Carr's Group plc

**16 April 2018**

**CARR'S GROUP PLC ("Carr's" or the "Group")**

**Interim Results**
**For the six months ended 3 March 2018**

**"Significant improvement in performance"**

Carr's (CARR.L), the Agriculture and Engineering Group, announces its results for the six months ended 3 March 2018.

**Financial highlights**

| | H1 2018 | Adjusted[1] H1 2017 | +/- |
|---|---|---|---|
| Revenue (£m) | 200.1 | 176.8 | + 13.2% |
| Operating profit (£m) | 9.2 | 7.6 | + 21.0% |
| Profit before tax (£m) | 10.9 | 9.0 | + 22.0% |
| Adjusted[1] EPS (p) | 9.2 | 7.1 | + 29.6% |

| | H1 2018 | Statutory H1 2017 | +/- |
|---|---|---|---|
| Revenue (£m) | 200.1 | 176.8 | + 13.2% |
| Operating profit (£m) | 8.9 | 6.9 | + 28.4% |
| Profit before tax (£m) | 10.6 | 8.3 | + 28.2% |
| | | | |
| Basic EPS (p) | 9.0 | 6.4 | + 40.6% |
| Dividend per share (p) | 1.075 | 0.95 | + 13.2% |

Net debt of £16.1m (£14.1m net debt at 2 September 2017)

**Commercial highlights**

- Strong performance in UK Agriculture with steadily increasing farm incomes continuing to reinforce confidence in the outlook for the industry
- Feed volumes increased 6.3% driven by the successful integration of recent acquisitions and increased market demand
- Global feed block sales continued to perform well with sales volumes up 11.2%
- Recovery in the USA feed block market continued as expected
- Strong recovery achieved across our Engineering businesses
- New MD appointed for the Engineering division
- Integration of NuVision continues to progress as planned

[1] Adjusted results are after adding back amortisation of intangible assets and non-recurring items including acquisition costs

**Tim Davies, Chief Executive Officer, commented:**

"We are very pleased with the performance of the Group during the first half of the year, which slightly exceeded the Board's expectations for the period. This strong performance demonstrates the excellent recovery made in our Engineering division and builds upon the strategic progress made during the last year.

In UK Agriculture, we now have greater visibility on the impact Brexit may have in relation to direct payments to farmers in the near term, although uncertainty remains on the issue of trade agreements both within the EU and the rest of the world. The clarity relating to direct support, together with improving farm incomes, means we are starting to see renewed confidence in the outlook for the industry. Our Engineering business is recovering well and we have strengthened management to drive further growth.

Trading in the second half has started well and the Board now anticipates that trading for the full year will be slightly ahead of its previous expectations. We are confident that our breadth of product offering, investments in acquisitions and research, and our international footprint leaves us well positioned for further growth across both our divisions in the medium term."

**Enquiries:**


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| **Carr's Group plc** | Tel: +44 (0) 1228 554 600 |
| Tim Davies (Chief Executive) | |
| Neil Austin (Group Finance Director) | |
| | |
| **Powerscourt** | Tel: +44 (0) 20 7250 1446 |
| Nick Dibden / Lisa Kavanagh / Sam Austrums | |


**About Carr's Group plc:**

Carr's is an international leader in manufacturing value added products and solutions, with market leading brands and robust market positions in Agriculture and Engineering, supplying customers in over 50 countries around the world.

Its Agriculture division manufactures and supplies feed blocks for livestock, farm machinery and runs a UK network of rural stores, providing a one-stop shop for the farming community. Its Engineering division designs and manufactures bespoke equipment and provides technical engineering services into the nuclear, petrochemical, oil and gas, pharmaceutical, process and renewable energy industries, including robotic and remote handling equipment.

**Interim Management Report**

## INTRODUCTION

Carr's has delivered a strong set of results for the period, significantly ahead of the prior year and slightly ahead of the Board's expectations. This has been driven by good performances in both Agriculture and Engineering.

## BUSINESS REVIEW

During the 26 weeks ended 3 March 2018 the Group delivered a strong performance. Group revenues were £200.1m, up 13.2% from the prior year (H1 2017: £176.8m). Adjusted[2] profit before tax increased by 22.0% to £10.9m (H1 2017: £9.0m); statutory profit before tax after amortisation and non-recurring items was £10.6m (H1 2017: £8.3m). Amortisation and non-recurring items of £0.3m (H1 2017: £0.7m) relate to business combination expenses, amortisation of intangible assets and restructuring costs.

Adjusted[2] group operating profit of £9.2m (H1 2017: £7.6m) was 21.0% ahead of the prior year, and statutory operating profit was 28.4% ahead of the prior year at £8.9m (H1 2017: £6.9m).

The Group's share of profit after tax from associate and joint venture companies was up 25.3% on the prior year to £2.1m (H1 2017: £1.7m).

Basic earnings per share increased by 40.6% from 6.4p to 9.0p. On an adjusted[2] basis, earnings per share increased by 29.6% to 9.2p (H1 2017: 7.1p).

## AGRICULTURE

As communicated at the time of the January Trading Update, conditions in UK Agriculture have continued to improve with steadily increasing farm incomes continuing to reinforce confidence in the outlook for the industry. Additionally, in the USA, a sustained recovery in the cattle market has provided favourable market conditions. Against this backdrop, the Agriculture division has reported adjusted[2] operating profit before amortisation and non-recurring items of £7.8m (H1 2017: £7.3m), up 6.3% and slightly ahead of the Board's expectations for the half year. Statutory operating profit was £7.6m (H1 2017: £7.1m).

### UK

UK Agriculture has continued its strong start to the year, as farm incomes continue to steadily improve, reinforcing confidence in the outlook for the UK agriculture sector. Total feed volumes increased 6.3% during the period, which was largely driven by the successful integration of our recent acquisitions and increased market demand.

