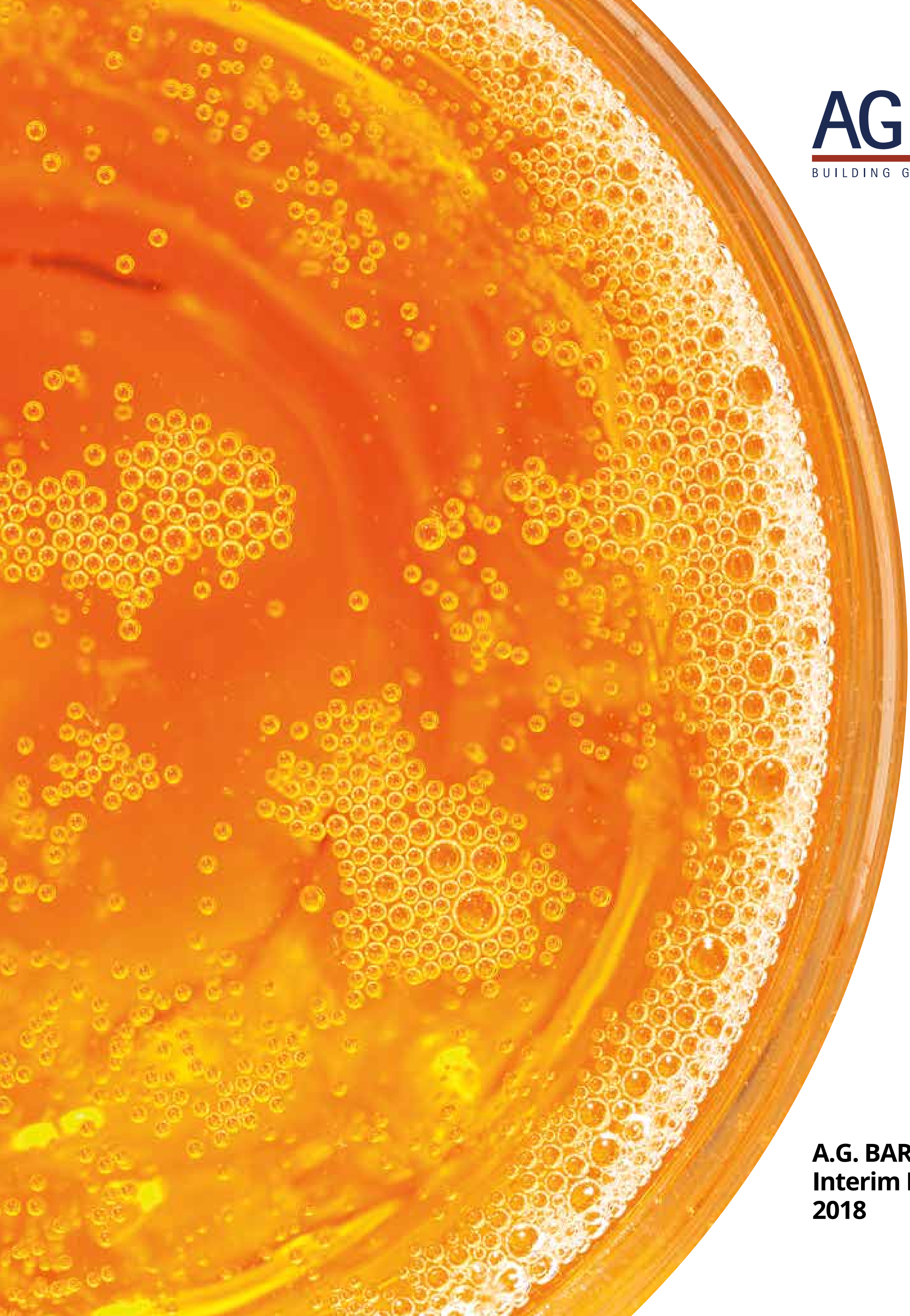

AG Barr
BUILDING GREAT BRANDS

A.G. BARR p.l.c.
Interim Report
2018

We have delivered a solid financial performance in the first half of the financial year, navigating through the Soft Drinks Industry Levy implementation, reformulation, extremes of weather and CO_2 shortages in addition to a dynamic consumer, customer and macro-economic environment. Our core brands have performed well and have good momentum with both consumers and trade customers.

We will continue to ensure our actions and investment decisions support our long term growth strategy. We plan to invest further across the second half of the financial year which we anticipate will have a moderate impact on margins. We remain on target to meet our profit expectations for the full year.

Roger White
Chief Executive

Interim Report

A.G. BARR has delivered a solid first half financial performance during a period of substantial volatility in the UK soft drinks market. Group revenue grew by 5.5%[1], underpinned by a strong volume growth performance of 7.2%, reflecting the resilience of our core brands and our success in growing market share during this time of change.

Profit before tax and exceptional items[2] in the period increased by 4.0% to £18.2m (2017: £17.5m). There were no exceptional items in the reporting period resulting in statutory profit before tax of £18.2m (2017: £19.4m which included the exceptional gain from a property disposal).

Soft drinks market

Retail pricing increased across the market following the implementation of the Soft Drinks Industry Levy (SDIL) in April 2018. In the reporting period the total soft drinks market grew value by 7.7%, while volume increased by only 3.8% (Source: IRI MarketPlace).

Across the six month reporting period both the soft drinks market, and the wider grocery market, experienced the effect of weather extremes, from the significant snowfall in the first quarter as the "Beast from the East" struck the UK, to the more recent record-breaking hot summer. The unusual demand patterns which arose as a result were further compounded by the well-publicised shortage of CO_2 in the early summer, affecting soft drinks supply for a number of weeks and heightening overall market volatility.

Adding the impact of product reformulation and the implementation of the SDIL to this changing landscape makes it extremely difficult to disaggregate the effect of these different dynamics on the market, however we are pleased to report that our growth momentum has not been interrupted.

Strategy execution

Our core brands performed well across the first six months, maintaining the growth dynamics of the previous year as we lapped a period of very strong comparative trading.

We delivered strong volume share gains within the total soft drinks market with volume share increasing c.15% (Source: IRI MarketPlace), with a pleasing performance from IRN-BRU, particularly in England and Wales where we continue to execute our strategy of building distribution points and increasing penetration.

