period, albeit with a degree of caution around the level of disposal profits.

Strategic review

A summary of our vehicles on hire in the first half of the year is as follows:

		6 months to Oct-17	Year ended Apr-17	6 months to Oct-16	H1 FY 18 growth	H1 FY 17 growth
Closing	UK	40,600	39,500	42,500	1,100	100
	Spain	41,200	37,700	36,200	3,500	500
	VOH	3,400	3,400	3,500	-	300
	Group	85,200	80,600	82,200	4,600	900
		3 months to Oct-17	3 months to Apr-17	3 months to Oct-16		
Average	UK	39,300	39,600	41,700		
	Spain	40,200	36,400	36,000		
	VOH	3,300	3,500	3,500		
	Group	82,800	79,500	81,200		

Group

Our Group KPIs are explained in more detail in the divisional commentaries below and were as follows for the first half of the year:

	6 months to 31 Oct 2017	6 months to 31 Oct 2016
Average VOH growth (Q2 vs Q2)*	+1.9%	-2.1%
Rental margin	14.7%	15.2%
Disposals – units sold	17,600	15,100
PPU (£)	600	1,073
Corporate overhead/sales	1%	1%
Group ROCE	8.7%	10.7%

* Average VOH growth in 3 months to 31 October 2017 compared to average VOH growth in 3 months to 31 October 2016.

UK

A summary of the UK KPIs for the first half of the year are as follows:

	6 months to 31 Oct 2017	6 months to 31 Oct 2016
Average VoH growth (Q2 vs Q2)*	-5.9%	-6.2%
Rental margin	13.8%	15.2%
Disposals – units sold	10,800	9,000
PPU (£)	326	738

Rental business

UK closing VOH has grown by 1,100 (2.8%) since April 2017 with an underlying decline of 0.8% after taking account of seasonal business (1,400 vehicles). This compares to a growth of 100 in the same period last year.

Our new minimum term product continues to gain traction following its relaunch in September with growth of 1,000 VOH in the period. The product is competing well on the basis of an attractive total cost of ownership, industry leading early termination terms and the flexibility to swap a vehicle within the life of the contract all of which are aspects that are highly differentiated selling points in the industry.

We also see continued appetite on behalf of customers to trade in existing owned fleets and adopt the minimum term product in order to benefit from our customer service package and the economic benefits and flexibility afforded by our offering. To date, approximately one third of the minimum term volume signed has been from new customers. The majority of gains arose by taking share from other rental providers and by converting owners to the rental model. We have had some significant wins as a result of being able to offer a mix of minimum term and flexible hire vehicles. This has allowed us to secure sole supplier agreements with some existing customers.

Flexible rental business has declined by 1,300 (excluding seasonal hires) including returns from 4 major customers who have either taken fleet in-house or reduced fleet sizes to reflect changes in the structure of their businesses.

We expect to see continued growth from the minimum term product and ultimately a reversal of flexible rental decline with the continued application of self help measures.

Rental margin declined to 13.8% (2016 – 15.2%) due to more competitive pricing decisions and a reduction in VOH, partly offset by cost reductions achieved from site closures and other restructuring.

Disposals

Total disposals in the period were 10,800 units compared to 9,000 units in the same period last year. This represents absolute growth of 20% in units sold compared to the prior year. A total of 41% of disposals were sold via our retail channel. This growth has been supported by greater sales capacity in the Van Monster network and an improvement in defleet criteria, which has enabled more vehicles to be sold through the more profitable retail channel.

* Average VOH growth in 3 months to 31 October 2017 compared to average VOH growth in 3 months to 31 October 2016

Net PPU reduced by £412 in the period. Of this, £191 is attributable to the unwind of previous depreciation rate changes and the balance is attributable to other factors including mix and condition of vehicles. We continue to review our defleet criteria to support disposal profitability.

Implementation of the Van Monster retail network expansion strategy has moved swiftly forwards. During the period five new sites have been opened and five rental sites have been closed and converted to Van Monster locations since April. These ten new sites have increased total selling capacity by 56% since the beginning of the financial year.

Self help initiatives

The UK leadership team has been strengthened with the appointment of a Managing Director, Sales Director and Marketing Director. A Fleet Director is expected to join prior to the financial year end.

Sales and marketing capabilities have been enhanced with significant progress being made with regard to the sales team, where both account implementation and sales support functions have been improved, new regional sales leaders have been appointed and talent throughout the salesforce is being upgraded. In the marketing department, investment in customer data has delivered significant improvements and this has supported more effective telesales and direct marketing campaigns. Leads generated have grown by 4.5% versus the prior year.

Since the period end, we have contracted to migrate our legacy asset management systems to a cloud based system. The system will provide significant benefits particularly in enabling us to improve both customer service and operational efficiencies. The implementation costs are anticipated to amount to approximately £10m and the system is expected to become operational during FY20.

Spain

	6 months to 31 Oct 2017	6 months to 31 Oct 2016
Average VOH growth (Q2 vs Q2)*	11.5%	1.6%
Rental margin	16.6%	15.6%
Disposals – units sold	6,200	5,700
PPU (€)	1,109	1,815

Rental Business

Our minimum term and flexible rental business in Spain has grown strongly in the period supported by a stronger economy, a highly competitive product and effective sales and marketing activities.