Feed block sales have continued to perform well in the UK, with sales volumes 9.3% ahead of the prior year. Despite a slow start to the year in our fuel distribution business, due to milder weather and wet ground conditions impacting agricultural operations, following the colder weather towards the end of the period the business is now trading ahead of last year with volumes up by 5.6%.

Our retail business has performed well in the period with sales 15.7% ahead of the prior year and like for like sales 3.5% ahead. The acquisition of Pearson Farm Supplies in October 2017 and its subsequent integration have been successful. As expected, the acquisition has enabled synergies to be achieved with our existing retail business and the new team has settled in well. Our retail footprint now stands at 43 stores.

Machinery sales remained strong during the period, with revenues 8.9% ahead of the prior year, reflecting the continued improvement in farm incomes and confidence in the outlook.

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[2] Adjusted results are after adding back amortisation of intangible assets and non-recurring items including acquisition costs

**International**

As expected, the recovery in the USA market, witnessed in the second half of last year, continued during the period as cattle prices for producers continued to improve, with feed block volumes 11.0% ahead of the prior year. Following a delayed start, our new low moisture feed block plant at Shelbyville, Tennessee is now in full production and volumes continue to grow. The plant offers the Group broad access across the Eastern and South Eastern states of the USA and has provided us with additional capacity as the market continues to improve.

We are seeing an improvement in our feed block sales in Europe through Crystalyx Products GmbH, our joint venture business based in Germany, as a result of improved farm incomes. Volumes were 21.6% ahead of the prior year.

Our subsidiary in New Zealand, which has established a direct sales operation distributing to farmers through key merchants, has seen a further increase in volumes during the period as we continue to strengthen our presence in this key market. In South America, our trials at research institutes in Brazil continue to make good progress.

**ENGINEERING**

It is pleasing to report that our Engineering division has made a strong recovery following the difficulties experienced in 2017 largely attributable to a major contract delay. Adjusted operating profit was up 382.5% at £1.4m (H1 2017: £0.3m); statutory operating profit was £1.3m (H1 2017: loss of £0.2m). The acquisition and subsequent integration of STABER has been successful and the integration of NuVision is proceeding to plan. Additionally, we have recruited a new Managing Director for our Engineering division to oversee and co-ordinate our operations in the UK, Germany and the USA and to drive further growth.

**UK Manufacturing**

Our UK Manufacturing business performed significantly ahead of the prior year. Work continues to progress on the significant contract announced last year, with the design phase nearing completion and the project moving towards the main manufacturing phase. The recovery of the oil price, together with strengthened management, more effective business development and increased efficiencies, has given rise to a significant uplift in volumes within our precision engineering business.

**Remote Handling**

The remote handling businesses have performed well in the first half of the year and in line with the Board's expectations. The substantial orders from China, which were won last year, have now been delivered and the order book remains strong. The extension of our facility in Markdorf, Germany is nearing completion which will provide additional capacity and further integrate STABER into Wälischmiller following the acquisition last year.

**USA Engineering**

The integration of NuVision, our engineering company focused on providing value in commercial nuclear power plants, government waste remediation facilities and waste clean-up, continues to progress well and the business performed slightly ahead of the Board's expectations during the period. The Group remains enthusiastic about the opportunity to market Wälischmiller remote handling equipment in the USA and the reorganisation of our management and leadership teams has proceeded to plan.

**BALANCE SHEET AND CASHFLOW**

Net cash generated from operating activities was strong in the first half at £5.5m (H1 2017: £5.2m). Net debt has risen to £16.1m from £14.1m at the 2017 financial year end. This is primarily related to seasonal working capital increases and the acquisition of Pearson Farm Supplies Ltd.

The Group's defined benefit pension scheme remains in surplus and this increased from £5.2m at 2 September 2017 to £6.0m at 3 March 2018.

**SHAREHOLDERS' EQUITY**

Shareholders' equity at 3 March 2018 was £96.1m (2 September 2017: £91.5m), with the increase primarily due to profit retained by the Group for the period.

**DIVIDEND**

A first interim dividend of 1.075 pence per ordinary share (2017: 0.95 pence per ordinary share) will be paid on 21 May 2018 to shareholders on the register on 27 April 2018. The ex-dividend date will be 26 April 2018.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Group has a process in place to identify and assess the impact of risks on its business, which is reviewed and updated quarterly. The principal risks and uncertainties for the remainder of the financial year are not expected to change materially from those included on pages 14 to 16 of the Annual Report and Accounts 2017.

The principal risks and uncertainties are as follows:

- IT and Cyber Security
- Brexit
- Acquisitions
- Managing Costs
- Reliance on Key Customers
- People
- Strategic Partners
- Customer Demand
- Treasury
- Business Continuity

**OUTLOOK**

We will continue to deliver on our stated strategic objectives of investing in our people and our asset base, while continuing to drive product innovation and deliver growth in both of our divisions.

In UK Agriculture, we now have greater visibility on what Brexit might mean in relation to farming support in the near term. However, we are cautious as uncertainty remains as to what future trade agreements will be implemented, both with the EU and the rest of the world. We are responding to this by ensuring we keep our existing product offering relevant to our customers whilst also developing organic growth opportunities. In the USA, the improved cattle price coupled with our greater geographic reach provides the Board with confidence in the medium term. We will continue to identify suitable acquisitions with a focus on broadening our international footprint.

Our Engineering division has been significantly enhanced by the recent acquisitions and the order books across our businesses remain strong. We are greatly encouraged by the opportunities apparent within the division, particularly in China and the USA, and have confidence in the division's prospects.

We are pleased with the contributions made by both divisions during the first half of the year. Trading in the second half has started well and the Board now anticipates that trading for the full year will be slightly ahead of its previous expectations. The investments we have made in acquisitions and research leaves Carr's well placed for further growth in the medium term.