Following the successful execution of our reformulation programme we have continued to invest significantly behind our core brands, with particular emphasis on IRN-BRU, Rubicon and Strathmore. Our marketing programme continued at pace, with highlights including national advertising campaigns for IRN-BRU and Rubicon as well as the successful delivery of Strathmore's sponsorship of the European Championships. In the period we also supported our key long-term innovation programmes, specifically IRN-BRU XTRA and Rubicon Spring, and continued to bring new products to market including Street Drinks by Rubicon.

The first six months of 2018 also saw us initiate our trading partnerships with Bundaberg and San Benedetto, both of which have made a positive start and are already adding value to our portfolio. Our current trading strategy is delivering volume benefits which we aim to maintain for the balance of the year as we navigate our way through the changing soft drinks market post our reformulation actions and the implementation of the SDIL. As anticipated, the operating margin in the first half of the year was 13.4% reflecting our continued support behind core brands and innovation and our current volume-led trading plan.

The Funkin business continues to grow in its traditional areas but also now in new formats and new market segments. We have seen the take-home packs, initially launched last year, begin to gain sales traction in the grocery channel while the development of the Funkin draft cocktail proposition is rolling out into the on-trade and has already enjoyed success at outdoor events across the summer festival season.

Our responsibility agenda remains at the heart of how we do business. It is clear that environmental issues, and packaging waste in particular, are of greater importance than ever to our consumers. We have always taken our environmental responsibilities seriously and all of our soft drinks packaging is already recyclable. We are pleased to be further improving our sustainability performance by introducing up to 50% recycled material content into our PET bottles, commencing with our Strathmore water brand during the course of the current financial year.

Balance sheet

Net cash from operating activities was £12.1m (2017: £17.0m) resulting in a net funds position of £4.2m at the period end (2017: net funds £7.9m).

Our closing net cash position continues to benefit from our tight management of cash resources although the hot weather and resultant increase in demand led to higher levels of short-term working capital. Free cash flow conversion[2] was just over 41%, down from 90% last year.

Capital expenditure[2] during the period amounted to £2.8m, in line with our capital plans and a slight reduction on the prior year spend of £3.1m.

We have continued our strategy of actively managing our pension scheme liabilities. The full triennial valuation was conducted as at April 2017 with a deficit of £4.8m determined on a technical provision basis. The Company and Pension Trustee have agreed a funding programme designed to eliminate this deficit within four years. The pension deficit on an IAS 19 basis has decreased from £28.0m (July 2017) to £8.0m (July 2018), driven by movement in discount rates, asset out-performance and inflation.

We have continued our share repurchase programme repurchasing 0.9m shares at a total cost of £6.2m in the first six months of the financial year. The total repurchase programme to date from inception is 2.3m shares at a total cost of £14.4m. We will continue to progress towards completion of the programme to the May 2019 schedule.

Dividend

The Board has declared an interim dividend of 3.90 pence per share, payable on 26 October 2018 to shareholders on the register on 5 October 2018. This represents an increase on the prior year of 5% and reflects the Board's confidence in the current financial position and the future prospects of the Group.

Outlook

We have delivered a solid financial performance in the first half of the financial year, navigating through the Soft Drinks Industry Levy implementation, reformulation, extremes of weather and CO_2 shortages in addition to a dynamic consumer, customer and macro-economic environment. Our core brands have performed well and have good momentum with both consumers and trade customers.

We will continue to ensure our actions and investment decisions support our long term growth strategy. We plan to invest further across the second half of the financial year which we anticipate will have a moderate impact on margins. We remain on target to meet our profit expectations for the full year.

John Nicolson
Chairman

Roger White
Chief Executive

Note 1: All numbers reflect the adoption of IFRS 15 "Revenue from Contracts with Customers". Certain costs payable to customers, previously presented as expenses, are now shown as a deduction to revenue. In the reporting period this equates to a £7.6m reclassification in revenue and overheads. There has been a £6.8m restatement to the prior year to enable an accurate comparison of performance.

Note 2: Non-GAAP measures. Definitions and relevant reconciliations are provided in the Glossary at the end of this statement.

Consolidated Condensed Income Statement

	Note	**Unaudited 6 months ended 28 July 2018**			Unaudited Restated* 6 months ended 29 July 2017			Audited Restated* Year ended 27 January 2018		
		Before exceptional items £m	**Exceptional items £m**	**Total £m**	Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
Revenue	6	**136.9**	**–**	**136.9**	129.8	–	129.8	264.1	–	264.1
Cost of sales		**(78.3)**	**–**	**(78.3)**	(73.6)	–	(73.6)	(146.5)	(0.5)	(147.0)
Gross profit	6	**58.6**	**–**	**58.6**	56.2	–	56.2	117.6	(0.5)	117.1
Other income		**–**	**–**	**–**	–	–	–	–	–	–
Operating expenses		**(40.2)**	**–**	**(40.2)**	(38.2)	1.9	(36.3)	(72.5)	1.3	(71.2)
Operating profit	8	**18.4**	**–**	**18.4**	18.0	1.9	19.9	45.1	0.8	45.9
Finance costs		**(0.2)**	**–**	**(0.2)**	(0.5)	–	(0.5)	(1.0)	–	(1.0)
Profit before tax		**18.2**	**–**	**18.2**	17.5	1.9	19.4	44.1	0.8	44.9
Income tax expense	9	**(3.7)**	**–**	**(3.7)**	(3.9)	0.1	(3.8)	(8.0)	0.3	(7.7)
Profit attributable to equity holders		**14.5**	**–**	**14.5**	13.6	2.0	15.6	36.1	1.1	37.2
Earnings per share (p)										
Basic earnings per share	10			**12.74**			13.46			32.25
Diluted earnings per share	10			**12.74**			13.45			32.24
Earnings per share before exceptional items	10			**12.74**			11.73			31.30