Closing VOH in Spain has grown by 9.3% (3,500 vehicles); 3.8% (1,400 vehicles) from minimum term and 5.5% (2,100 vehicles) from flexible rental.

This minimum term growth is net of 700 legacy returns and includes both competitive displacement (1,000 units) and substituting previously owned vehicles (800 units). Additionally, it is clear that the minimum term offer is helping to on-hire greater volumes of flexible rental vehicles. Since launch we have seen approximately one quarter of new minimum term customers go on to add an equivalent number of flexible rental vehicles placing their first order, on average, after a tenure of three months with Northgate on minimum term.

* Average VOH growth in 3 months to 31 October 2017 compared to average VOH growth in 3 months to 31 October 2016

We continue to monitor political developments in the Catalonia region but have not yet detected any material changes to trading patterns in that region.

We expect to see continued strong growth in the second half of the year.

Rental margins increased to 16.6% (2016 – 15.6%) as the division experienced the benefits of operational leverage as a result of increased VOH.

Disposals

Total disposals during the period were 6,200 units compared to 5,700 units in the prior period.

This growth has been supported by development and training of the rental sales team to sell used vehicles to potential rental customers who wish to remain as vehicle owners.

As expected, net PPU reduced by €706 in the period. Of this, €187 relates to the unwind of previous changes to depreciation rates and €519 is attributable to other factors including mix and condition of vehicles.

Continued review is underway of the decision criteria applied to defleeting vehicles in determining the most profitable sales process for them. We expect the increase in retail sales capability and continued review of defleet criteria to support disposal profitability.

Ireland

Rental Business

Overall, closing VOH has remained flat at 3,400 in the period. A successful initiative was undertaken to reduce the number of accounts with a short hire period that were disproportionately costly to serve.

Minimum term products are gaining traction in the market with 300 units on hire at the end of October 2017. Overall VOH is has stabilised and we expect to see momentum in the second half.

Disposals

Total disposals in the period were 600 units compared with 400 units in the prior period with an adjustment to depreciation for vehicles sold of £1.0m compared to £0.9m in the same period last year.

Capital management

ROCE was 8.7% during the period (October 2016 – 10.7%). The decline was split evenly between UK and Spain. Key contributors to this included significant capital expenditure in Spain to support growth and lower PPU on vehicle disposals across the Group.

We continue to keep under review how we can manage our growth whilst maintaining marginal ROCE substantially ahead of our weighted average cost of capital.

Financial review

Group

A summary of the Group's underlying financial performance for the six months to 31 October 2017 with a comparison to the prior period is shown below:

	6 months to 31 Oct 2017	6 months to 31 Oct 2016	Change
	£m	£m	
Revenue: hire of vehicles	234.5	229.6	+2.1%
Revenue: sale of vehicles	115.2	87.1	+32.2%
Operating profit	39.1	45.0	-13.0%
Net interest expense	(5.3)	(4.6)	+15.5%
Profit before tax	33.8	40.4	-16.2%
Profit after tax	27.6	34.3	-19.6%
Basic earnings per share	20.7p	25.8p	-19.8%
Return on capital employed	8.7%	10.8%	-2.0%

At constant exchange rates revenue from the hire of vehicles was 0.3% lower than the prior period.

Profit before tax was positively impacted by £1.0m due to the impact of foreign exchange gains. The impact of previous changes to depreciation rates adversely affected profit before tax by £3.1m.

UK

The underlying results of the UK business were as follows:

	6 months to 31 Oct 2017	6 months to 31 Oct 2016	Change
	£m	£m	
Revenue: hire of vehicles	131.8	138.4	-4.8%
Revenue: sale of vehicles	76.7	59.0	+30.0%
Operating profit	18.0	23.9	-24.6%
Operating margin	13.7%	17.3%	-3.6%
Average vehicles on hire	39,400	42,000	-6.2%
Average utilisation	87.3%	87.7%	-0.4%
Vehicle disposal units	10,800	9,000	+20.0%

Average VOH has reduced by 2,600 (6.2%) in the period this is mainly due to the starting position in the year being 3,000 vehicles lower than in the previous year.

Underlying operating profit was £5.9m lower than the previous year of which £2.8m related to the rental profit including a £1.2m impact of the lower vehicles on hire starting position. A total of £2.0m related to the unwind of previous depreciation rate changes and the remaining £1.1m was due to other factors including mix and condition of vehicles sold.

Spain

The underlying results in Spain were as follows:

	6 months to 31 Oct 2017	6 months to 31 Oct 2016	Change
	£m	£m	
Revenue: hire of vehicles	92.9	81.2	+14.3%
Revenue: sale of vehicles	35.0	26.1	+34.1%
Operating profit	21.3	21.3	+0.2%
Operating margin	23.0%	26.2%	-3.9%
Average vehicles on hire	39,400	35,900	+9.7%
Average utilisation	91.0%	90.6%	+0.4%
Vehicle disposal units	6,200	5,700	+8.8%

Adjusting for the impacts of foreign currency gains, hire revenue was 14.4% higher than in the prior period and underlying operating profit was flat. Foreign currency gains favourably impacted underlying operating profit by £1.1m.