# UNAUDITED CONSOLIDATED INCOME STATEMENT
## For the 26 weeks ended 3 March 2018

| | Notes | 26 weeks ended 3 March 2018 £'000 | 26 weeks ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| **Revenue** | 6 | **200,108** | 176,758 | 346,224 |
| Cost of sales | | **(171,285)** | (153,874) | (307,543) |
| **Gross profit** | | **28,823** | 22,884 | 38,681 |
| Net operating expenses | | **(19,954)** | (15,975) | (30,804) |
| Adjusted[3] operating profit | 6 | **9,190** | 7,592 | 9,278 |
| Amortisation and non-recurring items | 7 | **(321)** | (683) | (1,401) |
| **Operating profit** | 6 | **8,869** | 6,909 | 7,877 |
| Finance income | | **182** | 95 | 176 |
| Finance costs | | **(576)** | (430) | (864) |
| Share of post-tax profit in associates and joint ventures | | **2,140** | 1,708 | 2,813 |
| Adjusted[3] profit before taxation | 6 | **10,936** | 8,965 | 11,403 |
| Amortisation and non-recurring items | 7 | **(321)** | (683) | (1,401) |
| **Profit before taxation** | 6 | **10,615** | 8,282 | 10,002 |
| Taxation | | **(1,567)** | (1,708) | (1,707) |
| **Profit for the period** | | **9,048** | 6,574 | 8,295 |
| **Profit attributable to:** | | | | |
| Equity shareholders | | **8,190** | 5,802 | 7,005 |
| Non-controlling interests | | **858** | 772 | 1,290 |
| | | **9,048** | 6,574 | 8,295 |
| **Earnings per share (pence)** | | | | |
| Basic | 8 | **9.0** | 6.4 | 7.7 |
| Diluted | 8 | **8.8** | 6.3 | 7.6 |
| Adjusted | 8 | **9.2** | 7.1 | 8.9 |
| Diluted adjusted | 8 | **9.0** | 7.0 | 8.8 |

[3]Adjusted results are after adding back amortisation of intangible assets and non-recurring items including acquisition costs

# UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## For the 26 weeks ended 3 March 2018

| | Notes | 26 weeks ended 3 March 2018 £'000 | 26 weeks ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|---|
| **Profit for the period** | | **9,048** | 6,574 | 8,295 |
| **Other comprehensive (expense)/income** | | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | | |
| Foreign exchange translation (losses)/gains arising on translation of overseas subsidiaries | | **(1,936)** | 107 | 1,835 |
| Net investment hedges | | **53** | 1,669 | (70) |
| Taxation (charge)/credit on net investment hedges | | **(10)** | (327) | 14 |
| **Items that will not be reclassified subsequently to profit or loss:** | | | | |
| Actuarial gains on retirement benefit asset/obligation: | | | | |
| - Group | 13 | **698** | 5,418 | 4,951 |
| - Share of associate | | **-** | - | 1,070 |
| Taxation charge on actuarial movement on retirement benefit asset/obligation: | | | | |
| - Group | | **(119)** | (921) | (842) |
| - Share of associate | | **-** | - | (211) |
| **Other comprehensive (expense)/income for the period, net of tax** | | **(1,314)** | 5,946 | 6,747 |
| **Total comprehensive income for the period** | | **7,734** | 12,520 | 15,042 |
| **Total comprehensive income attributable to:** | | | | |
| Equity shareholders | | **6,876** | 11,748 | 13,752 |
| Non-controlling interests | | **858** | 772 | 1,290 |
| | | **7,734** | 12,520 | 15,042 |

# UNAUDITED CONSOLIDATED BALANCE SHEET
## As at 3 March 2018

| | Notes | As at 3 March 2018 £'000 | As at 4 March 2017 £'000 | As at 2 September 2017 £'000 |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Goodwill | 10 | **24,228** | 16,870 | 24,241 |
| Other intangible assets | 10 | **2,048** | 469 | 2,266 |
| Property, plant and equipment | 10 | **36,775** | 37,135 | 37,149 |
| Investment property | 10 | **173** | 179 | 176 |
| Investment in associates | | **12,209** | 9,570 | 11,443 |
| Interest in joint ventures | | **7,359** | 6,768 | 6,590 |
| Other investments | | **72** | 75 | 73 |
| Financial assets | | | | |
| - Non-current receivables | | **627** | 50 | 762 |
| Retirement benefit asset | 13 | **5,969** | 5,732 | 5,209 |
| | | **89,460** | 76,848 | 87,909 |
| **Current assets** | | | | |
| Inventories | | **43,701** | 38,142 | 37,023 |
| Trade and other receivables | | **69,967** | 66,326 | 59,723 |
| Current tax assets | | **116** | 345 | 485 |
| Financial assets | | | | |
| - Derivative financial instruments | | **-** | - | 13 |
| - Cash and cash equivalents | 11 | **33,835** | 21,176 | 23,887 |
| | | **147,619** | 125,989 | 121,131 |
| **Total assets** | | **237,079** | 202,837 | 209,040 |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| - Borrowings | 11 | **(27,269)** | (19,579) | (17,060) |
| - Derivative financial instruments | | **(127)** | (83) | (18) |
| Trade and other payables | | **(67,349)** | (56,633) | (56,008) |
| Current tax liabilities | | **(1,612)** | (1,789) | (632) |
| | | **(96,357)** | (78,084) | (73,718) |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| - Borrowings | 11 | **(22,661)** | (13,082) | (20,966) |
| Deferred tax liabilities | | **(3,006)** | (3,102) | (4,010) |
| Other non-current liabilities | | **(3,864)** | (4,414) | (4,423) |
| | | **(29,531)** | (20,598) | (29,399) |
| **Total liabilities** | | **(125,888)** | (98,682) | (103,117) |
| **Net assets** | | **111,191** | 104,155 | 105,923 |
| **Shareholders' equity** | | | | |
| Share capital | 14 | **2,285** | 2,285 | 2,285 |
| Share premium | 14 | **9,141** | 9,129 | 9,130 |
| Equity compensation reserve | | **900** | 159 | 386 |
| Foreign exchange reserve | | **2,781** | 4,344 | 4,674 |
| Other reserve | | **204** | 207 | 205 |
| Retained earnings | | **80,792** | 73,887 | 74,802 |
| **Total shareholders' equity** | | **96,103** | 90,011 | 91,482 |
| Non-controlling interests | | **15,088** | 14,144 | 14,441 |
| **Total equity** | | **111,191** | 104,155 | 105,923 |