* Refer to Note 3

Consolidated Condensed Statement of Comprehensive Income

	Unaudited 6 months ended 28 July 2018 £m	Unaudited 6 months ended 29 July 2017 £m	Audited Year ended 27 January 2018 £m
Profit for the period	**14.5**	15.6	37.2
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements on defined benefit pension plans (note 17)	**5.8**	(1.8)	10.8
Deferred tax movements on items above	**(1.0)**	0.3	(1.9)
Items that will be or have been reclassified to profit or loss			
Cash flow hedges:			
Gains/(losses) arising during the period	**0.4**	0.4	(0.4)
Less: reclassification adjustments for gains/(losses) included in profit or loss	**–**	–	0.2
Deferred tax movements on items above	**(0.1)**	–	0.1
Other comprehensive expenditure for the period, net of tax	**5.1**	(1.1)	8.8
Total comprehensive income attributable to equity holders of the parent	**19.6**	14.5	46.0

Consolidated Condensed Statement of Changes in Equity (Unaudited)

	Share capital £m	Share premium account £m	Share options reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 27 January 2018 *Restated	**4.8**	**0.9**	**1.6**	**(0.2)**	**194.0**	**201.1**
Profit for the period	**–**	**–**	**–**	**–**	**14.5**	**14.5**
Other comprehensive income	**–**	**–**	**–**	**0.3**	**4.8**	**5.1**
Total comprehensive income for the period	**–**	**–**	**–**	**0.3**	**19.3**	**19.6**
Company shares purchased for use by employee benefit trusts (note 18)	**–**	**–**	**–**	**–**	**(0.4)**	**(0.4)**
Proceeds on disposal of shares by employee benefit trusts (note 18)	**–**	**–**	**–**	**–**	**0.1**	**0.1**
Recognition of share-based payment costs	**–**	**–**	**0.5**	**–**	**–**	**0.5**
Transfer of reserve on share award	**–**	**–**	**(0.4)**	**–**	**0.4**	**–**
Repurchase and cancellation of shares	**–**	**–**	**–**	**–**	**(6.2)**	**(6.2)**
Dividends paid	**–**	**–**	**–**	**–**	**(13.5)**	**(13.5)**
At 28 July 2018	**4.8**	**0.9**	**1.7**	**0.1**	**193.7**	**201.2**
At 28 January 2017 as previously reported	4.9	0.9	1.8	(0.2)	172.8	180.2
Impact of IFRS 15	–	–	–	–	(0.8)	(0.8)
At 28 January 2017 *Restated	4.9	0.9	1.8	(0.2)	172.0	179.4
Profit for the period	–	–	–	–	15.6	15.6
Other comprehensive (expenditure)/income	–	–	–	0.4	(1.5)	(1.1)
Total comprehensive income for the period	–	–	–	0.4	14.1	14.5
Company shares purchased for use by employee benefit trusts (note 18)	–	–	–	–	(1.1)	(1.1)
Proceeds on disposal of shares by employee benefit trusts (note 18)	–	–	–	–	1.2	1.2
Recognition of share-based payment costs	–	–	0.5	–	–	0.5
Transfer of reserve on share award	–	–	(0.5)	–	0.5	–
Repurchase and cancellation of shares	–	–	–	–	(2.5)	(2.5)
Dividends paid	–	–	–	–	(12.6)	(12.6)
At 29 July 2017	4.9	0.9	1.8	0.2	171.6	179.4

* Refer to Note 3

Consolidated Condensed Statement of Changes in Equity (Audited)

	Share capital £m	Share premium account £m	Share options reserve £m	Other reserves £m	Restated* Retained earnings £m	Total £m
At 28 January 2017 as previously reported	4.9	0.9	1.8	(0.2)	172.8	180.2
Impact of IFRS 15	–	–	–	–	(0.8)	(0.8)
At 28 January 2017 *Restated	4.9	0.9	1.8	(0.2)	172.0	179.4
Profit for the year	–	–	–	–	37.2	37.2
Other comprehensive (expenditure)/income	–	–	–	(0.1)	8.9	8.8
Total comprehensive (expenditure)/income for the year	–	–	–	(0.1)	46.1	46.0
Company shares purchased for use by employee benefit trusts (note 18)	–	–	–	–	(3.2)	(3.2)
Proceeds on disposal of shares by employee benefit trusts (note 18)	–	–	–	–	2.9	2.9
Recognition of share-based payment costs	–	–	1.0	–	–	1.0
Transfer of reserve on share award	–	–	(1.3)	–	1.3	–
Deferred tax on items taken direct to reserves	–	–	(0.1)	–	–	(0.1)
Current tax on items taken direct to reserves	–	–	0.2	–	–	0.2
Repurchase and cancellation of shares	(0.1)	–	–	0.1	(8.2)	(8.2)
Dividends paid	–	–	–	–	(16.9)	(16.9)
At 27 January 2018	**4.8**	**0.9**	**1.6**	**(0.2)**	**194.0**	**201.1**

* Refer to Note 3

Consolidated Condensed Statement of Financial Position

	Note	Unaudited As at 28 July 2018 £m	Unaudited Restated* As at 29 July 2017 £m	Audited Restated* As at 27 January 2018 £m
Non-current assets				
Intangible assets	12	**103.8**	105.3	104.5
Property, plant and equipment	13	**93.4**	88.8	94.3
		197.2	194.1	198.8
Current assets				
Inventories		**21.2**	17.5	18.0
Trade and other receivables		**69.9**	63.2	56.2
Derivative financial instruments	14	**0.1**	0.1	–
Cash and cash equivalents		**16.9**	16.3	15.0
		108.1	97.1	89.2
Total assets		**305.3**	291.2	288.0
Current liabilities				
Loans and other borrowings	16	**0.2**	8.3	0.1
Trade and other payables		**65.4**	60.6	54.1
Derivative financial instruments	14	**0.1**	–	0.4
Provisions	15	**0.2**	0.6	0.4
Current tax liabilities		**3.4**	3.3	3.6
		69.3	72.8	58.6
Non-current liabilities				
Loans and other borrowings	16	**12.5**	–	–
Deferred tax liabilities		**14.3**	11.0	13.1
Retirement benefit obligations	17	**8.0**	28.0	15.2
		34.8	39.0	28.3
Capital and reserves attributable to equity holders				
Share capital		**4.8**	4.9	4.8
Share premium account		**0.9**	0.9	0.9
Share options reserve		**1.7**	1.8	1.6
Other reserves		**0.1**	0.2	(0.2)
Retained earnings		**193.7**	171.6	194.0
		201.2	179.4	201.1
Total equity and liabilities		**305.3**	291.2	288.0