Average vehicles on hire increased by 3,500 in the period compared to an increase of 200 in the prior period

The adjustment to depreciation charge for vehicles sold in the period reduced operating profit by £3.1m this includes the adverse impact of previous depreciation rate changes of £1.0m. However this was offset by the favourable impact of rental operations of £2.0m.

Reported PPU has declined, as expected, to €1,109 from €1,815 in the period due to the unwind of previous depreciation rate changes and other factors including mix and condition of vehicles sold.

Ireland

The underlying results in Ireland are as follows:

	6 months to 31 Oct 2017	6 months to 31 Oct 2016	Change
	£m	£m	
Revenue: hire of vehicles	10.3	10.5	-1.9%
Revenue: sale of vehicles	3.5	2.0	+75.0%
Operating profit	1.4	1.7	-17.6%
Operating margin	14.0%	16.1%	-2.1%
Average vehicles on hire	3,300	3,400	-2.9%
Average utilisation	85.8%	89.3%	-3.5%
Vehicle disposal units	600	400	+50.0%

After adjusting for the impact of foreign currency gains, hire revenue was £0.4m (4%) higher than in the same period last year and operating profit was £0.1m lower.

Interest and taxation

Net underlying finance charges for the six months to 31 October 2017 were £5.3m (2016 – £4.6m).

The impact of foreign currency adversely affected net finance charges by £0.2m. Excluding the effects of foreign currency, an increase in higher average debt has increased net finance charges by £0.5m.

The Group's underlying effective tax rate was 18.4% (2016 – 15.0%).

After taking account of intangible amortisation and exceptional items, the effective tax rate was 17.8% (2016 – 14.9%).

Exceptional items

During the period £1.9m of exceptional operating costs were incurred relating to restructuring costs in the UK and Ireland. Restructuring costs relate to the establishment of a commercial hub in Reading, rationalisation of the network, and associated headcount changes.

Cash flow and net debt

Net cash outflow was £100.7m (2016 – £6.7m) after net capital expenditure of £178.8m (2016 – £95.5m) mostly in our vehicle fleet to support growth. Before taking account of the payment of dividends, cash outflow was £85.4m compared to a free cash flow generation of £7.6m in the same period last year.

Closing net debt of £421.0m increased by £111.1m since April 2017, which included a £10.3m increase in debt due to the impact of changes in foreign currency rates. This increase reflects the fact that 80% of the Group's debt is denominated in Euros. However, this debt is held against Euro assets of the Group, sheltering the balance sheet from exchange rate movements.

Debt leverage cover at 31 October 2017 was 1.75 times net debt to EBITDA, up from 1.31 times as at 30 April 2017 and 1.49 times as at 31 October 2016, with comfortable levels of headroom remaining against all of our debt covenant ratios.

Facility headroom at 31 October 2017 was £159.7m.

Balance sheet

Group return on capital employed was 8.7% compared to 10.7% in the same period last year and 10.5% in the year ended 30 April 2017.

Net tangible assets at 31 October 2017 were £523.1m (April 2017 – £509.7m), equivalent to a tangible net asset value of 393p per share (April 2017 – 383p per share).

Gearing at 31 October 2017 was 81% (April 2017 – 61%).

Foreign exchange

The average and period end exchange rates used to translate the Group's overseas operations were as follows:

	October 2017	October 2016
	£ : €	£ : €
Average	1.13	1.19
Closing	1.14	1.11

Risks and uncertainties

The Board and the Group's management have clearly defined responsibility for identifying the major business risks facing the Group and for developing systems to mitigate and manage those risks.

The principal risks and uncertainties facing the Group at 30 April 2017 were set out in detail on pages 28 to 33 of the 2017 annual report, a copy of which is available at www.northgateplc.com, and were identified as:

- economic environment;
- competition and hire rates;
- vehicle holding costs;
- employees and the working environment;
- IT systems; and
- access to capital.

These principal risks have not changed since the last annual report and continue to be those that could impact the Group during the second half of the current financial year.

In addition to the risks outlined above, the going concern assumption is considered in Note 1 to the condensed interim financial statements for the six months ended 31 October 2017.

Glossary of terms

The following defined terms have been used throughout this document:

Term	Definition
Facility headroom	Calculated as facilities of £582.4m less net borrowings of £422.7m. Net borrowings represent net debt of £421.0m excluding unamortised arrangement fees of £1.7m and are stated after the deduction of £8.4m of cash balances which are available to offset against borrowings.
Gearing	Calculated as net debt divided by net tangible assets (as defined below).
LCV	Light commercial vehicle: the official term used within the European Union for a commercial vehicle with a gross vehicle weight of not more than 3.5 tonnes.
Net tangible assets	Net assets less goodwill and other intangible assets.
PPU	Profit per unit/loss per unit – this is a non-GAAP measure used to describe the adjustment in the depreciation charge made in the year for vehicles sold at an amount different to their net book value at the date of sale (net of attributable selling costs), divided by the number of vehicles sold.
ROCE	Return on capital employed: calculated as underlying operating profit divided by average capital employed. Capital employed being net assets excluding net debt.