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
# For the 26 weeks ended 3 March 2018

| | Share Capital £'000 | Share Premium £'000 | Treasury Share Reserve £'000 | Equity Compensation Reserve £'000 | Foreign Exchange Reserve £'000 | Other Reserve £'000 | Retained Earnings £'000 | Total Shareholders' Equity £'000 | Non-Controlling Interests £'000 | Total Equity £'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| At 3 September 2017 | **2,285** | **9,130** | **-** | **386** | **4,674** | **205** | **74,802** | **91,482** | **14,441** | **105,923** |
| Profit for the period | **-** | **-** | **-** | **-** | **-** | **-** | **8,190** | **8,190** | **858** | **9,048** |
| Other comprehensive (expense)/income | **-** | **-** | **-** | **-** | **(1,893)** | **-** | **579** | **(1,314)** | **-** | **(1,314)** |
| Total comprehensive (expense)/income | **-** | **-** | **-** | **-** | **(1,893)** | **-** | **8,769** | **6,876** | **858** | **7,734** |
| Dividends paid | **-** | **-** | **-** | **-** | **-** | **-** | **(2,788)** | **(2,788)** | **(245)** | **(3,033)** |
| Equity-settled share based payment transactions, net of tax | **-** | **-** | **-** | **514** | **-** | **-** | **8** | **522** | **34** | **556** |
| Allotment of shares | **-** | **11** | **-** | **-** | **-** | **-** | **-** | **11** | **-** | **11** |
| Transfer | **-** | **-** | **-** | **-** | **-** | **(1)** | **1** | **-** | **-** | **-** |
| **At 3 March 2018** | **2,285** | **9,141** | **-** | **900** | **2,781** | **204** | **80,792** | **96,103** | **15,088** | **111,191** |
| | | | | | | | | | | |
| At 4 September 2016 | 2,280 | 9,111 | (8) | 706 | 2,895 | 207 | 81,540 | 96,731 | 13,357 | 110,088 |
| Profit for the period | - | - | - | - | - | - | 5,802 | 5,802 | 772 | 6,574 |
| Other comprehensive income | - | - | - | - | 1,449 | - | 4,497 | 5,946 | - | 5,946 |
| Total comprehensive income | - | - | - | - | 1,449 | - | 10,299 | 11,748 | 772 | 12,520 |
| Dividends paid | - | - | - | - | - | - | (18,599) | (18,599) | - | (18,599) |
| Equity-settled share based payment transactions, net of tax | - | - | - | (547) | - | - | 659 | 112 | 15 | 127 |
| Allotment of shares | 5 | 18 | - | - | - | - | - | 23 | - | 23 |
| Purchase of own shares held in trust | - | - | (4) | - | - | - | - | (4) | - | (4) |
| Transfer | - | - | 12 | - | - | - | (12) | - | - | - |
| At 4 March 2017 | 2,285 | 9,129 | - | 159 | 4,344 | 207 | 73,887 | 90,011 | 14,144 | 104,155 |
| | | | | | | | | | | |
| At 4 September 2016 | 2,280 | 9,111 | (8) | 706 | 2,895 | 207 | 81,540 | 96,731 | 13,357 | 110,088 |
| Profit for the period | - | - | - | - | - | - | 7,005 | 7,005 | 1,290 | 8,295 |
| Other comprehensive income | - | - | - | - | 1,779 | - | 4,968 | 6,747 | - | 6,747 |
| Total comprehensive income | - | - | - | - | 1,779 | - | 11,973 | 13,752 | 1,290 | 15,042 |
| Dividends paid | - | - | - | - | - | - | (19,467) | (19,467) | (245) | (19,712) |
| Equity-settled share based payment transactions, net of tax | - | - | - | (320) | - | - | 766 | 446 | 39 | 485 |
| Allotment of shares | 5 | 19 | - | - | - | - | - | 24 | - | 24 |
| Purchase of own shares held in trust | - | - | (4) | - | - | - | - | (4) | - | (4) |
| Transfer | - | - | 12 | - | - | (2) | (10) | - | - | - |
| At 2 September 2017 | 2,285 | 9,130 | - | 386 | 4,674 | 205 | 74,802 | 91,482 | 14,441 | 105,923 |

# UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
## For the 26 weeks ended 3 March 2018

| | Notes | 26 weeks ended 3 March 2018 £'000 | 26 weeks ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash generated from continuing operations | 16 | **6,947** | 6,057 | 15,094 |
| Interest received | | **119** | 93 | 175 |
| Interest paid | | **(560)** | (480) | (896) |
| Tax paid | | **(978)** | (447) | (1,179) |
| **Net cash generated from operating activities** | | **5,528** | 5,223 | 13,194 |
| **Cash flows from investing activities** | | | | |
| Acquisition of subsidiaries (net of overdraft/cash acquired) | 15 | **(1,562)** | (4,698) | (12,640) |
| Contingent/deferred consideration paid | | **(561)** | - | (549) |
| Dividend received from associate and joint ventures | | **245** | 627 | 1,212 |
| Loan repaid by associates | | **164** | - | 22 |
| Other loans | | **59** | 74 | 80 |
| Purchase of intangible assets | | **(61)** | (67) | (371) |
| Proceeds from sale of property, plant and equipment | | **174** | 176 | 691 |
| Purchase of property, plant and equipment | | **(1,846)** | (1,347) | (2,854) |
| Purchase of own shares held in trust | | **-** | (4) | (4) |
| Redemption of preference shares in joint venture | | **-** | - | 150 |
| **Net cash used in investing activities** | | **(3,388)** | (5,239) | (14,263) |
| **Cash flows from financing activities** | | | | |
| Proceeds from issue of ordinary share capital | | **11** | 23 | 24 |
| Net proceeds from issue of new bank loans | | **2,943** | - | 6,000 |
| Finance lease principal repayments | | **(501)** | (394) | (846) |
| Repayment of borrowings | | **(1,951)** | (5,895) | (3,110) |
| Increase/(decrease) in other borrowings | | **10,159** | 743 | (2,804) |
| Dividends paid to shareholders | | **(2,788)** | (18,599) | (19,467) |
| Dividends paid to related party | | **(245)** | - | (245) |
| **Net cash generated from/(used in) financing activities** | | **7,628** | (24,122) | (20,448) |
| Effects of exchange rate changes | | **(528)** | (37) | 344 |
| **Net increase/(decrease) in cash and cash equivalents** | | **9,240** | (24,175) | (21,173) |
| Cash and cash equivalents at beginning of the period | | **18,614** | 39,787 | 39,787 |
| Cash and cash equivalents at end of the period | | **27,854** | 15,612 | 18,614 |
| | | | | |
| **Cash and cash equivalents consist of:** | | | | |
| Cash and cash equivalents per the balance sheet | | **33,835** | 21,176 | 23,887 |
| Bank overdrafts included in borrowings | | **(5,981)** | (5,564) | (5,273) |
| | | **27,854** | 15,612 | 18,614 |