* Refer to Note 3

Consolidated Condensed Cash Flow Statement

	Unaudited 6 months ended 28 July 2018 £m	Unaudited Restated* 6 months ended 29 July 2017 £m	Audited Restated* Year ended 27 January 2018 £m
Operating activities			
Profit for the period before tax	**18.2**	19.4	44.9
Adjustments for:			
Interest payable	**0.2**	0.5	1.0
Depreciation of property, plant and equipment	**3.7**	3.4	6.7
Amortisation of intangible assets	**0.7**	0.7	1.5
Share-based payment costs	**0.5**	0.5	1.0
Gain on sale of property, plant and equipment	**–**	(2.5)	(2.5)
Operating cash flows before movements in working capital	**23.3**	22.0	52.6
Increase in inventories	**(3.2)**	–	(0.5)
Increase in receivables	**(13.7)**	(12.2)	(5.2)
Increase in payables	**11.1**	11.9	4.0
Difference between employer pension contributions and amounts recognised in the income statement	**(1.6)**	(1.6)	(2.1)
Cash generated by operations	**15.9**	20.1	48.8
Tax on profit paid	**(3.8)**	(3.1)	(6.6)
Net cash from operating activities	**12.1**	17.0	42.2
Investing activities			
Acquisition of subsidiary	**–**	(4.5)	(4.5)
Purchase of property, plant and equipment	**(2.8)**	(3.1)	(10.8)
Proceeds on sale of property, plant and equipment	**–**	4.1	4.2
Net cash used in investing activities	**(2.8)**	(3.5)	(11.1)
Financing activities			
New loans received	**17.0**	5.0	15.0
Loans repaid	**(4.5)**	(5.0)	(15.0)
Bank arrangement fees paid	**–**	(0.2)	(0.2)
Finance lease payments	**–**	–	(0.1)
Purchase of Company shares by employee benefit trusts	**(0.4)**	(1.1)	(3.2)
Proceeds from disposal of Company shares by employee benefit trusts	**0.1**	1.2	2.9
Repurchase of own shares	**(6.2)**	(2.5)	(8.2)
Dividends paid	**(13.5)**	(12.6)	(16.9)
Interest paid	**(0.1)**	(0.1)	(0.1)
Net cash used in financing activities	**(7.6)**	(15.3)	(25.8)
Net increase/(decrease) in cash and cash equivalents	**1.7**	(1.8)	5.3
Cash and cash equivalents at beginning of period	**15.0**	9.7	9.7
Cash and cash equivalents at end of period	**16.7**	7.9	15.0

* Refer to Note 3

1. General information

A.G. BARR p.l.c. ("the Company") and its subsidiaries (together "the Group") manufacture, market, distribute and sell soft drinks and cocktail solutions. The Group has manufacturing sites in the UK and sells mainly to customers in the UK with some international sales.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is A.G. BARR p.l.c., Westfield House, 4 Mollins Road, Cumbernauld, G68 9HD.

This consolidated condensed interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 27 January 2018 were approved by the Board of directors on 27 March 2018 and delivered to the Registrar of Companies. The comparative figures for the financial year ended 27 January 2018 are an extract of the Company's statutory accounts for that year, except as restated upon the adoption of IFRS 15 (as explained in Note 3 below).

The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

This consolidated condensed interim financial information is unaudited but has been reviewed by the Company's Auditor.

2. Basis of preparation

This consolidated condensed interim financial information for the six months ended 28 July 2018 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 27 January 2018, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern basis

The Group meets its day-to-day working capital requirements through its bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's forecasts and projections, taking account of reasonable sensitivities, show that the Group should be able to operate within available facilities. The Group therefore continues to adopt the going concern basis in preparing its consolidated condensed interim financial statements.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 27 January 2018 and corresponding interim reporting period, except for the adoption of new amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9 *Financial Instruments*, and
- IFRS 15 *Revenue from Contracts with Customers*

The impact of the changes in accounting policies on the financial statements have been summarised in the table below:

	As per Annual Report and Accounts January 2018 £m	Restatement £m	Restated Annual Report and Accounts January 2018 £m	As per Condensed Financial Statements July 2017 £m	Restatement £m	Restated Condensed Financial Statements July 2017 £m
Extract Statement of Financial Position						
Inventories	17.8	0.2	18.0	17.3	0.2	17.5
Trade and other receivables	56.6	(0.4)	56.2	63.6	(0.4)	63.2
Trade and other borrowings	53.5	0.6	54.1	60.0	0.6	60.6
Retained earnings	194.8	(0.8)	194.0	172.4	(0.8)	171.6
Extract Income and Comprehensive Income Statement						
Revenue	277.7	(13.6)	264.1	136.6	(6.8)	129.8
Operating expenses	(86.1)	13.6	(72.5)	(45.0)	6.8	(38.2)

IFRS 15 was adopted by the Group from the beginning of this financial year with all comparatives restated. IFRS 15 applies to all revenues arising from contracts with customers and replaces all other IFRS in this regard unless the contract falls within the scope of other IFRS.

3. Accounting policies continued

(a) New and amended standards adopted by the Group continued

The main impact of the standard is to reclassify certain costs offered to customers that had previously been recognised within operating expenses to revenue.

(b) Impact of standards issued but not yet applied by the Group

- IFRS 16 *Leases*.

It is expected that IFRS 16 will materially affect the consolidated financial statements. Management have performed an analysis of non-cancellable operating leases held in relation to production equipment held at the Milton Keynes facility in order to assess the expected impact of IFRS 16.

If IFRS 16 was implemented in the 6 months to July 2018, its effect would be to increase the net book value of property, plant and equipment by £6.9m, with a corresponding finance lease liability of £8.2m. The net impact on retained earnings for the 6 months ended 28 July 2018 would be a charge of £1m. To date, £9.7m of operating lease rentals have been recognised in respect of the assessed leases. Based on management's ongoing exercise on leases identified to date, under IFRS 16 £8.6m of depreciation would have been charged plus a further £2.1m of interest charges.