Reconciliation of GAAP to non—GAAP measures

A reconciliation of GAAP to non—GAAP underlying measures is as follows:

	Six months to 31.10.17 £000	Six months to 31.10.16 £000
Profit before tax	31,026	39,997
<i>Add back:</i>		
Exceptional operating expenses (credit)	1,926	(198)
Intangible amortisation	896	948
Exceptional finance credit	—	(336)
Underlying profit before tax	33,848	40,411
Profit for the year	25,492	34,020
<i>Add back:</i>		
Exceptional operating expenses (credit)	1,926	(198)
Intangible amortisation	896	948
Exceptional finance credit	—	(336)
Tax on exceptional items, brand royalty charges and intangible amortisation	(702)	(99)
Underlying profit for the year	27,612	34,335
Weighted average number of Ordinary shares	133,232,518	133,232,518
Underlying basic earnings per share	20.7p	25.8p
Net decrease in cash and cash equivalents	(11,455)	(12,554)
<i>Add back:</i>		
Receipt of bank loans and other borrowings	(89,246)	—
Repayments of bank loans and other borrowings	—	5,837
Net cash outflow	(100,701)	(6,717)
<i>Add back:</i> Dividends paid	15,326	14,347
Free cash flow	(85,375)	7,630

	UK Six months to 31.10.17 £000	Spain Six months to 31.10.17 £000	Ireland Six months to 31.10.17 £000	Corporate Six months to 31.10.17 £000	Eliminations Six months to 31.10.17 £000	Group Six months to 31.10.17 £000
Operating profit	15,236	18,175	1,077	1,798	–	36,286
<i>Add back:</i>						
Restructuring costs	1,904	–	22	–	–	1,926
Brand royalty charges	–	3,113	346	(3,459)	–	–
Intangible amortisation	856	40	–	–	–	896
Underlying operating profit (loss)	17,996	21,328	1,445	(1,661)	–	39,108
<i>Exclude:</i>						
Corporate costs	–	–	–	1,661	–	1,661
Adjustments to depreciation charge in relation to vehicles sold in the period	(3,514)	(6,111)	(909)	–	–	(10,534)
Rental profit	14,482	15,217	536	–	–	30,235
Underlying operating profit (loss)	17,996	21,328	1,445	(1,661)	–	39,108
<i>Divided by: Revenue: hire of vehicles</i>	131,752	92,869	10,320	–	(432)	234,509
Underlying operating margin	13.7%	23.0%	14.0%			16.7%
Rental profit	14,482	15,217	536	–	–	30,235
<i>Divided by: Revenue: hire of vehicles excluding ancilliary income</i>	105,040	91,610	9,373	–	(432)	205,591
Rental margin	13.8%	16.6%	5.7%			14.7%

	UK Six months to 31.10.16 £000	Spain Six months to 31.10.16 £000	Ireland Six months to 31.10.16 £000	Corporate Six months to 31.10.16 £000	Eliminations Six months to 31.10.16 £000	Group Six months to 31.10.16 £000
Operating profit	22,275	19,411	1,305	1,224	–	44,215
<i>Add back:</i>						
Restructuring costs	688	–	–	–	–	688
Spain tax settlement	–	(886)	–	–	–	(886)
Brand royalty charges	–	2,725	352	(3,077)	–	–
Intangible amortisation	912	36	–	–	–	948
Underlying operating profit (loss)	23,875	21,286	1,657	(1,853)	–	44,965
<i>Exclude:</i>						
Corporate costs	–	–	–	1,853	–	1,853
Adjustments to depreciation charge in relation to vehicles sold in the period	(6,612)	(8,714)	(797)	–	–	(16,123)
Rental profit	17,263	12,572	860	–	–	30,695
Underlying operating profit (loss)	23,875	21,286	1,657	(1,853)	–	44,965
<i>Divided by:</i> Revenue: hire of vehicles	138,372	81,223	10,524	–	(480)	229,639
Underlying operating margin	17.3%	26.2%	15.7%			19.6%
Rental profit	17,263	12,572	860	–	–	30,695
<i>Divided by:</i> Revenue: hire of vehicles excluding ancilliary income	113,357	80,285	9,302	–	(480)	202,464
Rental margin	15.2%	15.7%	9.2%			15.2%