**Statement of Directors' responsibilities**

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that 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 are listed in the Annual Report and Accounts 2017. A list of current Directors is maintained on the website: www.carrsgroup.com

On behalf of the Board

| | |
|---|---|
| Tim Davies | Neil Austin |
| Chief Executive | Group Finance Director |
| 16 April 2018 | 16 April 2018 |

**Unaudited notes to condensed interim financial information**

## 1. General information

The Group operates across two divisions of Agriculture and Engineering. The Company is a public limited company, which is listed on the London Stock Exchange and is incorporated and domiciled in the UK. The address of the registered office is Old Croft, Stanwix, Carlisle, Cumbria CA3 9BA.

These condensed interim financial statements were approved for issue on 16 April 2018.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the 52 weeks ended 2 September 2017 were approved by the Board of Directors on 22 November 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

## 2. Basis of preparation

These condensed interim financial statements for the 26 weeks ended 3 March 2018 have 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 condensed interim financial statements should be read in conjunction with the annual financial statements for the 52 weeks ended 2 September 2017, which have been prepared in accordance with IFRSs as adopted by the European Union.

The Directors have made suitable enquiries, and based on financial performance to date and available banking facilities they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements.

## 3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Taxes on income in the interim periods are accrued based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

## 4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the 52 weeks ended 2 September 2017, with the exception of changes in estimates that are required in determining the provision for income taxes.

## 5. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 2 September 2017. There have been no changes in risk management practices since the year end.

## 6. Operating segment information

The Group's chief operating decision-maker ("CODM") has been identified as the Executive Directors. Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The CODM considers the business from a product/services perspective. Operating segments have been identified as Agriculture and Engineering. Performance is assessed using operating profit. For internal purposes the CODM assesses operating profit before amortisation of intangible assets and non-recurring items consistent with the presentation in the financial statements. Sales between segments are carried out at arm's length.

The following tables present revenue, profit and asset information regarding the Group's operating segments for the 26 weeks ended 3 March 2018 and the comparative periods.

| | Agriculture £'000 | Engineering £'000 | Group £'000 |
|---|---|---|---|
| **26 weeks ended 3 March 2018** | | | |
| Total segment revenue | **178,268** | **21,867** | **200,135** |
| Inter segment revenue | **(6)** | **(21)** | **(27)** |
| Revenue from external customers | **178,262** | **21,846** | **200,108** |
| EBITDA[4] | **9,060** | **2,278** | **11,338** |
| Depreciation of property, plant and equipment | **(1,320)** | **(853)** | **(2,173)** |
| Depreciation of investment property | **(3)** | **-** | **(3)** |
| Profit on the disposal of property, plant and equipment | **20** | **8** | **28** |
| Adjusted[5] operating profit | **7,757** | **1,433** | **9,190** |
| Amortisation and non-recurring items (note 7) | **(198)** | **(123)** | **(321)** |
| Operating profit | **7,559** | **1,310** | **8,869** |
| Finance income | | | **182** |
| Finance costs | | | **(576)** |
| | | | **8,475** |
| Share of post-tax profit of associates | | | **1,042** |
| Share of post-tax profit of joint ventures | | | **1,098** |
| Adjusted[5] profit before taxation | | | **10,936** |
| Amortisation and non-recurring items (note 7) | | | **(321)** |
| Profit before taxation | | | **10,615** |
| Segment gross assets | **167,831** | **69,248** | **237,079** |

[4] Earnings before interest, tax, depreciation, amortisation and non-recurring items (and before profit/(loss) on the disposal of property, plant and equipment)

[5] Adjusted results are after adding back amortisation of intangible assets and non-recurring items including acquisition costs

## 6. Operating segment information (continued)

| | Agriculture £'000 | Engineering £'000 | Group £'000 |
|---|---|---|---|
| **26 weeks ended 4 March 2017** | | | |
| Total segment revenue | 160,517 | 16,301 | 176,818 |
| Inter segment revenue | (4) | (56) | (60) |
| Revenue from external customers | 160,513 | 16,245 | 176,758 |
| EBITDA[6] | 8,581 | 980 | 9,561 |
| Depreciation of property, plant and equipment | (1,317) | (660) | (1,977) |
| Depreciation of investment property | (3) | - | (3) |
| Profit/(loss) on the disposal of property, plant and equipment | 34 | (23) | 11 |
| Adjusted[7] operating profit | 7,295 | 297 | 7,592 |
| Amortisation and non-recurring items (note 7) | (157) | (526) | (683) |
| Operating profit | 7,138 | (229) | 6,909 |
| Finance income | | | 95 |
| Finance costs | | | (430) |
| | | | 6,574 |
| Share of post-tax profit of associates | | | 903 |
| Share of post-tax profit of joint ventures | | | 805 |
| Adjusted[7] profit before taxation | | | 8,965 |
| Amortisation and non-recurring items (note 7) | | | (683) |
| Profit before taxation | | | 8,282 |
| Segment gross assets | 147,908 | 54,929 | 202,837 |