4. Principal risks and uncertainties

The directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 26 weeks of the financial year remain substantially the same as those stated on pages 35-37 of the Group's annual financial statements as at 27 January 2018, which are available on our website, www.agbarr.co.uk. These are summarised below:

- Changes in consumer preferences, perception or purchasing behaviour
- Changing consumer attitudes towards sugar/further government intervention on sugar
- Adverse publicity in relation to the soft drinks industry, the Group or its brands
- Failure to maintain customer relationships or take account of changing market dynamics
- Inability to protect the Group's intellectual property rights
- Failure of the Group's operational infrastructure
- Loss of continuity of supply of major raw materials
- Loss of product integrity
- Failure of critical IT systems
- Financial risks

We do note that the result of the referendum in favour of the UK leaving the European Union may have an impact on the Group. Like many other businesses, we are closely following developments in this area but we believe that at this stage it is not possible to quantify or determine with certainty the impact on the Group of the UK leaving the European Union. The Group is a UK based group whose sales are predominantly made in the UK but it has some non-UK income and an exposure to US Dollars and Euros through the purchase of commodities. We will continue to monitor developments and adapt our strategy as appropriate.

5. Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements should be read in conjunction with the Group's annual financial statements as at 27 January 2018 as they do not include all financial risk management information and disclosures contained within the annual financial statements. There have been no changes in the risk management policies since the year end.

6. Segment reporting

The Group's management committee has been identified as the chief operating decision-maker. The management committee reviews the Group's internal reporting in order to assess performance and allocate resources. The management committee has determined the operating segments based on these reports.

The management committee considers the business from a product perspective. This led to the operating segments identified in the table below: there has been no change to the segments during the period (after aggregation).

The performance of the operating segments is assessed by reference to their gross profit before exceptional items. Exceptional items are reported separately in Note 8.

6 months ended 28 July 2018

	Carbonates £m	Still drinks and water £m	Other £m	Total £m
Total revenue	**102.3**	**25.7**	**8.9**	**136.9**
Gross profit before exceptional items	**47.0**	**7.4**	**4.2**	**58.6**

6 months ended 29 July 2017 *Restated

	Carbonates £m	Still drinks and water £m	Other £m	Total £m
Total revenue	93.9	27.9	8.0	129.8
Gross profit before exceptional items	44.3	8.2	3.7	56.2

Year ended 27 January 2018 *Restated

	Carbonates £m	Still drinks and water £m	Other £m	Total £m
Total revenue	196.1	52.7	15.3	264.1
Gross profit before exceptional items	94.1	16.1	7.4	117.6

* Refer to Note 3

There are no intersegment sales. All revenue is in relation to product sales, which is recognised at point in time, upon delivery to the customer.

"Other" segments represent the sale of Funkin cocktail solutions and other soft drink related items.

The gross profit before exceptional items from the segment reporting is reconciled to the total profit before income tax as shown in the consolidated condensed income statement.

All of the assets of the Group are managed by the management committee on a central basis rather than at a segment level. As a result no reconciliation of segment assets and liabilities to the consolidated condensed statement of financial position has been disclosed for any of the periods presented.

Included in revenues arising from Carbonates, Still drinks and water and Other are revenues of approximately £26m which arose from sales to the Group's largest customer. No other single customers contributed 10 per cent or more to the Group's revenue in either 2017 or 2018.

No customer contributed 10 per cent or more to the Group's revenue in the comparative period to July 2017 or in the year to January 2018.

All of the segments included within "Carbonates" and "Still drinks and water" meet the aggregation criteria set out in IFRS 8 Operating Segments.

7. Seasonality of operations

Revenues and operating profits are affected by weather conditions, the timing of marketing investment and execution of promotional activity. As a result it is anticipated that the operating profits for the second half of the year to 26 January 2019 will be higher than those for the six months ended 28 July 2018.

8. Operating profit

The following items have been charged to operating profit during the period:

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Inventory write down	**0.3**	0.3	0.6
Foreign exchange losses recognised	**0.1**	0.1	0.1

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completing production and selling expenses.

During the current period no items have been classified as exceptional. The Group identifies items as exceptional where the nature or scale of the item requires to be separately presented in order to better understand trading performance.

The items discussed below have been classified as exceptional. The Group identifies items as exceptional where the nature or scale of the item requires to be separately presented in order to better understand trading performance.

The items that have been included in exceptional items have been analysed in the table below:

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Gain on sale of distribution site	**–**	(2.5)	(2.5)
Sugar reduction and reformulation programme costs	**–**	0.3	1.4
Redundancy costs for business reorganisation	**–**	0.1	0.1
Other costs relating to business reorganisation	**–**	0.2	0.2
Net exceptional credit	**–**	(1.9)	(0.8)

During the six months to 29 July 2017, a £2.5m gain on sale was made on disposal of the Walthamstow distribution site. This asset was classified as an asset held for sale as at 28 January 2017 and the sale was completed on 1 February 2017. Due to its scale, management believes that treating this item as exceptional provides a fair representation of trading performance. This exceptional item was included in administration costs.

During the year to 27 January 2018 a total of £1.4m (six months to 29 July 2017: £0.3m) of costs were incurred as part of the ongoing sugar reduction and reformulation programme, through which the business committed to ensuring that 90% of Company owned brands contain less than 5g of total sugars per 100ml by the end of the financial year ended 27 January 2018. Costs in relation to the sugar reduction and reformulation programme significantly exceeded the level of expenditure that would ordinarily be incurred in the course of new product development or reformulation and were not incurred on an ongoing basis, therefore these were considered to be exceptional in the prior period. £0.5m of these costs were included in cost of sales and a further £0.9m were included in selling and distribution costs.

In September 2016 a Company-wide restructure was announced, which was largely complete by the end of the financial year to 28 January 2017. During the six months to 29 July 2017, a further £0.3m of costs were incurred, primarily being an increase in the required redundancy provision and further recruitment costs. These items were all included in administration costs.