Condensed consolidated income statement

for the six months ended 31 October 2017

		Six months to 31.10.17 (Unaudited) Underlying £000	Six months to 31.10.17 (Unaudited) Statutory £000	Six months to 31.10.16 (Unaudited) Underlying £000	Six months to 31.10.16 (Unaudited) Statutory £000	Year to 30.04.17 (Audited) Underlying £000	Year to 30.04.17 (Audited) Statutory £000
	Note						
Revenue: hire of vehicles	2	234,509	234,509	229,639	229,639	456,120	456,120
Revenue: sale of vehicles	2	115,169	115,169	87,077	87,077	211,309	211,309
Total revenue	2	349,678	349,678	316,716	316,716	667,429	667,429
Cost of sales		(277,610)	(277,610)	(237,726)	(237,726)	(514,446)	(514,446)
Gross profit		72,068	72,068	78,990	78,990	152,983	152,983
Administrative expenses (excluding exceptional items and intangible amortisation)		(32,960)	(32,960)	(34,025)	(34,025)	(68,378)	(68,378)
Exceptional administrative (expenses) credit	9	–	(1,926)	–	198	–	(1,293)
Intangible amortisation		–	(896)	–	(948)	–	(1,830)
Total administrative expenses		(32,960)	(35,782)	(34,025)	(34,775)	(68,378)	(71,501)
Operating profit	2	39,108	36,286	44,965	44,215	84,605	81,482
Interest income		1	1	1	1	2	2
Finance costs (excluding exceptional items)		(5,261)	(5,261)	(4,555)	(4,555)	(9,601)	(9,601)
Exceptional finance credit	9	–	–	–	336	–	339
Profit before taxation		33,848	31,026	40,411	39,997	75,006	72,222
Taxation	3	(6,236)	(5,534)	(6,076)	(5,977)	(12,007)	(11,321)
Profit for the period		27,612	25,492	34,335	34,020	62,999	60,901

Profit for the period is wholly attributable to owners of the Parent Company. All results arise from continuing operations.

Underlying profit excludes exceptional items as set out in Note 9, as well as brand royalty charges, certain intangible amortisation and the taxation thereon, in order to provide a better indication of the Group's underlying business performance.

Earnings per share

Basic	4	20.7p	19.1p	25.8p	25.5p	47.3p	45.7p
Diluted	4	20.5p	18.9p	25.4p	25.1p	46.7p	45.1p

Condensed consolidated statement of comprehensive income

for the six months ended 31 October 2017

	Six months to 31.10.17 (Unaudited) £000	Six months to 31.10.16 (Unaudited) £000	Year to 30.04.17 (Audited) £000
Amounts attributable to owners of the Parent Company			
Profit attributable to owners	25,492	34,020	60,901
Other comprehensive income (expense)			
Foreign exchange differences on retranslation of net assets of subsidiary undertakings	14,964	50,171	25,952
Net foreign exchange differences on long term borrowings held as hedges	(11,006)	(40,326)	(21,793)
Foreign exchange difference on revaluation reserve	44	157	85
Net fair value gains (losses) on cash flow hedges	537	(795)	659
Deferred tax (charge) credit recognised directly in equity relating to cash flow hedges	(102)	159	(157)
Total other comprehensive income for the period	4,437	9,366	4,746
Total comprehensive income for the period	29,929	43,386	65,647

All items will subsequently be reclassified to the consolidated income statement.

Condensed consolidated balance sheet

31 October 2017

		31.10.17	31.10.16	30.04.17
		(Unaudited)	Restated (Unaudited)	Restated (Audited)
	Note	£000	£000	£000
Non—current assets				
Goodwill		3,589	3,589	3,589
Other intangible assets		3,325	3,250	3,309
Property, plant and equipment: vehicles for hire	6	829,503	756,648	731,657
Other property, plant and equipment	6	66,034	68,998	65,262
Total property, plant and equipment	6	895,537	825,646	796,919
Deferred tax assets		16,381	16,381	13,730
Total non—current assets		918,832	848,866	817,547
Current assets				
Inventories		37,952	26,904	33,666
Trade and other receivables		79,702	68,049	62,656
Derivative financial instrument assets	10	—	—	213
Cash and bank balances	8	28,024	42,829	41,166
Total current assets		145,678	137,782	137,701
Total assets		1,064,510	986,648	955,248
Current liabilities				
Trade and other payables		62,700	60,971	64,913
Current tax liabilities		17,208	22,016	18,568
Short term borrowings		28,415	41,000	32,585
Total current liabilities		108,323	123,987	116,066
Net current assets		37,355	13,795	21,635
Non—current liabilities				
Derivative financial instrument liabilities	10	1,957	3,947	2,706
Long term borrowings		420,626	356,807	318,439
Deferred tax liabilities		3,559	1,585	1,420
Total non—current liabilities		426,142	362,339	322,565
Total liabilities		534,465	486,326	438,631
NET ASSETS		530,045	500,322	516,617
Equity				
Share capital		66,616	66,616	66,616
Share premium account		113,508	113,508	113,508
Revaluation reserve		1,155	1,183	1,111
Own shares		(3,427)	(6,087)	(1,659)
Merger reserve		67,463	67,463	67,463
Hedging reserve		(1,585)	(3,157)	(2,020)
Translation reserve		(1,283)	444	(5,241)
Capital redemption reserve		40	40	40
Retained earnings		287,558	260,312	276,799
TOTAL EQUITY		530,045	500,322	516,617

Total equity is wholly attributable to owners of the Parent Company.

