



**2016 update on half-yearly  
financial reporting**

June 2016

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# Regulatory requirements

This section summarises the regulatory requirements for half-yearly financial reports of UK listed companies, covering:

- changes in 2016;
- the timing and dissemination of half-yearly reports;
- the content of an interim management report;
- the inclusion of a responsibility statement in half-yearly financial reports;
- the content of a condensed set of financial statements;
- the provisions for single companies reporting under UK GAAP; and
- the application of these requirements to companies with securities listed or admitted to trading on the various exchanges operating in the United Kingdom.

The requirements stem from section 4.2 of the Disclosure and Transparency Rules (DTR) contained within the Financial Conduct Authority (FCA) handbook. The UK Listing Authority (UKLA) has periodically issued additional guidance to clarify the requirements of the DTR.

A half-yearly financial report should cover the first six months of the financial year. It should contain, as a minimum, a condensed set of financial statements, an interim management report (IMR) and a responsibility statement, each of which is discussed in further detail below.

## Changes to half-yearly reporting in 2016 and beyond

2016 sees relatively few changes to half-yearly reporting. Perhaps the most significant is that the European Securities and Markets Authority (ESMA) [Guidelines on Alternative Performance Measures](#) (APMs) take effect for certain items published on or after 3 July 2016. The scope of the guidelines captures APMs presented in regulated information communicated by issuers of securities on a regulated market (for example, the Main Market in the UK but not AIM) and preparers of prospectuses. APMs, commonly referred to as non-GAAP measures, are financial metrics that are not defined in the relevant financial reporting framework, for example EBIT, EBITDA, free cash flows, net debt and gearing. The definition of APMs in the Guidelines potentially captures numerous key performance indicators.

Although the Guidelines are not mandatory per se, the FRC has published [FAQs](#) stating that “the FRC’s Corporate Reporting Review team (CRR) will extend its reviews of reports and accounts to consider whether strategic reports are consistent with the Guidelines. Where there are material inconsistencies, CRR will bring this to the attention of the company”. They go on to state that such inconsistencies will be taken into account in assessing whether strategic reports are fair, balanced and comprehensive and, as a consequence, whether enforcement action is required.

The FAQs also explain that the Guidelines do apply to interim management reports – the narrative portion in half-yearly financial reports, but not to financial statements. Half-yearly financial reports are within the scope of the FRC’s monitoring activities and under the DTR the interim management report is required to provide a “fair” review. Preparers should therefore have regard to the guidelines, which are included in our disclosure checklist at the end of this publication.

Of particular note in the guidelines is the recommendation that APMs not be given more prominence, emphasis and authority than the most directly reconcilable line items in the financial statements. Although this is already the position taken by many regulators, it is an area where recent Deloitte surveys of annual reports have suggested that a number of companies may be open to challenge. The guidelines go further though and introduce more rigour to the existing regime, requiring, inter alia, reconciliations to amounts in the financial statements, comparatives, definitions and reasons for their inclusion. Further information on the ESMA guidelines can be found in Deloitte’s practical guide to alternative performance measures, available at UK Accounting Plus.

The publication of the ESMA guidelines reflects a more general increase in the level of regulatory interest in the use of such metrics. The International Organisation of Securities Commissions (IOSCO) has also issued finalised guidance on non-GAAP financial measures. The IASB will also be considering their use as part of their Disclosure Initiative.

Regarding tax, the Finance (No. 2) Act 2015, which was fully enacted in 2015, cut the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and 18% from 1 April 2020. The Finance (No. 2) Bill 2016 proposed changing the main rate of UK corporation tax further, to 17% from 1 April 2020. Only those rates that have been substantively enacted at the interim reporting date should be reflected in current and deferred tax calculations under IFRS and FRS 102, although disclosure of a non-adjusting post balance sheet event would still be required where substantive enactment occurs prior to approval of the half-yearly report if the effect is material.

At the time of writing, the Finance (No. 2) Bill 2016 had not been substantively enacted. Substantive enactment is deemed to have occurred when the Bill completes its passage through the House of Commons (not the House of Lords). The latest progress can be checked at the following website: <http://services.parliament.uk/bills/2016-17.html>

The Finance Bill (No. 2) 2016 proposed various other changes to tax legislation in the UK, including updating transfer pricing rules for accounting periods commencing on or after 1 April 2016, reflecting changes to OECD guidance. The Bill also restricts the proportion of a bank's annual taxable profit that can be offset by pre-April 2015 carried forward losses from 50% to 25% from 1 April 2016, which could affect the recognition or measurement of deferred tax assets. Restrictions for non-banking companies are currently the subject of a government consultation, which will feed into the drafting of the Finance Bill 2017.

The DTR rules around publication of the half-yearly financial report have relaxed the deadline from two to three months, although they now require ten years of reports to be included on companies' websites rather than just five.

There are only two amendments to IAS 34 taking effect in 2016 – the first concerns an amendment made to IAS 1 and the provision of significant accounting policies in full IFRS financial statements, rather than just a summary. However, this amendment is not relevant to most UK companies, which typically choose to prepare condensed financial statements at the half-year rather than full IFRS financial statements. The second amendment permits disclosures required by IAS 34.16A (set out in our disclosure checklist) to be provided in documents accompanying the interim financial statements (such as the interim management report required by the DTR), so long as the financial statements include a cross-reference to such information.

Amendments to IAS 34.15B and IAS 34.16A will also become effective once entities adopt IFRS 15, which has a mandatory effective date of periods commencing on or after 1 January 2018, albeit EU endorsement was outstanding at the time of writing.

The impact of the United Kingdom's referendum decision to leave the European Union may have consequences for half-yearly financial reports. For example, information on the principal risks that a company is exposed to may need to be updated for 30 June in light of 'Brexit'. Historically many companies have been able to just provide a cross-reference to their last annual report, a summary of their risks and a statement that they have not changed. Where Brexit has given rise to new risk exposures further detail will need to be provided (see below for the requirements in relation to risk disclosures at the half-year stage).

For the foreseeable future, UK listed companies preparing consolidated accounts will still need to report under EU-endorsed IFRSs. Further information on the financial reporting consequences of Brexit can be found in the section that follows this one on the regulatory requirements.

<b>New Standard or Amendment</b>	<b>IASB mandatory effective date (periods commencing on or after)</b>	<b>EU endorsed mandatory effective date (period commencing on or after)</b>
Annual Improvements to IFRSs: 2010-12 Cycle	1 July 2014*	1 February 2015
Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions	1 July 2014	1 February 2015
Amendments to IAS 1 – Disclosure Initiative	1 January 2016	1 January 2016
Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	1 January 2016
Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants	1 January 2016	1 January 2016
Amendments to IAS 27 – Equity Method in Separate Financial Statements	1 January 2016	1 January 2016
Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	1 January 2016
Annual Improvements to IFRSs: 2012-2014 Cycle	1 January 2016	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception	1 January 2016	TBC
IFRS 14 – Regulatory Deferral Accounts	1 January 2016	Waiting for final Standard
Amendments to IAS 7 – Disclosure Initiative	1 January 2017	TBC
Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	TBC
IFRS 9 – Financial Instruments	1 January 2018	TBC
IFRS 15 – Revenue from Contracts with Customers	1 January 2018	TBC
Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January 2018	TBC
IFRS 16 – Leases	1 January 2019	TBC
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely	TBC

\* The amendments to IFRS 2 apply to share-based payments with a grant date on or after 1 July 2014. The amendments to IFRS 3 apply to business combinations with an acquisition date on or after 1 July 2014.

### Timing of half-yearly reporting and dissemination of information

The half-yearly financial report must be published as soon as possible within three calendar months of the end of the six-month period and disseminated in unedited full text (including the auditor's review report where applicable) via a regulated information service (RIS). The UKLA has clarified this requirement, noting that inclusion of required information on a company's website but not in a RIS announcement is not considered to fulfil the requirements of the DTR.

Further clarification was offered in March 2009, with the UKLA making clear that a link to a PDF is not considered an acceptable method of disseminating regulated information. The announcement relating to the publication of the half-yearly report must also include an indication of which website the document is available on.

### Interim management report

The IMR is the narrative report which includes, as a minimum:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- information on related party transactions.

**Principal risks and uncertainties in half-yearly financial reports**

The UKLA has given further guidance on the extent of disclosure of principal risks and uncertainties expected to be included in half-yearly financial reports.

In particular, where those risks are deemed to be consistent with those disclosed in the previous annual report, it is acceptable for a company to:

- state that the principal risks and uncertainties have not changed;
- provide a summary of those principal risks and uncertainties; and
- include a cross-reference to where a detailed explanation of the principal risks and uncertainties can be found in the annual report.

Where risks and uncertainties have changed since the annual report, a full description of the new principal risks and uncertainties should be given. Under the 2014 UK Corporate Governance Code, effective for periods beginning on or after 1 October 2014, Boards should be monitoring companies' risk management systems on an ongoing basis, which could increase the likelihood of new risks being identified at the half-year stage.