| | Agriculture £'000 | Engineering £'000 | Group £'000 |
|---|---|---|---|
| **52 weeks ended 2 September 2017** | | | |
| Total segment revenue | 315,876 | 30,390 | 346,266 |
| Inter segment revenue | (9) | (33) | (42) |
| Revenue from external customers | 315,867 | 30,357 | 346,224 |
| EBITDA[6] | 11,302 | 2,084 | 13,386 |
| Depreciation of property, plant and equipment | (2,696) | (1,397) | (4,093) |
| Depreciation of investment property | (6) | - | (6) |
| Profit/(loss) on the disposal of property, plant and equipment | 12 | (21) | (9) |
| Adjusted[7] operating profit | 8,612 | 666 | 9,278 |
| Amortisation and non-recurring items (note 7) | (630) | (771) | (1,401) |
| Operating profit | 7,982 | (105) | 7,877 |
| Finance income | | | 176 |
| Finance costs | | | (864) |
| | | | 7,189 |
| Share of post-tax profit of associates | | | 1,609 |
| Share of post-tax profit of joint ventures | | | 1,204 |
| Adjusted[7] profit before taxation | | | 11,403 |
| Amortisation and non-recurring items (note 7) | | | (1,401) |
| Profit before taxation | | | 10,002 |
| Segment gross assets | 136,545 | 72,495 | 209,040 |

[6] Earnings before interest, tax, depreciation, amortisation and non-recurring items (and before profit/(loss) on the disposal of property, plant and equipment)

[7] Adjusted results are after adding back amortisation of intangible assets and non-recurring items including acquisition costs

## 7. Amortisation and non-recurring items

| | 26 weeks ended 3 March 2018 £'000 | 26 weeks ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|
| Amortisation of intangible assets | **204** | 49 | 124 |
| Goodwill impairment | **-** | - | 1,700 |
| Business combination expenses | **117** | 589 | 1,349 |
| Release of contingent consideration | **-** | - | (2,090) |
| Restructuring costs | - | 45 | 112 |
| Loss on property disposal | **-** | - | 206 |
| | **321** | 683 | 1,401 |

Business combination expenses relate to acquisition costs incurred in the period as well as contingent consideration in relation to prior year acquisitions of Phoenix Feeds Limited and the business and certain assets of Mortimer Feeds Limited which is explained further below.

Phoenix Feeds Limited was acquired on 1 June 2016. The consideration paid included £490,000 of contingent consideration linked to the continued employment of key personnel and therefore in accordance with IFRS 3 this was not recognised as consideration in the acquisition accounting in the 53 weeks ended 3 September 2016. It is instead being recognised in the income statement over a two year period with £92,000 (H1 2017: £134,000) recognised in the 26 weeks ended 3 March 2018. Given the nature of the payment it has been recognised as a non-recurring item.

Mortimer Feeds was acquired on 5 June 2017. The consideration paid included £30,000 of contingent consideration linked to the continued employment of key personnel and therefore in accordance with IFRS 3 this was not recognised as consideration in the acquisition accounting in the 52 weeks ended 2 September 2017. It is instead being recognised in the income statement over a one year period with £20,000 (H1 2017: £nil) recognised in the 26 weeks ended 3 March 2018. Given the nature of this payment it has been recognised as a non-recurring item.

The goodwill impairment and release of contingent consideration recognised in the year ended 2 September 2017 relate to the acquisition of Chirton Engineering Limited which was acquired in year ended 2014.

Restructuring costs in both comparative periods presented comprise redundancy costs.

The loss on property disposal recognised in the year ended 2 September 2017 was in respect of the disposal of a property that was no longer required following the relocation of one of the Group's Agricultural branches.

## 8. Earnings per share

Amortisation and non-recurring items that are charged or credited to profit do not relate to the underlying profitability of the Group. The Board believes adjusted profit before these items provides a useful measure of business performance. Therefore an adjusted earnings per share is presented as follows:

| | 26 weeks ended 3 March 2018 £'000 | 26 weeks ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|
| Earnings | **8,190** | 5,802 | 7,005 |
| Amortisation and non-recurring items: | | | |
| Amortisation of intangible assets | **204** | 49 | 124 |
| Goodwill impairment | **-** | - | 1,700 |
| Business combination expenses | **117** | 589 | 1,349 |
| Release of contingent consideration | **-** | - | (2,090) |
| Restructuring costs | **-** | 45 | 112 |
| Loss on property disposal | **-** | - | 206 |
| Taxation effect of the above | **(43)** | (23) | (88) |
| Non-controlling interest in the above | **(89)** | - | (175) |
| Earnings – adjusted | **8,379** | 6,462 | 8,143 |
| | **Number** | **Number** | **Number** |
| Weighted average number of ordinary shares in issue | **91,401,939** | 91,317,071 | 91,355,427 |
| Potentially dilutive share options | **2,062,033** | 636,760 | 769,893 |
| | **93,463,972** | 91,953,831 | 92,125,320 |
| **Earnings per share (pence)** | | | |
| Basic | **9.0p** | 6.4p | 7.7p |
| Diluted | **8.8p** | 6.3p | 7.6p |
| Adjusted | **9.2p** | 7.1p | 8.9p |
| Diluted adjusted | **9.0p** | 7.0p | 8.8p |

## 9. Dividends

An interim dividend of £868,258 that relates to the period to 2 September 2017 was paid on 5 October 2017, and a final dividend of £1,919,455 was paid on 12 January 2018.