9. Tax on profit

The interim period tax charge is accrued based on the estimated average annual effective income tax rate of 20.32% (six months ended 29 July 2017: 19.6%; year ended 27 January 2018: 17.2%).

As announced in the Autumn Budget on 23 November 2016, the main rate of corporation tax was reduced to 19% from 1 April 2017 and will be further reduced to 17% from 1 April 2020, therefore future charges will reduce accordingly. Finance No.2 Bill 2017 became substantively enacted on 16 November 2017. The deferred tax liability at 28 July 2018 has therefore been calculated having regard to the rate of 17% substantively enacted at the balance sheet date.

10. Earnings per share

Basic earnings per share has been calculated by dividing the earnings attributable to equity holders of the parent by the weighted average number of shares in issue during the year, excluding shares held by the employee share scheme trusts.

	6 months ended 28 July 2018	6 months ended 29 July 2017	Year ended 27 January 2018
Profit attributable to equity holders of the Company (£m)	**14.5**	15.6	37.2
Weighted average number of ordinary shares in issue	**113,793,127**	115,910,498	115,336,186
Basic earnings per share (pence)	**12.74**	13.46	32.25

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	6 months ended 28 July 2018	6 months ended 29 July 2017	Year ended 27 January 2018
Profit attributable to equity holders of the Company (£m)	**14.5**	15.6	37.2
Weighted average number of ordinary shares in issue	**113,793,127**	115,910,498	115,336,186
Adjustment for dilutive effect of share options	**–**	58,537	63,028
Diluted weighted average number of ordinary shares in issue	**113,793,127**	115,969,035	115,399,214
Diluted earnings per share (pence)	**12.74**	13.45	32.24

The adjusted EPS figure is calculated by using profit attributable to equity holders before exceptional items:

	6 months ended 28 July 2018	6 months ended 29 July 2017	Year ended 27 January 2018
Profit attributable to equity holders of the Company before exceptional items (£m)	**14.5**	13.6	36.1
Weighted average number of ordinary shares in issue	**113,793,127**	115,910,498	115,336,186
Earnings per share before exceptional items (pence)	**12.74**	11.73	31.30

This measure has been included in the financial statements as it provides a closer guide to the underlying financial performance as the calculation excludes the effect of exceptional items.

11. Dividends paid and proposed

	6 months ended 28 July 2018 per share (p)	6 months ended 29 July 2017 per share (p)	Year ended 27 January 2018 per share (p)	**6 months ended 28 July 2018 £m**	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Paid final dividend	**11.84**	10.87	10.87	**13.5**	12.6	12.6
Paid interim dividend	**–**	–	3.71	**–**	–	4.3
	11.84	10.87	14.58	**13.5**	12.6	16.9

An interim dividend of 3.90p (an increase of 5% on last year) per share was approved by the Board on 25 September 2018 and will be paid on 26 October 2018 to shareholders on record as at 5 October 2018.

12. Intangible assets

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Opening net book value	**104.5**	106.0	106.0
Amortisation	**(0.7)**	(0.7)	(1.5)
Closing net book value	**103.8**	105.3	104.5

The amortisation charge for the six months ended 28 July 2018 represents £0.6m (six months ended 29 July 2017: £0.6m; year ended 27 January 2018: £1.2m) of charges in relation to the Business Process Redesign project and £0.1m (six months ended 29 July 2017: £0.1m; year ended 27 January 2018: £0.3m) of charges for the Rubicon and Funkin customer lists.

13. Property, plant and equipment

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Opening net book value	**94.3**	89.4	89.4
Additions	**2.8**	3.1	12.0
Disposals	**–**	(0.3)	(0.4)
Depreciation	**(3.7)**	(3.4)	(6.7)
Closing net book value	**93.4**	88.8	94.3

The closing balance includes £5.5m (as at 29 July 2017: £5.9m; as at 27 January 2018: £12.9m) of assets under construction.

14. Financial instruments

Current assets of £0.1m (at 29 July 2017: £0.1m; 27 January 2018: £nil) relate to forward foreign currency contracts with a maturity of less than 12 months and are recognised at fair value through the cash flow hedge reserve, included within other reserves.

Current liabilities of £0.1m (at 29 July 2017: £nil; 27 January 2018: £0.4m) represents forward foreign currency contracts with a maturity of less than 12 months and are recognised as fair value through the cash flow hedge reserve, included within other reserves.

Fair value hierarchy

IFRS 9 requires all financial instruments carried at fair value to be analysed under the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair value of the forward foreign exchange contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted accordingly as relevant.

All financial instruments carried at fair value are Level 2.

14. Financial instruments continued

Fair values of financial assets and financial liabilities

The table below sets out the comparison between the carrying amount and fair value of all of the Group's financial instruments.

As at 28 July 2018	Carrying amount – Fair value – hedging instruments £m	Carrying amount – Loans and receivables at amortised cost £m	Carrying amount – Other financial liabilities at amortised cost £m	Total £m
Financial assets not measured at fair value				
Foreign exchange contracts used for hedging	**0.1**	**–**	**–**	**0.1**
Trade receivables	**–**	**66.9**	**–**	**66.9**
Cash and cash equivalents	**–**	**16.9**	**–**	**16.9**
	0.1	**83.8**	**–**	**83.9**
Financial liabilities not measured at fair value				
Foreign exchange contracts used for hedging	**0.1**	**–**	**–**	**0.1**
Finance lease liabilities	**–**	**–**	**–**	**–**
Unsecured bank borrowings	**–**	**–**	**12.7**	**12.7**
Trade payables	**–**	**–**	**26.0**	**26.0**
	0.1	**–**	**38.7**	**38.8**

As at 29 July 2017	Carrying amount – Fair value – hedging instruments £m	Carrying amount – Loans and receivables at amortised cost £m	Carrying amount – Other financial liabilities at fair value £m	Total £m
Financial assets not measured at fair value				
Foreign exchange contracts used for hedging	0.1	–	–	0.1
Trade receivables	–	60.9	–	60.9
Cash and cash equivalents	–	16.3	–	16.3
	0.1	77.2	–	77.3
Financial liabilities not measured at fair value				
Finance lease liabilities	–	–	0.1	0.1
Unsecured bank borrowings	–	–	8.4	8.4
Trade payables	–	–	24.2	24.2
	–	–	32.7	32.7