**Companies not preparing consolidated accounts**

In respect of related parties, companies subject to DTR 4.2 that are not preparing consolidated accounts could be reporting under an accounting framework other than IFRSs. To address the possibility of such a framework lacking guidance on the nature of related party disclosures, DTR 4.2.8R(2) requires companies not preparing consolidated accounts to also disclose the following as a minimum:

- any transactions entered into with related parties by the company;
- the amount of such transactions;
- the nature of the related party relationship; and
- other information about the transactions necessary for an understanding of the financial position of the issuer;

if those related party transactions are material and if they have not been carried out under normal market conditions, i.e. at arm's length. The information disclosed may be aggregated according to the nature of the transactions, unless separate disclosure is necessary for an understanding of the financial position of the company.

The following information on related party transactions should be disclosed in the IMR:

- related party transactions that have taken place in the first six months of the financial year which had a material effect on the financial position or performance of the company/group; and
- any changes in the related party transactions described in the latest annual report which could have a material effect on the financial position or performance of the company/group in the first six months of the financial year.

There is, perhaps, a lack of clarity around the latter requirement. There may be few instances of a change in a previously reported related party transaction which would not in itself be a new transaction (and therefore already be disclosed under the first point above). An example of such a situation may be sales made to a related party in the previous financial year where the absence of these in the current period has had a material impact on the group's financial performance. Given this apparent ambiguity, it may be advisable for companies either to give comparative information from the last annual report for any material related party transactions or to state explicitly that no such changes have occurred.

**Going concern in half-yearly financial statements**

In September 2014 the FRC published *Guidance on Risk Management, Internal Control and Related Financial and Business Reporting*.

Under provision C.1.3 of the 2014 UK Corporate Governance Code directors should state in half-yearly financial statements whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the half-yearly financial statements. The requirement for a longer term viability statement is only required by the 2014 Code in the annual report, not at the half-yearly stage.

**Guidance on the going concern basis of accounting and material uncertainties**

Appendix A of the FRC's *Guidance on Risk Management, Internal Control and Related Financial and Business Reporting*, provides guidance on determining whether to adopt the going concern basis of accounting, whether there are material uncertainties and associated reporting.

Paragraph 10 of Appendix A explicitly addresses half-yearly financial statements, stating that the same considerations should apply as for the annual financial statements in relation to disclosures about the going concern basis of accounting and material uncertainties. It goes on to state that directors should therefore build on their understanding of these matters since the completion of the last annual report, update their conclusions on the basis of accounting and the existence of material uncertainties and revise their disclosures as necessary.

## Responsibility statement

All companies must provide a responsibility statement in their half-yearly financial report. Such a statement must be made by the persons responsible within the company (usually the board of directors). The responsibility statement should include the name and function of any person making a statement. One or more people are expected physically to sign the responsibility statement, usually on behalf of the board of directors. Each company decides who is considered responsible for the report.

Each person making a responsibility statement must confirm that to the best of his or her knowledge:

- the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company or the undertakings included in the consolidation as a whole;
- the interim management report includes a fair review of the information required (i.e. an indication of important events and their impact and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the interim management report includes a fair review of the information required on related party transactions.

### “True and fair” in half-yearly financial reports

The requirement to confirm that the condensed set of financial statements gives a true and fair view will be satisfied if the responsibility statement includes a confirmation that the condensed financial statements have been prepared in accordance with:

- IAS 34;
- for UK companies not using IFRSs, FRS 104 ‘Interim Financial Reporting’; or
- for all other companies not using IFRSs, a national accounting standard relating to interim reporting.

In all such cases, the person making the statement must have reasonable grounds to be satisfied that the condensed set of financial statements, prepared in accordance with such a standard, is not misleading.

## Condensed set of financial statements

UK companies preparing consolidated or single company financial statements under IFRSs should prepare their half-yearly condensed set of financial statements in accordance with IAS 34 ‘Interim Financial Reporting’. An illustrative half-yearly financial report in accordance with IAS 34 and the DTR is included in this publication as is a disclosure checklist containing all the requirements.

Condensed half-yearly financial statements should normally be based on accounting policies and presentation that are consistent with those in the latest published annual financial statements.

Where the accounting policies or presentation are to be changed in the subsequent annual financial statements, the new accounting policies or presentation should be followed in the half-yearly condensed financial statements. Such changes, and the reason for these, must be disclosed in the condensed half-yearly financial statements.

If the condensed set of financial statements has been audited or reviewed in line with Auditing Practices Board (APB) guidance, the audit report or review report must, under the DTR, be included in the half-yearly financial report in full. If no audit or review has been performed, the condensed set of financial statements must include a statement to this effect.

## Half-yearly financial reports under UK GAAP

UK single companies which report under FRS 102 should follow FRS 104 ‘Interim Financial Reporting’. FRS 104 was based on the requirements of IAS 34, although Appendix III of FRS 104 lists the significant differences between the two standards. The DTR requirements for non-IAS 34 condensed financial statements’ are set out below.

### Minimum content of non-IAS 34 condensed financial statements

The condensed set of financial statements should include at least a condensed balance sheet, a condensed profit and loss account and explanatory notes on these condensed financial statements.

The condensed balance sheet and the condensed profit and loss account should:

- be prepared using the same principles for recognition and measurement as in the annual financial statements;
- show each of the headings and subtotals included in the company’s most recent annual financial statements. Additional line items should be included if their omission would result in giving a misleading view.

The half-yearly financial information contained in the condensed financial statements must include comparatives as follows:

- the comparative balance sheet as at the immediate preceding financial year end; and
- the comparative profit and loss account for the comparable period in the preceding financial year.

Although not explicitly required by the DTR, the condensed financial statements should include a single condensed statement of comprehensive income or a separate condensed income statement and a separate condensed statement of comprehensive income, a condensed statement of changes in equity and a condensed statement of cash flows with their respective comparatives to comply with FRS 104.

The explanatory notes in the condensed financial statements should contain sufficient information to enable a user to compare the condensed half-yearly financial statements with the annual financial statements. Also, sufficient information and explanations should be included to aid the understanding of any material changes in amounts and any developments in the half-year. FRS 104 prescribes certain disclosures that should be included in the notes as set out in section 6 of our disclosure checklist.

### Summary of application

The DTR 4.2 requirements outlined above apply in full to companies with shares listed on a regulated market. Other companies may also be required to follow these requirements. A summary of the application of DTR 4.2 and the AIM Rules for Companies is provided in the table opposite.

### Application of DTR 4.2 'Half-yearly financial reports'

Type of company	Does DTR Apply	Other comments
Ordinary shares listed on main market	✓	Required for companies with either a premium or a standard listing.
Preference shares listed on main market	✓	
Shares admitted to trading on Alternative Investment Market (AIM)	✗	The AIM Rules for Companies require a half-yearly financial report to be published within three months. It must include at least a balance sheet, an income statement, a cash flow statement and comparatives for the corresponding period in the preceding financial year. Accounting policies should be consistent with those which will be applied in the annual report. Application of IAS 34 is not mandatory.
Retail debt listed on main market (see below)	✓	Requirements around related parties in the IMR do not apply.
Retail debt listed on Professional Securities Market (PSM)	✗	
Wholesale debt listed on main market (see below) Exempt per DTR 4.4.2	Exempt per DTR 4.4.2	
Wholesale debt listed on PSM	✗	
Listed convertible securities	Exempt per DTR 4.4.5	
Listed depositary receipts	Exempt per DTR 4.4.7	
ISDX Main Board	✓	
ISDX Growth Market	✗	The ISDX Growth Market Rules require interim results for the first half of each financial year to be published within three months. Those results must contain a statement by the board, a balance sheet and profit and loss account (each with comparative information for the previous corresponding period and a summary of any change in accounting policy likely to affect the validity of the comparison) and a statement of whether or not the information has been reviewed by the issuer's auditor.
NYSE Euronext London	✓	

**Retail and wholesale debt listed on the main market**

From 1 July 2012 the threshold for categorising debt as wholesale was increased from denominations of €50,000 to €100,000 (or an equivalent amount). From this date, issuers of debt listed on the main market with a denomination per unit of less than €100,000 (i.e. retail debt) have been required to apply DTR 4.2, whereas those with denominations of at least €100,000 (i.e. wholesale debt) continue to be exempted by DTR 4.4.2.

A transitional provision provides that for issuers with debt with a denomination of €50,000 or more, but less than €100,000, issued before 31 December 2010, there is an exemption from DTR 4.2 indefinitely until further debt is issued with a denomination of less than €100,000.



# Financial reporting implications of the UK referendum on EU membership

## Introduction

On 23 June 2016, a referendum in the United Kingdom returned a result in favour of leaving the European Union (commonly referred to as 'Brexit') by a margin of 52% to 48%. This was immediately followed by the resignation of David Cameron as Prime Minister, with a successor due to be chosen later in the year.

Whilst the longer term political and economic effects of these events are as yet unclear (Article 50 of the Lisbon Treaty, which results in withdrawal within two years, has not yet been activated and there have to date been no negotiations on Britain's future relationship with EU member states), the announcement of the referendum result immediately triggered a significant amount of market turbulence, including:

- Significant volatility in UK equity markets, particularly in the banking sector.
- Sterling falling by 10% against the U.S. dollar and 8% against the Euro.
- Downgrade of the UK's credit rating by major ratings agencies.