In addition, an interim dividend of 1.075p per share (2017: 0.95p per share) has been approved by the Directors. It is payable to shareholders on the register on 27 April 2018. This interim dividend, amounting to £982,578 (2017: £868,258), has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the 52 weeks to 1 September 2018.

## 10. Intangible assets, property, plant and equipment and investment property

| | Goodwill £'000 | Other intangible assets £'000 | Property, plant and equipment £'000 | Investment property £'000 |
|---|---|---|---|---|
| **26 weeks ended 3 March 2018** | | | | |
| Opening net book amount at 3 September 2017 | **24,241** | **2,266** | **37,149** | **176** |
| Exchange differences | **(687)** | **(109)** | **(706)** | **-** |
| Subsidiary acquired | **674** | **34** | **167** | **-** |
| Additions | **-** | **61** | **2,383** | **-** |
| Disposals | **-** | **-** | **(45)** | **-** |
| Depreciation and amortisation | **-** | **(204)** | **(2,173)** | **(3)** |
| **Closing net book amount at 3 March 2018** | **24,228** | **2,048** | **36,775** | **173** |
| | | | | |
| **26 weeks ended 4 March 2017** | | | | |
| Opening net book amount at 4 September 2016 | 11,440 | 286 | 35,811 | 182 |
| Exchange differences | (144) | 5 | 752 | - |
| Subsidiary acquired | 5,574 | 160 | 341 | - |
| Additions | - | 67 | 2,373 | - |
| Disposals | - | - | (165) | - |
| Depreciation and amortisation | - | (49) | (1,977) | (3) |
| Closing net book amount as at 4 March 2017 | 16,870 | 469 | 37,135 | 179 |

Capital commitments contracted, but not provided for, by the Group at the period end amounts to £772,000 (2017: £687,000).

## 11. Borrowings and loans

| | As at 3 March 2018 £'000 | As at 4 March 2017 £'000 | As at 2 September 2017 £'000 |
|---|---|---|---|
| Current | **27,269** | 19,579 | 17,060 |
| Non-current | **22,661** | 13,082 | 20,966 |
| **Total borrowings and loans** | **49,930** | 32,661 | 38,026 |
| Cash and cash equivalents | **(33,835)** | (21,176) | (23,887) |
| **Net debt** | **16,095** | 11,485 | 14,139 |
| | | | |
| Undrawn facilities | **22,730** | 34,494 | 30,230 |

Movements in borrowings are analysed as follows:

| **26 weeks ended 3 March 2018** | **£'000** |
|---|---|
| Opening amount as at 3 September 2017 | **38,026** |
| Exchange differences | **(186)** |
| Subsidiary acquired | **554** |
| New bank loans/RCF drawdown and finance leases | **3,537** |
| Finance lease principal repayments | **(501)** |
| Repayments of borrowings | **(1,951)** |
| Increase in other borrowings | **10,159** |
| Release of deferred borrowing costs | **29** |
| Net increase to bank overdraft (excluding the effects of acquisitions) | **263** |
| **Closing amount as at 3 March 2018** | **49,930** |

## 11. Borrowings and loans (continued)

| **26 weeks ended 4 March 2017** | **£'000** |
|---|---|
| Opening amount as at 4 September 2016 | 40,267 |
| Exchange differences | (132) |
| Subsidiary acquired | 89 |
| New finance leases | 1,025 |
| Finance lease principal repayments | (394) |
| Repayments of borrowings | (5,895) |
| Increase in other borrowings | 743 |
| Release of deferred borrowing costs | 18 |
| Net decrease to bank overdraft | (3,060) |
| Closing amount as at 4 March 2017 | 32,661 |

## 12. Financial instruments

IFRS 13 requires financial instruments that are measured at fair value to be classified according to the valuation technique used:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3 – unobservable inputs

All derivative financial instruments are measured at fair value using Level 2 inputs. The Group's bankers provide the valuations for the derivative financial instruments at each reporting period end based on mark to market valuation techniques.

Contingent consideration is measured at fair value using Level 3 inputs such as entity projections of future profitability.

The Group holds shares in several private limited companies. These have been classified as unquoted investments for which fair value cannot be reliably measured and are held at cost less accumulated impairment. Had fair value been applied this financial asset would have been Level 3.

Transfers between levels are deemed to have occurred at the end of the reporting period. There were no transfers between levels in the above hierarchy in the period.

Financial instruments recognised at fair value are as follows:

| Book value and fair value | **As at 3 March 2018 £'000** | **As at 4 March 2017 £'000** | **As at 2 September 2017 £'000** |
|---|---|---|---|
| Derivative financial instruments (asset) | **-** | - | 13 |
| Derivative financial instruments (liability) | **(127)** | (83) | (18) |
| Non-current contingent consideration payable | **(3,629)** | (4,127) | (4,160) |

The movement on the fair value of non-current contingent consideration since 2 September 2017 is due to a payment of £0.3m with the residual movement of £0.3m due to changes in foreign currency exchange rates when translating foreign subsidiary balance sheets.

## 13. Retirement benefit asset

The amounts recognised within the Income Statement were as follows:

| | 26 weeks ended 3 March 2018 £'000 | 26 weeks Ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|
| Service cost – administrative cost | **-** | - | 59 |
| Net interest on the net defined benefit asset | **(62)** | (3) | (6) |
| | **(62)** | (3) | 53 |

Net interest on the defined benefit retirement asset is recognised within interest income.

The amounts recognised in the Balance Sheet were as follows:

| | As at 3 March 2018 £'000 | As at 4 March 2017 £'000 | As at 2 September 2017 £'000 |
|---|---|---|---|
| Present value of funded defined benefit obligations | **(66,486)** | (68,180) | (69,921) |
| Fair value of scheme assets | **72,455** | 73,912 | 75,130 |
| **Surplus in funded scheme** | **5,969** | 5,732 | 5,209 |

Actuarial gains of £698,000 (2017: £5,418,000) have been reported in the Statement of Comprehensive Income. The surplus has increased over the period since 2 September 2017 mainly as a result of the change in market conditions, with the fall in liabilities outweighing a corresponding fall in assets.