14. Financial instruments continued

Fair values of financial assets and financial liabilities continued

As at 27 January 2018	Carrying amount Fair value – hedging instruments £m	Loans and receivables at amortised cost £m	Other financial liabilities at fair value £m	Total £m
Financial assets not measured at fair value				
Foreign exchange contracts used for hedging	–	–	–	–
Trade receivables	–	53.7	–	53.7
Cash and cash equivalents	–	15.0	–	15.0
	–	68.7	–	68.7
Financial liabilities measured at fair value				
Contingent consideration	–	–	–	–
	–	–	–	–
Financial liabilities not measured at fair value				
Foreign exchange contracts used for hedging	0.4	–	–	0.4
Finance lease liabilities	–	–	0.1	0.1
Unsecured bank borrowings	–	–	–	–
Trade payables	–	–	17.2	17.2
	0.4	–	17.3	17.7

15. Provisions

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Opening provision	**0.4**	0.9	0.9
Provision created during the year	**–**	0.1	0.1
Provision utilised during the period	**(0.2)**	(0.4)	(0.6)
Closing provision	**0.2**	0.6	0.4

16. Borrowings and loans

Movements in borrowings are analysed as follows:

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Opening loan balance	**–**	0.4	0.4
Borrowings made	**17.0**	5.0	15.0
Repayments of borrowings	**(4.5)**	(5.0)	(15.0)
Bank overdrafts drawn/(repaid)	**0.2**	8.0	(0.4)
Closing loan balance before arrangement fees	**12.7**	8.4	0.0
Unamortised arrangement fee	**–**	(0.2)	–
Closing loan balance	**12.7**	8.2	–

16. Borrowings and loans continued

The reconciliation of the above closing loan balance to the figures on the face of the consolidated condensed statement of financial position is as follows:

	As at 28 July 2018 £m	As at 29 July 2017 £m	As at 27 January 2018 £m
Overdraft	**0.2**	8.4	–
Closing loan balance	**12.5**	–	–
Unamortised arrangement fee	**–**	(0.2)	–
Finance lease liabilities	**–**	0.1	0.1
Total borrowings and loans	**12.7**	8.3	0.1
Disclosed as			
Current liabilities	**0.2**	8.3	0.1
Non-current liabilities	**12.5**	–	–

The reconciliation to net debt is as follows:

	As at 28 July 2018	As at 29 July 2017	As at 27 January 2018
Closing borrowings balance	**(12.7)**	(8.4)	–
Cash and cash equivalents	**16.9**	16.3	15.0
Net funds	**4.2**	7.9	15.0

The undrawn facilities at 28 July 2018 are as follows:

	Total facility £m	Drawn £m	Undrawn £m
Revolving credit facilities	60.0	12.5	47.5
Overdraft	10.0	0.2	9.8
	70.0	12.7	57.3

In February 2017 the Group entered into three revolving credit facilities over periods of 3-5 years with Royal Bank of Scotland plc, Bank of Scotland plc and HSBC Bank plc. These facilities provide £60m of Sterling debt facilities to 2019/20, reducing to £20m for the period to 2021/22. A total arrangement fee of £0.2m was incurred and is being amortised over the life of the loan facilities.

The loan outstanding of £12.5m is classified as non-current due to being a revolving credit facility available until 2020. This loan was repaid in full by the Group in August 2018.

The directors confirm that the Group has sufficient headroom to enable it to meet the covenants on its existing borrowings. There are sufficient working capital and undrawn funding facilities available to meet the Group's ongoing requirements.

17. Retirement benefit obligations

On 1 May 2016 the A.G. BARR p.l.c (2008) Pension and Life Assurance Scheme was closed to future accrual following a negotiated agreement between the Company and the board of trustees.

The defined retirement benefit scheme had a deficit of £8.0m as at 28 July 2018 (as at 29 July 2017: £28.0m, 27 January 2018: £15.2m). The reconciliation of the closing deficit is as follows:

	6 months ended 28 July 2018 £m	6 months ended 29 July 2017 £m	Year ended 27 January 2018 £m
Opening present value of obligation	**(120.5)**	(139.2)	(139.2)
Current service cost	**–**	–	(0.1)
Interest cost	**(1.6)**	(2.0)	(3.8)
Remeasurement – changes in financial assumptions	**3.8**	(5.8)	8.0
Benefits paid	**4.2**	10.2	14.6
Closing position	**(114.1)**	(136.8)	(120.5)
Opening fair value of plan assets	**105.3**	111.8	111.8
Interest income	**1.4**	1.6	3.1
Remeasurement – actuarial return on assets	**2.0**	4.0	2.8
Employer contributions	**1.6**	1.6	2.2
Benefits paid	**(4.2)**	(10.2)	(14.6)
Closing fair value of plan assets	**106.1**	108.8	105.3

	As at 28 July 2018 £m	As at 29 July 2017 £m	As at 27 January 2018 £m
Closing present value of obligation	**(114.1)**	(136.8)	(120.5)
Closing fair value of plan assets	**106.1**	108.8	105.3
Closing net deficit	**(8.0)**	(28.0)	(15.2)

The key financial assumptions used to value the liabilities were as follows:

	As at 28 July 2018 %	As at 29 July 2017 %	As at 27 January 2018 %
	%	%	%
Discount rate	**2.8**	2.6	2.6
Inflation assumption	**3.4**	3.5	3.5

18. Movements in own shares held by employee benefit trusts

During the six months to 28 July 2018 the employee benefit trusts of the Group acquired 61,051 (six months to 29 July 2017: 185,691; year to 27 January 2018: 505,663) of the Company's shares. The total amount paid to acquire the shares has been deducted from shareholders' equity and is included within retained earnings. At 28 July 2018 the shares held by the Company's employee benefit trusts represented 804,843 (29 July 2017: 981,728; 27 January 2018: 819,031) shares at a purchased cost of £4.8m (29 July 2017: £5.6m; 27 January 2018: £4.9m).

75,239 (six months to 29 July 2017: 307,123; year to 27 January 2018: 789,792) shares were utilised in satisfying share options from the Company's employee share schemes during the same period.