The effects of the referendum have also been felt further afield, with significant volatility in, for example, other European, North American and Asian stock markets.

Many entities will be preparing either interim or annual financial reports for the period to 30 June 2016. The on-going financial reporting implications of the political situation in the UK will need to be considered when those reports are prepared.

The purpose of this publication is to remind preparers of the main issues that they will need to think about as entities prepare their IFRS financial statements as at 30 June 2016.

## Financial reporting consequences at a glance

Firstly, it is important to note that there are no areas of accounting that are directly dependent on Britain's membership of the European Union *and that, for the foreseeable future, the requirements on UK companies for use of IFRSs as endorsed in the European Union (including the need for endorsement of new standards before they can be applied) will not change.* There are, however, a number of areas in financial reporting that could be affected by either the volatility in the financial markets or longer term uncertainty that has resulted from the result of the referendum.

## Disclosures on risk and uncertainty

It is important that an entity's financial reports includes information to help investors assess how economic circumstances affect the entity. For annual reports this will include the discussions of critical accounting judgements and areas of estimation uncertainty required by IAS 1 *Presentation of Financial Statements*, which could have changed as a result of recent events.

In addition, IFRS 7 *Financial Instruments: Disclosures* requires disclosure of information about credit risk, liquidity risk, market risk and concentrations of risk relating to financial instruments and IFRS 13 *Fair Value Measurement* requires disclosure of inputs to fair value measurements. These standards include requirements to provide a sensitivity analysis for market risks and changes in unobservable inputs to a valuation respectively.

In light of the recent level of market volatility, it may be necessary to revisit the level of volatility that is considered reasonably possible for these purposes.

These disclosures should be specific to the entity, rather than boiler-plate statements about the current political situation, and proportionate to the exposure of an entity to the British economy.

For interim financial statements presented in a condensed format, the disclosures are likely to be less extensive because the notes should focus on highlighting changes that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. But they should still be sufficient to provide users with an understanding of the effect of recent developments on the entity. Again, these need to be specific to the entity.

In addition to the requirements of IFRSs, it will be necessary to consider the requirements of Companies Act 2006 and, for listed entities, the Disclosure and Transparency Rules to describe the principal risks and uncertainties facing the entity. In preparing an annual report, it will be necessary to consider whether a new principal risk or uncertainty (or a change to an existing risk or uncertainty) has arisen following the referendum result.

In preparing interim reports, entities often state that their principal risks and uncertainties have not changed since the publication of their last annual report, together with a summary of those risks and uncertainties and a cross-reference to a more detailed explanation in the annual report. Entities applying this approach will need to consider whether recent events have resulted in a new principal risk or change to an existing risk that should be explained in their interim report.

### Foreign exchange

For entities with a functional currency other than sterling, the exchange rate as at 30 June 2016 must be used for the retranslation of sterling denominated monetary items. This rate must also be used for translation of the assets and liabilities of foreign operations with a sterling functional currency into a different presentation currency.

Both in recording foreign currency transactions in an entity's functional currency and retranslating the income and expenses of a foreign operation, IAS 21 *The Effects of Changes in Foreign Exchange Rates* permits the use of an average rate as an approximation to the spot rate at the date of a transaction. Given the recent volatility in the exchange rates between sterling and other currencies, it may be necessary to consider whether the methodology for determining any such average needs to be adjusted to reflect the effect on any significant transactions occurring late in June.

### Fair value measurement

The measurement of assets and liabilities at fair value should reflect that value as at 30 June, including the effect of market volatility at that date as volatility in the prices in an active market is not sufficient reason to move away from them on the basis that they are not 'orderly' transactions. Inputs to a valuation model (for example, a discounted cash flow calculation) may, however, need to be reassessed in the light of current uncertainties.

### Pensions

Considerations of fair value will also apply to the measurement of plan assets of a defined benefit scheme under IAS 19 *Employee Benefits* whilst measurement of a defined benefit obligation will also be sensitive to the yield on high quality corporate bonds, which form the basis for determining a discount rate for that liability.

Entities preparing interim financial statements at 30 June will need to consider whether a significant market fluctuation necessitating remeasurement at that date (in accordance with the requirements of IAS 34) has occurred.

### Impairment

Entities will need to consider whether the current conditions give rise to any indicators of impairment that necessitate the performance of a full impairment review. Notably, IAS 36 *Impairment of Assets* (which covers a range of assets including goodwill, intangible assets and property, plant and equipment) refers to significant changes in the economic or legal environment in which the entity operates as one such indicator. IAS 34 also requires a review for indications of significant impairment since the end of the last financial year to determine whether a detailed impairment review is required – this might include a review of goodwill for impairment other than at the point in time when an entity performs its usual annual review.

An impairment review of goodwill, intangibles or property, plant and equipment under IAS 36 will be based on expected future cash flows and profitability at 30 June. Similarly, the recoverability of deferred tax assets is assessed based on taxable profits.

Any such assessment performed as at 30 June must reflect the facts and circumstances that existed at that date and not be influenced by subsequent events. And, as for the risk issues discussed above, proper disclosures of the judgements made in performing an impairment review and the sensitivities to changes in assumptions will be important.

Impairment of inventory, on the other hand, is based on the current estimated selling price that can be achieved.

Impairment of financial assets is governed by the specific requirements of IAS 39 *Financial Instruments: Recognition and Measurement*. Notably:

- impairment of debt assets (including, for example, trade receivables) is considered using an incurred loss model based on the recoverability of contractual cash flows; and
- impairment of equity investments classified as available-for-sale under IAS 39 is required when a "significant or prolonged" decline in the asset's value below cost occurs. The significant falls in stock markets in late June may result in the value of equity investments being significantly below its cost as at 30 June and, therefore, impaired.

Entities that have adopted IFRS 9 *Financial Instruments* (2014) would have somewhat different considerations related to impairment of their financial assets, for example, whether financial instruments carried at amortised cost have experienced a significant increase in credit risk.

### Events after the reporting period

As the situation remains fluid, further political developments or market movements may occur between 30 June and the date of approval of annual or interim financial statements. Whilst these are likely to be considered non-adjusting events, consideration of whether the effect of such events need to be disclosed may be necessary.

### Other matters

The above highlights some of the main issues likely to be relevant to 30 June 2016 reports, but depending on an entity's individual facts and circumstances there could be others. A more detailed discussion of the financial reporting effects of volatile market conditions is available in the previous publication *Turbulent Times*.

# Survey of half-yearly financial reports

## Introduction

This section of our guide to half-yearly financial reporting looks at the findings from a short survey of half-yearly financial reports published in 2015 by 56 FTSE 350 companies (being 56 of the 57 FTSE 350 companies selected for our 2015 survey of annual reports *The reporting landscape* – owing to a de-listing the sample could not be identical). What follows is a series of questions for a preparer to ask themselves and data enabling comparison with those FTSE 350 companies surveyed.

The main objective of this survey is to consider how half-yearly financial reporting is continuing to evolve under the DTR and provide some guidance for 2016 reporting.

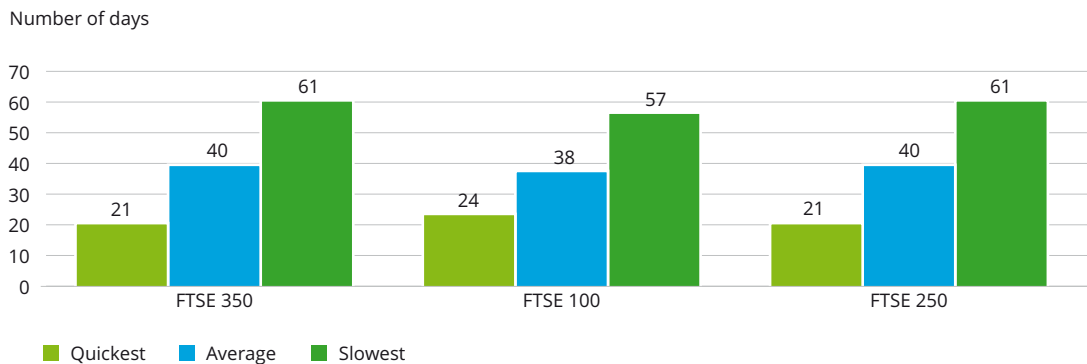


## How quickly are you reporting?

All companies successfully reported within the previous deadline of two months. As set out in the regulatory overview of this publication, the deadline for publication has now been relaxed to three months.

Figure 1 below shows the average time to report and the range by market capitalisation. Reporting timetables continue to accelerate, with the average length of time taken by companies to issue their half-yearly financial reports dropping from 41 days to 40 days. The quickest reporter did so only 21 days after their half year and was in the FTSE 250. On average though FTSE 100 companies were 2 days quicker than those in the FTSE 250.