The Group's associate's defined benefit pension scheme is closed to future service accrual and the valuation for this scheme has not been updated for the half year as any actuarial movements are not considered to be material.

## 14. Share capital

| Allotted and fully paid ordinary shares of 2.5p each | Number of shares | Share capital £'000 | Share premium £'000 | Total £'000 |
|---|---|---|---|---|
| Opening balance as at 3 September 2017 | **91,395,541** | **2,285** | **9,130** | **11,415** |
| Proceeds from shares issued: | | | | |
| - share save scheme | **7,100** | **-** | **11** | **11** |
| **At 3 March 2018** | **91,402,641** | **2,285** | **9,141** | **11,426** |
| Opening balance at 4 September 2016 | 91,192,804 | 2,280 | 9,111 | 11,391 |
| Proceeds from shares issued: | | | | |
| - Treasury/LTIP | 178,027 | 4 | - | 4 |
| - share save scheme | 24,710 | 1 | 18 | 19 |
| At 4 March 2017 | 91,395,541 | 2,285 | 9,129 | 11,414 |

Employee share schemes: options exercised during the period to 3 March 2018 resulted in 7,100 shares being issued (2017: 24,710 shares), with exercise proceeds of £10,792 (2017: £19,177) under the share save scheme. The related weighted average price of the shares exercised was £1.52 (2017: £0.776) per share.

## 14. Share capital (continued)

In addition 178,027 shares were issued in the prior period and held initially as Treasury shares. These shares were subsequently used to satisfy the share awards under the LTIP scheme which were exercised in November 2016.

## 15. Acquisition

On 31 October 2017 Carrs Billington Agriculture (Sales) Limited acquired the entire issued share capital of Pearson Farm Supplies Limited for cash consideration of £1.2m including deferred consideration of £0.2m.

The primary reason for the acquisition was the expansion of the existing agriculture business.

Goodwill represented the excess of the consideration paid over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Pearson Farm Supplies Limited has generated revenue of £1,712,000 and profit before taxation of £91,000 since the date of acquisition.

Acquisition related costs amounted to £5,000 which have been recognised within non-recurring items in the consolidated income statement.

The assets and liabilities recognised in the acquisition accounting are set out below:

| | **Fair value £'000** |
|---|---|
| Intangible assets | **34** |
| Property, plant and equipment | **167** |
| Inventories | **958** |
| Receivables | **1,099** |
| Assets held for resale | **100** |
| Bank overdraft | **(445)** |
| Finance leases | **(109)** |
| Payables | **(1,196)** |
| Taxation | |
| Current tax | **(33)** |
| Deferred tax | **(37)** |
| Net assets acquired | **538** |
| Goodwill | **674** |
| | **1,212** |
| Satisfied by: | |
| Cash consideration | **1,212** |

Cash consideration includes £0.2m of deferred consideration of which £0.1m was paid prior to 3 March 2018.

Intangible assets represent the fair value of customer relationships.

Had the acquisition of Pearson Farm Supplies Limited occurred at the beginning of the accounting period the Group's revenue and profit before taxation for the period would not be materially different to the amounts actually recognised in the consolidated income statement.

## 16. Cash generated from continuing operations

| | 26 weeks ended 3 March 2018 £'000 | 26 weeks ended 4 March 2017 £'000 | 52 weeks ended 2 September 2017 £'000 |
|---|---|---|---|
| **Profit for the period from continuing operations** | **9,048** | 6,574 | 8,295 |
| Adjustments for: | | | |
| Tax | **1,567** | 1,708 | 1,707 |
| Tax credit in respect of R&D | **(90)** | (63) | (129) |
| Depreciation of property, plant and equipment | **2,173** | 1,977 | 4,093 |
| Depreciation of investment property | **3** | 3 | 6 |
| Goodwill impairment | **-** | - | 1,700 |
| Intangible asset amortisation | **204** | 49 | 124 |
| (Profit)/loss on disposal of property, plant and equipment | **(28)** | (11) | 215 |
| Release of contingent consideration | **-** | - | (2,090) |
| Business combination expenses | **117** | - | 1,299 |
| Net expense on share based payments | **556** | 127 | 485 |
| Other non-cash adjustments | **112** | 145 | (222) |
| Finance costs: | | | |
| Interest income | **(182)** | (95) | (176) |
| Interest expense and borrowing costs | **605** | 448 | 901 |
| Share of profit from associates and joint ventures | **(2,140)** | (1,708) | (2,813) |
| IAS19 income statement charge (excluding interest) | **-** | - | 59 |
| Changes in working capital (excluding the effects of acquisitions): | | | |
| Increase in inventories | **(6,127)** | (3,791) | (2,379) |
| Increase in receivables | **(9,623)** | (8,677) | (383) |
| Increase in payables | **10,752** | 9,371 | 4,402 |
| **Cash generated from continuing operations** | **6,947** | 6,057 | 15,094 |

## 17. Related party transactions

The Group's significant related parties are its associates and joint ventures, as disclosed in the Annual Report and Accounts 2017.

Transactions and balances with the associates and joint ventures were all undertaken on an arm's length basis in the normal course of business and are as follows:

| | Sales to £'000 | Purchases from £'000 | Rent receivable from £'000 | Net management charges from/(to) £'000 | Interest receivable from £'000 | Amounts owed from £'000 | Amounts owed to £'000 |
|---|---|---|---|---|---|---|---|
| **26 weeks to 3 March 2018** | | | | | | | |
| Associates | **427** | **(56,318)** | **10** | **4** | **37** | **850** | **(153)** |
| Joint ventures | **300** | **(757)** | **-** | **163** | **-** | **1,720** | **(82)** |
| **26 weeks to 4 March 2017** | | | | | | | |
| Associates | 485 | (51,644) | 10 | (18) | - | 164 | (21,804) |
| Joint ventures | 211 | (529) | - | 90 | - | 1,889 | (151) |