Condensed consolidated cash flow statement

for the six months ended 31 October 2017

		Six months to 31.10.17 (Unaudited) £000	Six months to 31.10.16 (Unaudited) £000	Year to 30.04.17 (Audited) £000
Net cash (used in) generated from operations	Note 7	(80,141)	10,027	47,818
Investing activities				
Interest received		1	1	2
Proceeds from disposal of other property, plant and equipment		2,215	284	1,222
Purchases of other property, plant and equipment		(4,432)	(1,938)	(4,878)
Purchases of intangible assets		(1,059)	(127)	(1,133)
Net cash used in investing activities		(3,275)	(1,780)	(4,787)
Financing activities				
Receipt of bank loans and other borrowings		89,246	–	–
Repayments of bank loans and other borrowings		–	(5,837)	(21,369)
Dividend paid		(15,326)	(14,347)	(21,875)
Net payments to acquire own shares for share schemes		(1,959)	(617)	(114)
Net cash generated from (used in) financing activities		71,961	(20,801)	(43,358)
Net decrease in cash and cash equivalents		(11,455)	(12,554)	(327)
Cash and cash equivalents at beginning of the period		19,637	18,748	18,748
Effect of foreign exchange movements		254	1,362	1,216
Cash and cash equivalents at the end of the period		8,436	7,556	19,637
Cash and cash equivalents consist of:				
Cash and bank balances	8	28,024	42,829	41,166
Bank overdrafts	8	(19,588)	(35,273)	(21,529)
		8,436	7,556	19,637

Condensed consolidated statement of changes in equity
for the six months ended 31 October 2017

	Share capital and share premium	Own shares	Hedging reserve	Translation reserve	Other reserves	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000
Total equity at 1 May 2016	180,124	(8,157)	(2,522)	(9,400)	68,529	242,451	471,025
Share options fair value charge	–	–	–	–	–	875	875
Share options exercised	–	–	–	–	–	(2,687)	(2,687)
Profit attributable to owners of the Parent Company	–	–	–	–	–	34,020	34,020
Dividend paid	–	–	–	–	–	(14,347)	(14,347)
Net purchase of own shares	–	(617)	–	–	–	–	(617)
Transfer of shares on vesting of share options	–	2,687	–	–	–	–	2,687
Other comprehensive (expense) income	–	–	(635)	9,844	157	–	9,366
Total equity at 1 November 2016	180,124	(6,087)	(3,157)	444	68,686	260,312	500,322
Share options fair value charge	–	–	–	–	–	1,059	1,059
Share options exercised	–	–	–	–	–	(3,925)	(3,925)
Profit attributable to owners of the Parent Company	–	–	–	–	–	26,881	26,881
Dividend paid	–	–	–	–	–	(7,528)	(7,528)
Net purchase of own shares	–	503	–	–	–	–	503
Transfer of shares on vesting of share options	–	3,925	–	–	–	–	3,925
Other comprehensive income (expense)	–	–	1,137	(5,685)	(72)	–	(4,620)
Total equity at 1 May 2017	180,124	(1,659)	(2,020)	(5,241)	68,614	276,799	516,617
Share options fair value charge	–	–	–	–	–	784	784
Share options exercised	–	–	–	–	–	(191)	(191)
Profit attributable to owners of the Parent Company	–	–	–	–	–	25,492	25,492
Dividend paid	–	–	–	–	–	(15,326)	(15,326)
Net purchase of own shares	–	(1,959)	–	–	–	–	(1,959)
Transfer of shares on vesting of share options	–	191	–	–	–	–	191
Other comprehensive income	–	–	435	3,958	44	–	4,437
Total equity at 31 October 2017	180,124	(3,427)	(1,585)	(1,283)	68,658	287,558	530,045

Other reserves comprise the capital redemption reserve, revaluation reserve and merger reserve.

Unaudited Notes

1. Basis of preparation and accounting policies

Northgate plc is a Company incorporated in England and Wales under the Companies Act 2006.

The condensed financial statements are unaudited and were approved by the Board of Directors on 29 November 2017.

The condensed financial statements have been reviewed by the auditor and the independent review report is set out in this document.

The interim financial information for the six months ended 31 October 2017, including comparative financial information, has been prepared on the basis of the accounting policies set out in the last annual report and accounts, except for income taxes, which are accrued using the tax rate that is expected to be applicable for the full year, and in accordance with IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board and adopted by the European Union.

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same, in all material respects, as those applied to the consolidated financial statements for the year ended 30 April 2017.

Going concern assumption

Having reassessed the principal risks and the other matters discussed in connection with the viability statement in the 2017 annual report and accounts the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements.

Information extracted from 2017 annual report

The financial figures for the year ended 30 April 2017, as set out in this report, do not constitute statutory accounts but are derived from the statutory accounts for that financial year.

The statutory accounts for the year ended 30 April 2017 were prepared under IFRS and were delivered to the Registrar of Companies on 22 August 2017. The audit report was unqualified, did not draw attention to any matters by way of emphasis and did not include a statement under Section 498(2) or 498(3) of the Companies Act 2006.