**Figure 1. Speed of announcement**



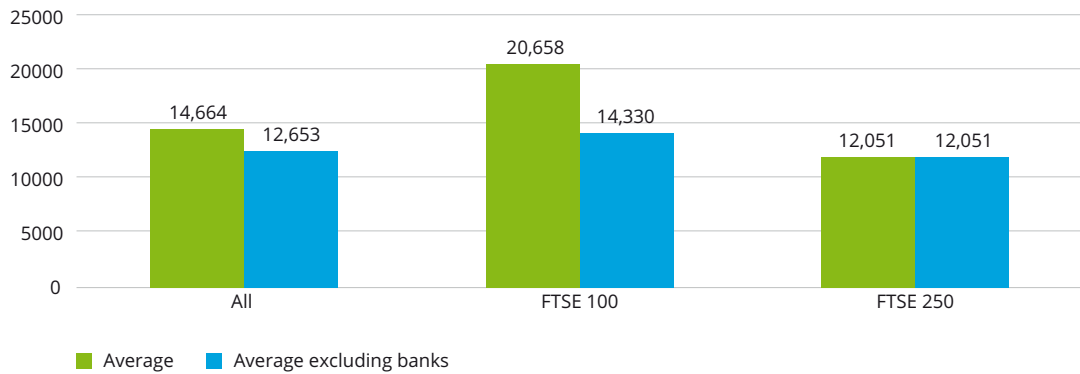
## How long is your half-yearly financial report?

Companies in the FTSE 100 perhaps unsurprisingly tended to have longer reports than the FTSE 250. Due to the wide variety of formatting adopted in companies' interim announcements announced via a RNS, our survey considered the word count of the announcements rather than the number of pages. As per figure 2 below, excluding banks, the average word count for FTSE 100 companies was around 19% more than FTSE 250 companies, being 14,330 words compared to around 12,051.

Overall, the average word count for the companies surveyed dropped from 15,290 to 14,664 words. This reduction was largely attributable to the banks in our sample producing shorter reports, with the average excluding those companies rising by about 5%, from 12,022 words to 12,653. No single factor was identified as a predominant cause of this increase in length.

The banks in our survey generally had quite lengthy reports, sometimes including considerable information on their business models and risk exposures. The longest report in our survey was from a bank and was over 76,000 words in length, although this reflected a significant decrease compared to the previous year when it was over 150,000. This reduction was primarily achieved through a reduction in the narrative reporting provided, particularly on risk.

**Figure 2. Average word count**

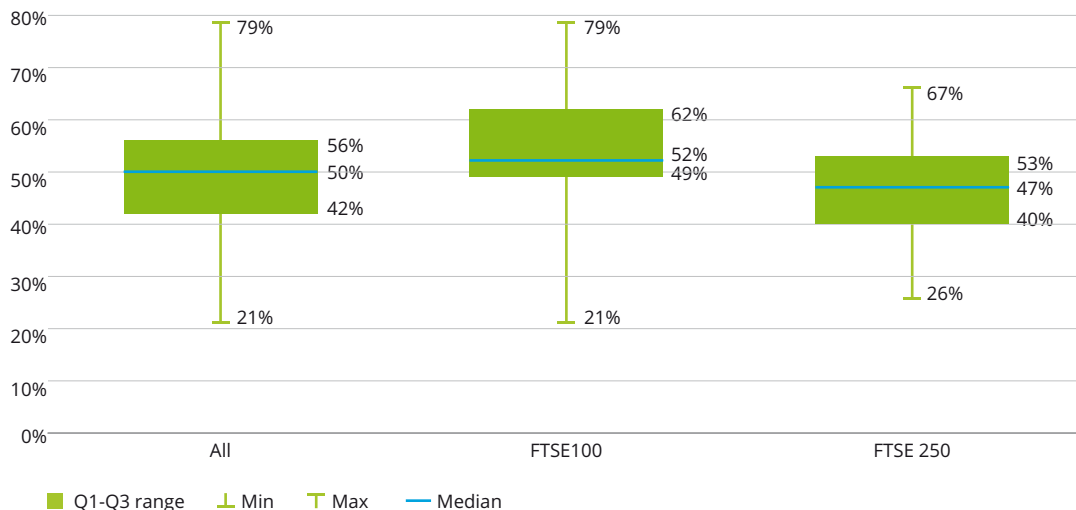


**What proportion of your report is narrative?**

The proportion of the half-yearly reports surveyed consisting of narrative reporting, as opposed to the financial statements and any auditor review report thereon, was on average up from 47% to 50%, although notably less than that in annual reports (62% for the FTSE 350 in Deloitte’s 2015 annual survey). Despite reduced requirements for both halves of the report, this shift is probably to be expected given the complete absence of a directors’ remuneration report and audit committee reporting at the half-yearly stage.

Figure 3 shows the range of splits between narrative and financial reporting by market capitalisation. Interestingly, the company with the largest proportion of narrative (79%) and the company with the smallest proportion of narrative (21%) were both banks, demonstrating that different companies have different types of updates and information they believe need communicating or re-iterating at the half-year stage.

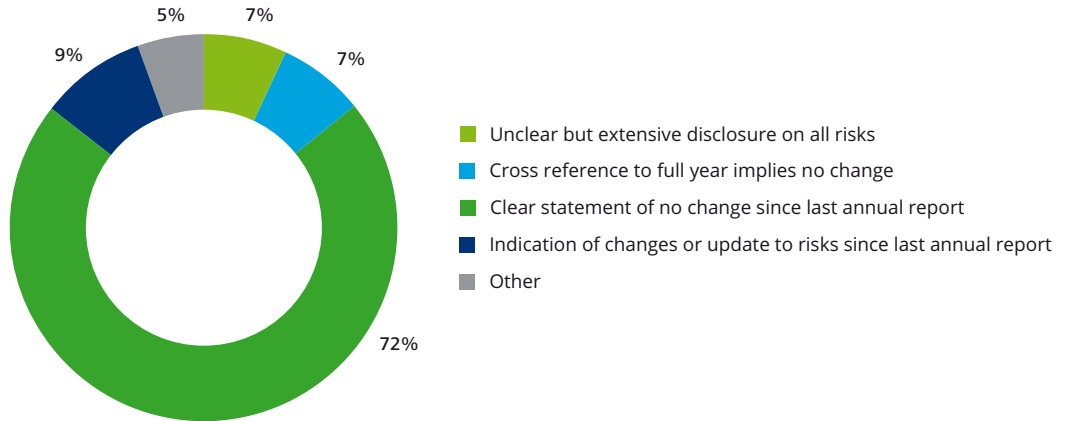
**Figure 3. Proportion of report that is narrative**



**Are you providing adequate information on principal risks and uncertainties?**

As set out in the regulatory overview, in meeting the requirement to disclose principal risks and uncertainties it is acceptable for a company to provide a cross-reference to their last annual report and a summary of the risks, provided those risks haven’t changed. New risks should however be described in full. As shown by figure 4 below, only 9% of the companies surveyed gave a clear indication that their principal risks and uncertainties had changed since the last annual report – this figure might be expected to increase in 2016 in light of the Brexit situation.

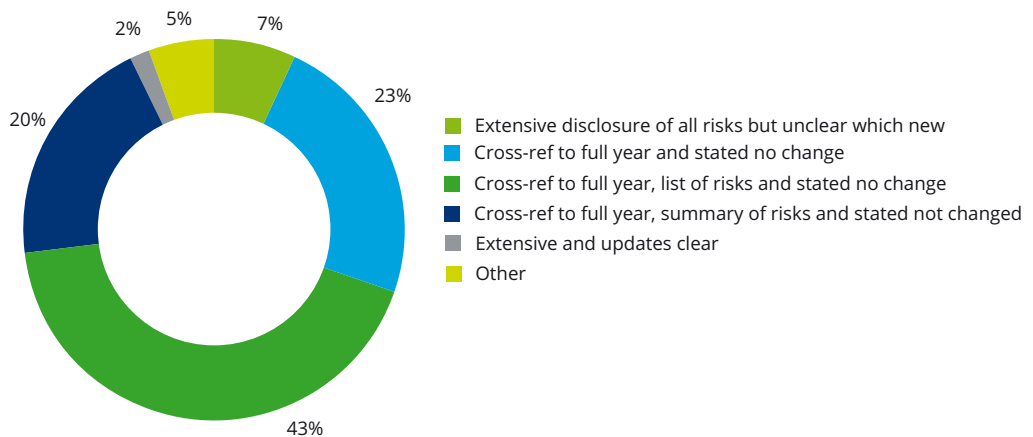
**Figure 4. Risk update**



As per figure 5 below:

- 23% (as compared to 26% in last year’s survey) of companies included a cross-reference to the previous annual report and a statement that there had been no change but provided no summary or list of those unchanged risks;
- 43% (as compared to 37% in last year’s survey) provided a cross-reference to the previous annual report, a statement that there had been no change and a list of the risks; and
- 20% (as compared to 22% in last year’s survey) provided a summary of their risks in addition to a statement of no change and a cross-reference to their last annual report.

**Figure 5. Information on unchanged risks**



Whilst a “summary” is required to be provided in relation to unchanged risks, what exactly constitutes a “summary” appears open to interpretation, with many companies seemingly believing that there is no difference between a summary and a list. Such an interpretation could be open to challenge, perhaps more so in an age where there is a real regulatory focus on risk reporting.