The related weighted average share price at the time of exercise for the six months to 28 July 2018 was £6.91 (six months to 29 July 2017: £6.19; year to 27 January 2018: £6.49) per share.

19. Contingencies and commitments

	As at 28 July 2018 £m	As at 29 July 2017 £m	As at 27 January 2018 £m
Commitments for the acquisition of property, plant and equipment	**5.6**	3.8	3.6

20. Events occurring after the reporting period

Interim dividend

As disclosed in note 11, an interim dividend of 3.90p per share will be paid to shareholders on 26 October 2018.

21. Related party transactions

There have been no related party transactions in the first 26 weeks of the current financial year which have materially affected the financial position or performance of the Group.

22. Repurchase of own shares

In the prior year to 27 January 2018 the Group commenced a share repurchase programme of up to £30m, which is expected to complete within 24 months of initiation.

A total of 2,270,635 shares have been repurchased and cancelled to date (six months to 29 July 2017: 405,000; year to 27 January 2018: 1,326,500), at a cost of £14.4m (six months to 29 July 2017: £2.5m, year to 27 January 2018: £8.2m). The permanent capital has been replaced through the creation of a Capital Redemption Reserve, which is included in other reserves. The nominal value of the shares repurchased at 28 July 2018 is £94,610 (29 July 2017: 16,875; 27 January 2018: £55,271).

Statement of Directors' Responsibilities

The directors' confirm that these consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The directors of A.G. BARR p.l.c. are listed in the Annual Report and Accounts for the 52 weeks ended 27 January 2018.

For and on behalf of the Board of directors

Roger White
Chief Executive
25 September 2018

Stuart Lorimer
Finance Director
25 September 2018

Reconciliation of non-GAAP measures

Profit before tax and exceptional items	6 months to 28 July 2018 £m	6 months to 29 July 2017 £m
	£m	£m
Profit before tax	**18.2**	19.4
Exceptional items	**–**	(1.9)
Profit before tax and exceptional items	**18.2**	17.5

Operating profit before exceptional items	6 months to 28 July 2018 £m	6 months to 29 July 2017 £m
Operating profit	**18.4**	19.9
Exceptional items	**–**	(1.9)
Operating profit before exceptional items	**18.4**	18.0

Operating margin before exceptional items	6 months to 28 July 2018 £m	6 months to 29 July 2017 £m
Revenue	**136.9**	129.8
Operating margin before exceptional items	**18.4**	18.0
Operating margin before exceptional items	**13.4%**	13.9%

Free cash flow	6 months to 28 July 2018 £m	6 months to 29 July 2017 £m
Net increase/(decrease) in cash and cash equivalents	**1.7**	(1.8)
Expansionary capex	**0.2**	2.1
Dividends	**13.5**	12.6
Acquisition of subsidiary (net of cash acquired)	**–**	4.5
Purchase of Company shares by employee benefit trusts	**0.4**	1.1
Proceeds from disposal of Company shares by employee benefit trusts	**(0.1)**	(1.2)
Repurchase of own shares	**6.2**	2.5
New loans received	**(17.0)**	(5.0)
Loans repaid	**4.5**	5.0
Bank arrangement fees paid	**–**	0.2
Free cash flow	**9.4**	20.0

EBITDA	6 months to 28 July 2018 £m	6 months to 29 July 2017 £m
Operating profit before exceptional items	**18.4**	18.0
Depreciation and amortisation	**4.4**	4.1
EBITDA	**22.8**	22.1

Free cash flow conversion	6 months to 28 July 2018 £m	6 months to 29 July 2017 £m
Free cash flow	**9.4**	20.0
EBITDA	**22.8**	22.1
Free cash flow conversion	**41.1%**	90.5%

Non-GAAP measures are provided because they are tracked by management to assess the Group's operating performance and to inform financial, strategic and operating decisions.

Definition of non-GAAP measures used are provided below:

Capital expenditure is an non-GAAP measure and is defined as the cash purchases of property, plant and equipment and is disclosed in the Consolidated Condensed Cash Flow Statement.

EBITDA is an non-GAAP measure and is defined as operating profit before exceptional items, depreciation and amortisation.

EPS before exceptional items is a non-GAAP measure calculated by dividing profit attributable to equity holders before exceptional items by the weighted average number of shares in issue. It is disclosed in Note 10.

Expansionary capex is a non-GAAP measure and is defined as the purchase of property, plant and equipment that is not the normal replacement of property, plant and equipment that has come to the end of its useful life. Maintenance capex is a non-GAAP measure and is defined as the purchase of property, plant and equipment that is the normal replacement of property, plant and equipment that has come to the end of its useful life. Expansionary capex and maintenance capex add together to the value of purchase of property, plant and equipment that appears in the Consolidated Condensed Cash Flow Statement.

Free cash flow is a non-GAAP measure and is defined as the net cash flow as per the cash flow statement excluding the movements in borrowings, expansionary capex, the net cash flow on the purchase and sale of shares by employee benefit trusts, dividend payments and non-cash exceptional items.

Free cash flow conversion is a non-GAAP measure and calculated as free cash flow divided by EBITDA.

Operating margin before exceptional items is a non-GAAP measure calculated by dividing operating profit before exceptional items by revenue.

Profit attributable to equity holders after exceptional items is a non-GAAP measure calculated as profit attributable to equity holders less any exceptional items. This figure appears on the Consolidated Condensed Income Statement.

Profit before tax and exceptional items is a non-GAAP measure calculated as profit before tax less any exceptional items. This figure appears on the Consolidated Condensed Income Statement.

Revenue growth is a non-GAAP measure calculated as the difference in revenue between two reporting periods divided by the revenue of the earlier reporting period.

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 28 July 2018 which comprises the Consolidated Condensed Income Statement, the Consolidated Condensed Statement of Comprehensive Income, the Consolidated Condensed Statement of Changes in Equity, the Consolidated Condensed Statement of Financial Position, the Consolidated Condensed Cash Flow Statement and related notes 1 to 22. 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 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 Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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 formed.

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 Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

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 Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, 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.

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 28 July 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
25 September 2018

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