2. Segmental analysis

Management has determined the operating segments based upon the information provided to the Board of Directors, which is considered to be the chief operating decision maker. The Group is managed, and reports internally, on a basis consistent with its three main operating divisions, UK, Spain and Ireland.. The principal activities of these divisions are set out in the Business review, Strategic review and Financial review.

	UK Six months to 31.10.17 (Unaudited) £000	Spain Six months to 31.10.17 (Unaudited) £000	Ireland Six months to 31.10.17 (Unaudited) £000	Corporate Six months to 31.10.17 (Unaudited) £000	Eliminations Six months to 31.10.17 (Unaudited) £000	Total Six months to 31.10.17 (Unaudited) £000
Revenue: hire of vehicles	131,752	92,869	10,320	–	(432)	234,509
Revenue: sale of vehicles	76,720	34,973	3,476	–	–	115,169
Total revenue	208,472	127,842	13,796	–	(432)	349,678
Underlying operating profit (loss) *	17,996	21,328	1,445	(1,661)	–	39,108
Exceptional administrative expenses						(1,926)
Intangible amortisation						(896)
Operating profit						36,286
Interest income						1
Finance costs						(5,261)
Profit before taxation						31,026

	UK Six months to 31.10.16 (Unaudited) £000	Spain Six months to 31.10.16 (Unaudited) £000	Ireland Six months to 31.10.16 (Unaudited) £000	Corporate Six months to 31.10.16 (Unaudited) £000	Eliminations Six months to 31.10.16 (Unaudited) £000	Total Six months to 31.10.16 (Unaudited) £000
Revenue: hire of vehicles	138,372	81,223	10,524	–	(480)	229,639
Revenue: sale of vehicles	59,020	26,071	1,986	–	–	87,077
Total revenue	197,392	107,294	12,510	–	(480)	316,716
Underlying operating profit (loss) *	23,875	21,286	1,657	(1,853)	–	44,965
Exceptional administrative expenses						198
Intangible amortisation						(948)
Operating profit						44,215
Interest income						1
Finance costs (excluding exceptional items)						(4,555)
Exceptional finance credit						336
Profit before taxation						39,997

2. Segmental analysis (continued)

	UK	Spain	Ireland	Corporate	Eliminations	Total
	Year to	Year to	Year to	Year to	Year to	Year to
	30.04.17	30.04.17	30.04.17	30.04.17	30.04.17	30.04.17
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	£000	£000	£000	£000	£000	£000
Revenue: hire of vehicles	272,168	163,419	21,528	–	(995)	456,120
Revenue: sale of vehicles	144,043	63,241	4,025	–	–	211,309
Total revenue	416,211	226,660	25,553	–	(995)	667,429
Underlying operating profit (loss) *	43,886	42,607	3,233	(5,121)	–	84,605
Restructuring costs						(1,293)
Intangible amortisation						(1,830)
Operating profit						81,482
Interest income						2
Finance costs (excluding exceptional items)						(9,601)
Exceptional finance credit						339
Profit before taxation						72,222

* Underlying operating profit (loss) stated before royalty charges, amortisation and exceptional items is the measure used by the Board of Directors to assess segment performance.

3. Taxation

The charge for taxation for the six months to 31 October 2017 is based on the estimated effective rate for the year ending 30 April 2018 of 17.8% (October 2016 – 14.9%).

4. Earnings per share

	Six months to 31.10.17 (Unaudited) Underlying	Six months to 31.10.17 (Unaudited) Statutory	Six months to 31.10.16 (Unaudited) Underlying	Six months to 31.10.16 (Unaudited) Statutory	Year to 30.04.17 (Audited) Underlying	Year to 30.04.17 (Audited) Statutory
Basic and diluted earnings per share	£000	£000	£000	£000	£000	£000

The calculation of basic and diluted earnings per share is based on the following data:

Earnings

Earnings for the purposes of basic and diluted earnings per share, being profit attributable to owners of the Parent Company

	27,612	25,492	34,335	34,020	62,999	60,901
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Number of shares	Number	Number	Number	Number	Number	Number
Weighted average number of Ordinary shares for the purpose of basic earnings per share	133,232,518	133,232,518	133,232,518	133,232,518	133,232,518	133,232,518
Effect of dilutive potential Ordinary shares:						
– share options	1,422,769	1,422,769	2,195,780	2,195,780	1,700,849	1,700,849
Weighted average number of Ordinary shares for the purpose of diluted earnings per share	134,655,287	134,655,287	135,428,298	135,428,298	134,933,367	134,933,367
Basic earnings per share	20.7p	19.1p	25.8p	25.5p	47.3p	45.7p
Diluted earnings per share	20.5p	18.9p	25.4p	25.1p	46.7p	45.1p

5. Dividends

In the six months to 31 October 2017, a dividend of £15,326,000 was paid (2016 – £14,347,000). The Directors have declared a dividend of 6.1p per share for the six months ended 31 October 2017 (2016 – 5.7p).