### Would KPIs be a useful addition to your report?

If KPIs really are the key metrics for assessing a business' performance then a user might reasonably expect to see them reported at the half-year despite there being no legal requirement to do so. However, as in the previous year, only three companies made any explicit reference to key performance indicators at the half-year stage. Admittedly, all the other companies still presented financial highlights, some of which may well have been their KPIs. Nevertheless, companies could consider whether this might be a useful addition to their half-yearly reports.



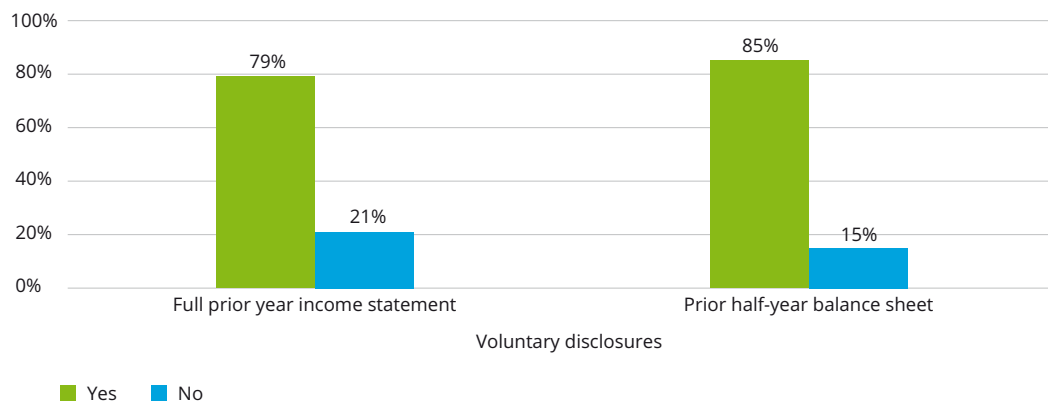
### How many comparatives do you present?

IAS 34 only requires the following in terms of comparatives:

- For the statement of financial position, the comparative should be as at the end of the immediately preceding financial year; and
- For the statement of profit or loss and other comprehensive income, the comparative should be for the comparable period of the preceding financial year.

However, as per figure 6 below, 77% (as compared to 72% in last year's half year survey) voluntarily provided a comparative statement of profit or loss and other comprehensive income for the whole of the preceding financial year. 82% (as compared to 80% in last year's half year survey) voluntarily provided a comparative half-year balance sheet.

**Figure 6. Voluntary disclosures in the primary statements**



### Do your auditors perform an interim review?

Although there is no requirement for a company to engage their auditors to undertake a review of their interim financial statements the DTR does require that where a half-yearly financial report has not been audited or reviewed by the company's auditors, a statement must be made to that effect.

98% (93% of the companies surveyed in last years' survey) of the companies surveyed had clearly engaged their auditors to perform an interim review and presented their review report in the results announcement.



### Are you producing a 'glossy' report?

It appears that the majority of companies still do not believe there is sufficient demand to merit investing the time, effort and funds necessary to voluntarily produce a 'glossy' half-yearly report. Although companies are required to present their half-yearly reports on their websites, only 20% as compared to 17% last year's interim survey produced a 'glossy' half-yearly report, going beyond what was disseminated via a RNS and including material such as cover pages, photos, graphs and the like. Many companies did however provide copies of investor presentations and webcasts discussing their half-yearly results on their websites.

# Illustrative half-yearly financial report

This illustrative half-yearly financial report for the six months to 30 June 2016 has been developed to provide an example of the typical disclosures which will be required of a UK listed company with subsidiaries and associates reporting in accordance with IAS 34 and the Financial Conduct Authority's (FCA's) Disclosure Rules and Transparency Rules. The illustrative half-yearly financial report does not contain a complete set of financial statements and presumes the group has elected to present a condensed set of financial statements, which is the typical UK practice, based on standards in issue as at 31 May 2016.

The illustrative half-yearly financial report contains an example of an interim management report in compliance with the Disclosure Rules and Transparency Rules. The illustrative interim management report was developed to provide examples of typical disclosures.

This illustrative half-yearly financial report shows only one possible presentation and does not illustrate notes required only in a full set of financial statements.

There may be changes to standards which become effective in 2016 which differ from those expected at the time of preparation of this illustrative report. In addition, the interpretation of IFRSs will continue to evolve over time.

The wording used in this half-yearly financial report is purely illustrative and, in practice, will need to be modified to reflect the circumstances of a group and its business. Similarly, the structure of the illustrative half-yearly financial report will not necessarily be appropriate for all companies. In places, the illustrative half-yearly financial report provides examples of possible disclosure dealing with various scenarios. It may therefore contain internal inconsistencies.



# Group plc

## Half-yearly financial report 2016

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## Group plc Responsibility statement

DTR 4.2.10 (3)+ (4) We confirm that to the best of our knowledge:

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

DTR 4.2.11 By order of the Board<sup>1</sup>,

	[Signature]	[Signature]
DTR 4.2.10(2)	Chief Executive Officer	Chief Executive Officer
DTR 4.2.10(2)	[Name of signatory]	[Name of signatory]
	[Date]	[Date]

<sup>1</sup> Based on FCA roundtable discussions, only one person has physically to sign the responsibility statement in accordance with the DTR, on behalf of those responsible, i.e. the Board of Directors. However, it is for each entity to decide who and how many of those responsible should sign the responsibility statement. In the above illustrative responsibility statement, both the signatures of the CEO and the CFO are given

# Group plc

## Interim management report

### To the members of Group plc

#### Cautionary statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This interim management report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Group plc and its subsidiary undertakings when viewed as a whole.

### Operations

Group plc manufactures innovative, high quality products for the [], [] and [] industries. These products are used by our customers in a variety of systems which perform functions such as [] and []. Our product portfolio includes lines such as the product [] range and the product [] range and our key brands include [], [] and []. We are a global player in our market and we are in the top five players in [no.] of the [no.] industries in which we operate.

Whilst not immune to the challenging economic conditions in evidence across the markets in which we operate, our sales performance has been resilient due to the breadth of our operations and strong end user markets, particularly in our [Segment A] operations.

In [Segment A], the largest part of our business in both revenue and profit terms, trading conditions have begun to improve, with sales increasing by \_% in the first six months. Trading in [Segment D] remained difficult, with sales \_% below the level achieved in the first six months of 2015.

Sales in [Segment B] (year on year increase of \_%) and [Segment C] (year on year decrease of \_%) remained relatively stable.

### Long-term strategy and business objectives

In our most recent annual report, we reported the Group's objective to grow our market share in the key [] and [] industries and create real shareholder value, and outlined the key elements to our strategy for achieving our objectives.

In the first six months of the current financial year, we have made significant progress on the [three] key elements of our strategy. We have gained market share in [no.] of our [no.] markets. We have invested £\_million (six months ended 30 June 2015: £\_million) in our core products and have launched a number of new products during the period, including product [] and product []. Further new products are nearing completion and are due to be launched over the next 12 months. We also acquired [name of company] in [China] to grow our market strength and have restructured this part of the business following the acquisition to consolidate our positions in this market. As part of this restructuring, we have disposed of [name of company].

Against a backdrop of continuing economic uncertainty, we would consider this to be a creditable performance and would particularly like to thank our employees for their continued hard work and commitment to achieving our objectives.

## Group plc

### Interim management report (continued)

#### Key performance indicators

As set out in our most recent annual report, we monitor our performance implementing our strategy with reference to clear targets set for ten key performance indicators (KPIs). These KPIs are applied on a Group wide basis. Performance in the six months ended 30 June 2016 and the targets are set out in the table below, together with the prior year performance data. Further information on alternative performance measures can be found on page [X].

Six months ended 30 June	2016	2015	Target
Financial KPIs			
Return on capital employed	x%	x%	x%
Profit before tax	£	£	£
Gross margin	x%	x%	x%
Percentage of revenue from new products	x%	x%	x%
Basic earnings per share	xp	Xp	xp
Diluted earnings per share	xp	Xp	xp
Investment in core products	£	£	£
Non-financial KPIs			
Market share	x%	x%	x%
Emissions intensity ratio	x%	x%	x%
Lost time injury frequency rate (injuries per 1m hours worked)	x	X	x

The results in the table show that we met our targets for three of our ten KPIs. The directors believe that, having achieved a market share of \_% in 2016, the Group is still well placed to achieve its medium term target of \_% market share by the end of 2017.

Given the challenging economic environment in which the Group is currently operating, the directors consider the performance against revenue, gross margin and market share targets to be robust.

Whilst other performance measures may be discussed in this IMR, it is the above ten measures that the directors utilise and apply as the Group's KPIs.

## Group plc

### Interim management report (continued)

DTR 4.2.7 (1)

#### Results for the six months ended 30 June 2016

A summary of the key financial results is set out in the table below.

Key financials	Revenue		Gross margin		Profit before tax	
	2016 £'000	2015 £'000	2016 %	2015 %	2016 £'000	2015 £'000
By business (excluding discontinued operations)						
[Segment A]						
[Segment B]						
[Segment C]						
[Segment D]						
[Other]						
Group total						

#### Revenue

Total group revenue was up  $\_%$  on the six months ended 30 June 2015 at  $\_$  million with growth experienced in the [Segment A] ( $\_%$ ) and [Segment B] ( $\_%$ ) businesses partially offset by declines of  $\_%$  in the [Segment C] business and  $\_%$  in [Segment D]. Excluding the net impact of foreign currency effects ( $\_$  million), acquisitions ( $\_$  million) and disposals ( $\_$  million), revenue on a like-for-like basis was up by  $\_%$  at  $\_$  million.

Given the current economic conditions, revenue performance was robust. The Group sees market share as a key performance indicator as it allows us to assess how the Group is performing in relation to its competitors. During the current period, we achieved a market share of  $\_%$  which was up from  $\_%$  at the previous year end.

During the period, we have launched a number of new products, including product [] and product []. These new products contributed revenue of  $\_$  million, representing  $\_%$  during the period.

In our last annual report, we anticipated the replacement of product [] with its updated version during the first quarter of the current financial year. However, as reported to you in our Interim Management Statement, published on [date], the replacement of product [] globally was delayed when the regulator [] imposed further testing requirements on the new version. This impacted our [] business with sales of this line down  $\_%$  from the same period in 2015 to  $\_$  million. The launch of the replacement product is now expected to occur in the fourth quarter of the current financial year.

## Group plc

### Interim management report (continued)

#### **Gross margin and profit**

The modest sales growth during the six month period was offset by continuing price pressures so that overall, the gross margin declined to \_% (2015: \_%) with gross profit of £\_million.

Group profit before tax for the six months ended 30 June 2016 was £\_million, \_% below the comparative period in the previous financial year (£\_million).

Applying a constant currency basis, activity [] and activity [] experienced decreases in profit of \_% and \_% respectively.

The decline in activity [] was partially offset by the acquisition of [name of company] towards the end of the previous financial year, which had an immediate effect on our market share.

#### **Dividend and dividend policy**

In line with the Group's dividend policy, the Board has approved an interim dividend of \_pence (2015: \_pence) on [date after 30 June 2016], which will be paid on [date] to those shareholders on the register at [date].

#### **Financial position**

Net assets increased by \_% to £\_million (31 December 2015: £\_million). The main movements in the balance sheet items were property, plant and equipment (relating mainly to the investment in our manufacturing facilities of £\_million), intangible fixed assets (goodwill and new intangible assets totalling £\_million arising from the acquisition of [name of company] during the first six months) and the change in net debt.

The Group has net debt of £\_million (31 December 2015: £\_million). During the half year, additional loans of £\_million were drawn down.

The Group continues to have at its disposal sufficient undrawn, committed borrowing facilities at competitive rates for the medium term and therefore still deems this to be an effective means of raising finance. As a result, the acquisition of [name of company] has been partly funded by debt financing.

#### **Cash flow**

Net cash inflow from operating activities for the six months ended 30 June 2016 was £\_million, £\_million below the comparative period in 2015. Lower trading profit for the Group was partially offset by lower cash outflows in support of our ongoing restructuring programme.

#### **Retirement benefits**

The retirement benefit liability relating to the Group's UK Pension Scheme at 30 June 2016 was £\_million, a decrease of £ million from 31 December 2015. This decrease reflects an increase in the market value of the scheme's assets caused by the general increase in equity prices experienced in the period.

We have undertaken a review of our retirement benefit arrangements and are in discussions with the scheme's trustees to find the most cost efficient means of protecting our employees' accrued and future benefits.

#### **Events after the balance sheet date**

On [date] the premises of [name of subsidiary] were seriously damaged by fire. Insurance claims have been made but the cost of refurbishment is currently expected to exceed these by £\_million.

#### DTR 4.2.8 (1a+b) **Related party transactions**

Related party transactions are disclosed in note 25 to the condensed set of financial statements.

There have been no material changes in the related party transactions described in the last annual report.

## Group plc

### Interim management report (continued)

#### Alternative performance measures

This interim management report contains multiple alternative performance measures. The table below sets out the definitions of such measures, reconciliations to amounts presented in the financial statements and the reason for their inclusion in this report. The metrics presented are consistent with those presented in our previous annual report and there have been no changes to the bases of calculation.

*[Insert appropriate information in below table for any alternative performance measures provided. Examples of metrics this would apply to include return on capital employed, like-for-like revenue, operating profit, constant currency profit and net debt.]*

Metric	Definition	Reconciliation to financial statements		Purpose
		2016	2015	

DTR 4.2.7 (2)  
UKLA Technical  
note: DTR

#### Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2015. A detailed explanation of the risks summarised below, and how the Group seeks to mitigate the risks, can be found on pages [] to [] of the annual report which is available at [website address].

#### Competitor risk

The Group operates in a highly competitive market with significant product innovations. We are subject to the threat of our competitors launching new products in our markets and to price pressures on existing products.

#### Commercial relationships

The Group benefits from close commercial relationships with a number of key customers and suppliers. Damage to or loss of any of these relationships could have a direct and detrimental effect on the Group's results.

#### Manufacturing

The Group's manufacturing facilities could be disrupted for reasons beyond the Group's control such as fire, work force actions or other issues.

#### Environmental risk

The Group is under regulatory and reputational pressure to cut our contribution to climate change. Any breach of government regulations with regards to CO2 emissions may incur financial penalties and damage the Group's reputation.

#### Foreign exchange

The Group has significant operations outside the UK and as such is exposed to movements in exchange rates.

#### Economy

The current economic environment may lead to a fall in demand for the Group's products and service and an increase in the prices of raw materials used in the manufacturing process.

#### Liquidity risk

The principal terms of the Group's committed debt facilities and the directors' view on the sufficiency of those facilities are described in note 12 and note 2 respectively to the condensed financial statements.

#### Going concern

As stated in note 2 to the condensed financial statements, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

2014 FRC  
guidance  
Appendix A  
para 10  
UK Corporate  
Governance  
Code C.1.3

## Group plc

### Interim management report (continued)

#### Future outlook

While the external commercial environment is expected to remain difficult in the rest of 2016, we have good momentum across [Segment A], [Segment B] and [Segment C] and we believe that we have now taken the necessary actions, and put in place processes, to implement the required restructuring of our activities in [Segment D].

We expect continued price pressure from our competitors in the more developed markets. This will push gross margins downwards, a trend that is likely to continue. We anticipate that, despite our efficient manufacturing process, our margins in [Segment A] in the remaining six months of the financial year will decline. We expect steady sales levels for the remainder of the financial year.

[Address of registered office]

By order of the Board,

[Signature]<sup>2</sup>

Chief Executive Officer

[Signature]

Chief Financial Officer

DTR 4.2.2 (2)

[Name of signatory]

[Date]<sup>3</sup>

[Name of signatory]

[Date]

<sup>2</sup> Physical signature is included as an illustration of the document formally approved by the directors, but is not required to be reproduced in the disseminated text

<sup>3</sup> The interim financial report must be made public as soon as possible, but no later than two months after the end of the six-month period

## Group plc

### Independent review report to Group plc

DTR 4.2.9

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 30 June 2016 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated balance sheet, the condensed consolidated cash flow statement and related notes 1 to 25. 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 Auditing Practices Board. 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 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 Auditing Practices Board 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 Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

[Signature]

**Deloitte LLP**

Chartered Accountants and Statutory Auditor

[Date] [City, United Kingdom]

## Group plc

### Condensed consolidated income statement Six months ended 30 June 2016

IAS 34.8		Six months ended 30 June    Year ended 31 December			
		2016	2015	2015 <sup>4</sup>	
		£'000	£'000	£'000	
IAS 34.10	<b>Continuing operations</b>	Note	(Unaudited)	(Unaudited)	(Audited)
IAS 1.82	Revenue	3			
	Cost of sales				
	<b>Gross profit</b>				
	Other operating income				
	Distribution costs				
	Administrative expenses				
	Other operating expenses				
IAS 1.82	Share of results of associates				
IAS 1.98	Restructuring costs	6			
	<b>Operating profit</b>				
	Investment revenue				
	Other gains and losses				
IAS 1.82	Finance costs				
	<b>Profit before tax</b>				
IAS 1.82	Tax	7			
	<b>Profit for the period from continuing operations</b>				
	<b>Discontinued operations</b>				
IAS 1.82	Loss for the period from discontinued operations	8			
IAS 1.82	Profit for the period				
IAS 1.83	Attributable to:				
	Owners of the company				
	Non-controlling interest				
IAS 33.66	<b>Earnings per share</b>				
	From continuing operations				
	Basic	10			
	Diluted	10			
	From continuing and discontinued operations				
IAS 34.11A	Basic	10			
	Diluted	10			

<sup>4</sup> Although not required by IAS 34, the comparative figures for the preceding year end and the related notes have been included on a voluntary basis