6. Property Plant and Equipment

	Six months to 31.10.17 (Unaudited) £000	Six months to 31.10.17 (Unaudited) £000 Other property, plant & equipment	Six months to 31.10.17 (Unaudited) £000 Total	Six months to 31.10.16 (Unaudited) £000	Six months to 31.10.16 (Unaudited) £000 Other property, plant & equipment	Six months to 31.10.16 (Unaudited) £000 Total
	Vehicles for hire			Vehicles for hire		
Net Book Value						
At 1 May	731,657	65,262	796,919	684,499	65,765	750,264
Additions	265,780	4,432	277,528	182,787	1,938	184,725
Disposals	(95,279)	(2,334)	(104,929)	(78,181)	(353)	(78,534)
Depreciation	(85,234)	(2,644)	(87,878)	(74,388)	(3,320)	(77,708)
Exchange differences	12,579	1,318	13,897	41,931	4,968	46,899
At 31 October	829,503	66,034	895,537	756,648	68,998	825,646

7. Notes to the cash flow statement

	Six months to 31.10.17 (Unaudited) £000	Six months to 31.10.16 (Unaudited) £000	Year to 30.04.17 (Audited) £000
Net cash (used in) generated from operations			
Operating profit	36,287	44,215	81,482
Adjustments for:			
Depreciation of property, plant and equipment	87,878	77,708	156,291
Net impairment of property, plant and equipment	–	–	131
Amortisation of intangible assets	1,034	955	1,891
Loss on disposal of property, plant and equipment	143	70	199
Share options fair value charge	784	875	1,934
Operating cash flows before movements in working capital	126,126	123,823	241,928
(Increase) decrease in non—vehicle inventories	(512)	281	525
(Increase) decrease in receivables	(10,895)	1,430	4,801
Decrease in payables	(6,953)	(11,953)	(8,952)
Cash generated from operations	107,766	113,581	238,302
Income taxes paid, net	(7,499)	(6,054)	(12,602)
Interest paid	(4,929)	(3,782)	(8,552)
Net cash generated from operations before net capex	95,338	103,745	217,148
Purchases of vehicles	(268,352)	(168,155)	(346,305)
Proceeds from disposal of vehicles	92,873	74,437	176,975
Net cash (used in) generated from operations	(80,141)	10,027	47,818

8. Analysis of consolidated net debt

	31.10.17 (Unaudited) £000	31.10.16 (Unaudited) £000	30.04.17 (Audited) £000
Cash and bank balances	(28,024)	(42,829)	(41,166)
Bank overdrafts	19,588	35,273	21,529
Bank loans	340,910	271,761	244,236
Loan notes	87,781	89,963	84,393
Cumulative preference shares	500	500	500
Confirming facilities	262	310	366
	421,017	354,978	309,858

9. Exceptional items

During the period the Group recognised exceptional items in the income statement as follows:

	Six months to 31.10.17 (Unaudited) £000	Six months to 31.10.16 (Unaudited) £000	Year to 30.04.17 (Audited) £000
Restructuring costs	1,926	688	2,189
Spain tax settlement	–	(886)	(896)
Exceptional administrative expenses (credit)	1,926	(198)	1,293
Interest refunded in relation to Spain tax settlement	–	(336)	(339)
Exceptional finance credit	–	(336)	(339)
Total pre—tax exceptional items	1,926	(534)	954
Tax (charge) credit on exceptional items	(383)	(92)	95

10. Derivative financial instruments

At the balance sheet date, the Group held the following financial instruments at fair value:

	31.10.17	31.10.16	30.04.17
	(Unaudited)	(Unaudited)	(Audited)
	£000	£000	£000
Interest rate derivatives	(1,957)	(3,947)	(2,706)
Cross—currency derivatives	—	—	213
	(1,957)	(3,947)	(2,493)

The derivative financial instruments above all have fair values which are calculated by reference to observable inputs (i.e. classified as level 2 in the fair value hierarchy). They are valued using the discounted cash flow technique with an appropriate adjustment for counterparty credit risk. The valuations incorporate the following inputs:

- interest rates and yield curves observable at commonly quoted intervals;
- commonly quoted spot and forward foreign exchange rates; and
- observable credit spreads.

The carrying value of financial assets and liabilities recorded at amortised cost in the financial statements are approximately equal to their fair value.

Interim announcement – Statement of the Directors

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34;
- the interim management report includes a fair review of the information required by DTR 4.2.7 (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8 (disclosure of related party transactions and changes therein).

By order of the Board

David Tilston

Interim Chief Financial Officer

4 December 2017

Independent review report to Northgate plc

Report on the consolidated interim financial statements

Our conclusion

We have reviewed Northgate Plc's consolidated interim financial statements (the "interim financial statements") in the half—yearly report of Northgate Plc for the 6 month period ended 31 October 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- The condensed consolidated statement of financial position as at 31 October 2017;
- The condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- The condensed consolidated statement of cash flows for the period then ended;
- The condensed consolidated statement of changes in equity for the period then ended; and
- The explanatory notes to the interim financial statements.

The interim financial statements included in the half—yearly report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half—yearly report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half—yearly report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. Our responsibility is to express a conclusion on the interim financial statements in the half—yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We have read the other information contained in the half—yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
5 December 2017