## Group plc

### Condensed consolidated statement of comprehensive income Six months ended 30 June 2016

IAS 34.8, IAS 34.10  
IAS 1.83-4, IAS 1.91

	Six months ended 30 June		Six months ended 30 June		Year ended 31 December <sup>5</sup>	
	2016	2016	2015	2015	2015	2015
	£'000		£'000		£'000	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Profit for the period						
<b>Items that will not be reclassified subsequently to profit or loss:</b>						
Gains/(losses) on property revaluation						
Remeasurement of net defined benefit liability						
Income tax relating to items not reclassified						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available-for-sale financial assets:						
Gains/(losses) arising during the period						
Less: reclassification adjustments for						
Gains/(losses) on a hedge of a net investment taken to equity						
Cash flow hedges:						
Gains/(losses) arising during the period						
Less: reclassification adjustments for gains/(losses) included in profit						
Exchange differences on translation of foreign operations						
Income tax relating to items that may be reclassified						
<b>Other comprehensive income for the period</b>						
<b>Total comprehensive income for the period</b>						
Attributable to:						
Owners of the company						
Non-controlling interest						

<sup>5</sup> Although not required by IAS 34, the comparative figures for the preceding year end and the related notes have been included on a voluntary basis

## Group plc

### Condensed consolidated statement of changes in equity Six months ended 30 June 2016

IAS 34.8  
IAS 1.106-110

	Equity attributable to owners of the company							Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Own shares £'000	Equity reserve £'000	Hedging reserve £'000	Retrans-lation reserve £'000				
<b>Balance at 1 January 2016</b>											
Profit for the period*											
Other comprehensive income for the period*											
<b>Total comprehensive income for the period*</b>											
Issue of share capital											
Dividends											
Own shares acquired in the period											
Credit to equity for equity-settled share based payments											
Deferred tax on share-based payment transactions											
<b>Balance at 30 June 2016 (Unaudited)</b>											

\* Improvements to IFRSs issued in May 2010 added paragraph 106A to IAS 1 (revised 2007), which clarified that for each component of equity an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item. There is however no requirement in IAS 34 for a condensed set of financial statements to include notes to the statement of changes in equity, thus in effect suggesting that an analysis of other comprehensive income by item need not be included for each separate component of equity in condensed financial statements.

## Group plc

### Condensed consolidated statement of changes in equity (continued) Six months ended 30 June 2015

IAS 34.8  
IAS 1.106-110

	Equity attributable to owners of the company							Total £'000	Non- controlling interest £'000	Total equity £'000
	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Own shares £'000	Equity reserve £'000	Hedging reserve £'000	Retrans- lation reserve £'000			
Balance at 1 January 2015	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Profit for the period										
Other comprehensive income for the period										
<b>Total comprehensive income for the period</b>										
Issue of share capital										
Dividends										
Own shares acquired in the period										
Credit to equity for equity-settled share based payments										
Deferred tax on share-based payment transactions										
<b>Balance at 30 June 2015 (Unaudited)</b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

## Group plc

### Condensed consolidated statement of changes in equity (continued) Year ended 31 December 2015

IAS 34.8  
IAS 1.106-110

	Equity attributable to owners of the company							Total £'000	Non- controlling interest £'000	Total equity £'000
	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Own shares £'000	Equity reserve £'000	Hedging reserve £'000	Retrans- lation reserve £'000			
<b>Balance at 1 January 2015</b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Profit for the period										
Other comprehensive income for the period										
<b>Total comprehensive income for the period</b>										
Issue of share capital										
Dividends										
Own shares acquired in the period										
Credit to equity for equity-settled share based payments										
Deferred tax on share-based payment transactions										
<b>Balance at 31 December 2015 (Audited)<sup>6</sup></b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

<sup>6</sup> Although not required by IAS 34, the comparative figures for the preceding year and the related notes have been included on a voluntary basis





## Group plc

### Condensed consolidated cash flow statement Six months ended 30 June 2016

		Six months ended 30 June		Year ended 31
		2016	2015	December 2015 <sup>11</sup>
		£'000	£'000	£'000
IAS 34.10	Note	(Unaudited)	(Unaudited)	(Audited)
IAS 7.10	<b>Net cash from operating activities</b>			
IAS 7.10	Investing activities			
	Interest received			
	Dividends received from associates			
	Dividends received from trading investments			
	Proceeds on disposal of trading investments			
	Proceeds on disposal of available-for-sale investments			
IAS 7.39	Disposal of subsidiary			
	Proceeds on disposal of property, plant and equipment			
	Purchases of property, plant and equipment			
	Acquisition of investment in an associate			
	Purchases of trading investments			
	Purchases of patents and trademarks			
IAS 7.39	Acquisition of subsidiary			
	<b>Net cash (used in)/from investing activities</b>			
IAS 7.10	<b>Financing activities</b>			
	Dividends paid			
	Repayments of borrowings			
	Repayments of obligations under finance leases			
	Proceeds on issue of convertible loan notes			
	Proceeds on issue of shares			
	New bank loans raised			
	Increase/(decrease) in bank overdrafts			
	<b>Net cash (used in)/from financing activities</b>			
	<b>Net increase/(decrease) in cash and cash equivalents</b>			
	<b>Cash and cash equivalents at beginning of period</b>			
IAS 7.28	Effect of foreign exchange rate changes on cash and cash equivalents			
	<b>Cash and cash equivalents at end of period</b>			

<sup>11</sup> Although not required by IAS 34, the comparative figures for the preceding year end and the related notes have been included on a voluntary basis

## Group plc

### Notes to the condensed set of financial statements

#### Six months ended 30 June 2016

##### 1. General information

s435 Companies Act 2006 The information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

IAS 34.15 and IAS 34.15A *[IAS 34 presumes that a user of a half-yearly financial report will also have access to its most recent annual report. Therefore it is generally not necessary to reproduce notes already reported in the most recent annual report. Instead, the notes to the half-yearly financial report should include sufficient information and explanations of events and transaction that are significant to an understanding of the changes in financial position and performance of the Group since the last annual report.]*

##### 2. Accounting policies

###### Basis of preparation

DTR 4.2.4(1) and IAS 34.19 The annual financial statements of Group plc 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.

###### Going concern

2014 FRC guidance Appendix A para 10 UK Corporate Governance Code C.1.3 The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

###### Changes in accounting policy

DTR 4.32 IAS 34.16A(a) In the current financial year, the Group has adopted *[insert newly effective Standard or amendment and a description of the nature of the change]*.

*[Insert tables setting out the impact on the comparative line items in total comprehensive income, the statement of changes in equity, the balance sheet and the cash flow statement.]*

Other changes to accounting standards in the current year had no material impact.

## Group plc

### Notes to the condensed set of financial statements (continued) Six months ended 30 June 2016

IAS 34.16A(g)

#### 3. Business segments

##### Products and services from which reportable segments derive their revenues

Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The principal categories of customer are direct sales to major customers, wholesalers and internet sales. The Group's reportable segments under IFRS 8 are therefore as follows:

[Segment A] – [Activity A, direct sale customers]

[Segment B] – [Activity A, wholesale customers]

[Segment C] – [Activity B, internet customers]

[Segment D] – [Activity C, wholesale customers]

Other

Other operations include [identify other operations and their sources of revenue if any].

There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss in the period.

## Group plc

Notes to the condensed set of financial statements (continued)

Six months ended 30 June 2016

### 3. Business segments (continued)

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2016:

Six months ended 30 June 2016	[Segment A] £'000	[Segment B] £'000	[Segment C] £'000	[Segment D] £'000	Other £'000	Eliminations £'000	Consolidated £'000
<b>Revenue</b>							
External sales							
Inter-segment sales						0	
Total revenue						0	
Inter-segment sales are charged at prevailing market prices							
<b>Result</b>							
Segment result						0	
Central administration costs							
Share of profits of associates							
Operating profit							
Investment revenues							
Other gains and losses							
Finance costs							
Profit before tax							
Tax							
Profit for the period from discontinued operations							
Profit after tax and discontinued operations							

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

#### 3. Business segments (continued)

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2015:

Six months ended 30 June 2015	[Segment A] £'000	[Segment B] £'000	[Segment C] £'000	[Segment D] £'000	Other £'000	Eliminations £'000	Consolidated £'000
<b>Revenue</b>							
External sales							
Inter-segment sales						0	
Total revenue						0	
Inter-segment sales are charged at prevailing market prices							
<b>Result</b>							
Segment result						0	
Central administration costs							
Share of profits of associates							
Operating profit							
Investment revenues							
Other gains and losses							
Finance costs							
Profit before tax							
Tax							
Profit for the period from discontinued operations							
Profit after tax and discontinued operations							

## Group plc

### Notes to the condensed set of financial statements (continued)

Six months ended 30 June 2016

#### 3. Business segments (continued)

The following is an analysis of the Group's revenue and results by reportable segment in the six months ended 30 June 2015:

Six months ended 30 June 2015	[Segment A] £'000	[Segment B] £'000	[Segment C] £'000	[Segment D] £'000	Other £'000	Eliminations £'000	Consolidated £'000
<b>Revenue</b>							
External sales							
Inter-segment sales						0	
Total revenue						0	
Inter-segment sales are charged at prevailing market prices							
<b>Result</b>							
Segment result						0	
Central administration costs							
Share of profits of associates							
Operating profit							
Investment revenues							
Other gains and losses							
Finance costs							
Profit before tax							
Tax							
Profit for the period from discontinued operations							
Profit after tax and discontinued operations							

## Group plc

### Notes to the condensed set of financial statements (continued)

Six months ended 30 June 2016

#### 3. Business segments (continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies which are described in the Group's latest annual financial statements. Segment result represents the profit earned by each segment without allocation of the share of profits of associates, central administration costs including directors' salaries, investment revenue and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance.

Segment assets	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
<b>Segment A</b>			
Segment B			
Segment C			
Segment D			
Other			
Total segment assets			
Assets relating to discontinued operations			
Unallocated assets			
Consolidated total assets			

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates, other financial assets (except for trade and other receivables) and tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

IAS 34.16A(b)

#### 4. Seasonality of [Product X] sales

Sales for [Product X], which forms part of the Group's [Activity B] division, are more heavily weighted towards the second half of the calendar year, with approximately 70% of annual sales for [Product X] occurring from July until December. Sales for [Product X] during the period have increased slightly by \_% compared to the corresponding period in the prior year, and total annual sales are expected to be in line with the Group's forecasts.

IAS 34.16A(c)

#### 5. Write-down of inventories

IAS 34.15B(a)

During the current period, exceptional write-downs of inventories of £\_million have been charged to profit or loss in respect of [Product Y]. The write-down reduces the carrying amount of [Product Y] inventories to their net realisable value.

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

IAS 34.16A(c)

#### 6. Restructuring costs

In [month] 2015, the Group disposed of [name of company] (see note 14). Certain of the non-core assets of the [Segment B] division were retained by the Group. In addition, the [] operations of the [Segment C] division were segregated from the manufacturing operations and retained by the Group. The assets retained were scrapped and an impairment loss recognised in respect of their previous carrying amount. To the extent that employees could not be redeployed, termination terms were agreed.

	Six months ended 30 June		Year ended
	2016	2015	31 December
	£'000	£'000	2015
			£'000
Impairment loss recognised in respect of assets			
Redundancy costs			

IAS 34.16A(d)

#### 7. Tax

Tax for the six month period is charged at \_% (six months ended 30 June 2015: \_%; year ended 31 December 2015: \_%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

IAS 34.16A(i)

#### 8. Discontinued operations

On [date] 2016, the Group entered into a sale agreement to dispose of [name of company], which carried out all of the Group's [Operation W] operations. The disposal was made to generate cash flow for the expansion of the Group's other businesses. The disposal was completed on [date] 2016, on which date control of [name of company] passed to the acquirer. The results of the discontinued operations which have been included in the consolidated income statement, were as follows:

	Period ended [date] 2016	Six months ended 30 June 2015	Year ended 31 December 2015
	£'000	£'000	£'000
Revenue			
Expenses			
Profit before tax			
Attributable tax expense			
Profit on disposal of discontinued operations			
Attributable tax expense			
Net loss attributable to discontinued operations			

During the period, [name of company] contributed £\_million (six months ended 30 June 2015: £\_million; year ended 31 December 2015: £\_million) to the Group's net operating cash flows, paid £\_million (six months ended 30 June 2015: £\_million; year ended 31 December 2015: £\_million) in respect of investing activities and paid £\_million (six months ended 30 June 2015: £\_million; year ended 31 December 2015: £\_million) in respect of financing activities. A profit of £\_million arose on the disposal of [name of company], being the proceeds of disposal less the carrying amount of the subsidiary's net assets and attributable goodwill.

## Group plc

### Notes to the condensed set of financial statements (continued) Six months ended 30 June 2016

IAS 34.16A(f)

#### 9. Dividends

	Six months ended 30 June		Year ended
	2016	2015	31 December
	£'000	£'000	2015
			£'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2015 of _p (2011: p) per share	_____	_____	
Interim dividend for the year ended 31 December 2015		_____	_____
Proposed interim dividend for the year ended 31 December 2016 of _p (2012: p) per share	_____	_____	
Proposed final dividend for the year ended 31 December 2015 of _p per share		_____	_____

The proposed interim dividend of \_p per share was approved by the Board on [date after 30 June 2015] and has not been included as a liability as at 30 June 2016.

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

#### 10. Earnings per share

##### From continuing and discontinued operations

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

	Six months ended 30 June		Year ended
	2016	2015	31 December
	£'000	£'000	2015
<b>Earnings</b>			
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the company			
Effect of dilutive potential ordinary shares:			
Interest on convertible loan notes (net of tax)			
Earnings for the purposes of diluted earnings per share			

	Six months ended 30 June		Year ended
	2016	2015	31 December
	No.	No.	2015
<b>Number of shares</b>			
Weighted average number of ordinary shares for the purposes of basic earnings per share			
Effect of dilutive potential ordinary shares:			
Share options			
Convertible loan notes			
Weighted average number of ordinary shares for the purposes of diluted earnings per share			

The denominators for the purposes of calculating both basic and diluted earnings per share have been adjusted to reflect the capitalisation issue in 2015.

##### From continuing operations

	Six months ended 30 June		Year ended
	2016	2015	31 December
	£'000	£'000	2015
<b>Earnings</b>			
Net profit attributable to owners of the company			
Adjustments to exclude loss for the period from discontinued operations			
Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations			
Effect of dilutive potential ordinary shares:			
Interest on convertible loan notes (net of tax)			
Earnings from continuing operations for the purpose of diluted earnings per share excluding discontinued operations			

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

IAS 34.16A(c) **11. Property, plant and equipment**

IAS 34.15B(d)

During the period, the Group spent approximately £\_\_ million on the final stage of construction of its new office premises and on additions to the manufacturing plant in [] to upgrade its manufacturing capabilities.

The Group also disposed of certain machinery and tools with carrying amounts of £\_\_ million for proceeds of £\_\_ million.

IAS 34.16A(e) **12. Bank overdrafts and loans**

Additional loans of £\_\_ million were drawn down under the Group's existing loan facility partly to fund the acquisition of [name of company].

Repayments of other bank loans amounting to £\_\_ million were made during the period, in line with previously disclosed repayment terms.

As previously disclosed, the group's principal debt facilities (totalling £\_\_ million) are provided by a syndicate of banks and expire between 2018 and 2021.

IAS 34.16A(e) **13. Share capital**

Share capital as at 30 June 2016 amounted to £\_\_ million. During the period, the Group issued \_\_ shares as part of a capitalisation issue to its shareholders. The capitalisation issue increased the number of shares in issue from \_\_ to \_\_ without a corresponding change in resources.

IAS 34.16A(i) **14. Disposal of subsidiary**

As referred to in note 8, on [date] 2016 the Group disposed of its interest in [name of subsidiary]. There were no disposals in the year ended 31 December 2015. The net assets of [name of subsidiary] at the date of disposal were as follows:

	<b>[Date] 2016</b>
	<b>£'000</b>
Property, plant and equipment	
Inventories	
Trade receivables	
Cash and cash equivalents	
Retirement benefit obligation	
Deferred tax liability	
Current tax liability	
Trade payables	
Bank overdraft	
Attributable goodwill	
Gain on disposal	
Total consideration	
Satisfied by:	
Cash	
Deferred consideration	

The deferred consideration will be settled in cash by the purchaser on or before [date]. The impact of [name of subsidiary] on the Group's results in the current and prior periods is disclosed in note 8.

## Group plc

### Notes to the condensed set of financial statements (continued)

Six months ended 30 June 2016

IAS 34.16A(i)

#### 15. Assets held for sale

On [date] the board resolved to dispose of the Group's [] operations and negotiations with several interested parties have subsequently taken place. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the balance sheet. The operations are included in [Activity C] in the segmental analysis in note 3 and do not meet the criteria to be included in discontinued operations. The proceeds of disposal are expected substantially to exceed the book value of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	<b>30 June 2016</b>	<b>30 June 2015</b>	<b>31 December 2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Goodwill			
Property, plant and equipment			
Inventories			
Trade and other receivables			
Cash and cash equivalents			
Total assets classified as held for sale			
Trade and other payables			
Tax liabilities			
Bank overdrafts and loans			
Total liabilities associated with assets classified as held for sale			
Net assets of disposal group			

## Group plc

### Notes to the condensed set of financial statements (continued) Six months ended 30 June 2016

IAS 34.16A(i)	<b>16. Acquisition of subsidiary<sup>12</sup></b>	
IFRS 3.B64(a-d)	On [date], the Group obtained control of [name of company acquired] by acquiring 100 per cent of its issued share capital. [Name of company acquired] is a [describe operations of company acquired]. [Name of company acquired] was acquired in order to [provide primary reasons for acquisition of the company].	
IFRS 3.B64(i)	<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>£'000</b>
	Financial assets	
	Inventory	
	Property, plant and equipment	
	Identifiable intangible assets	
	Financial liabilities	
	Contingent liability	
		_____
	Total identifiable assets	
	Goodwill	
		_____
	Total consideration	
		_____
IFRS 3.B64(f)	Satisfied by:	
	Cash	
	Equity instruments (__ ordinary shares of Group plc)	
	Contingent consideration arrangement	
		_____
	Total consideration transferred	
		_____
	Net cash outflow arising on acquisition	
	Cash consideration	
	Less: cash and cash equivalents acquired	
		_____
		_____
IFRS 3.B64(h)	The fair value of the financial assets includes receivables [describe type of receivable] with a fair value of £__ and a gross contractual value of £__. The best estimate at acquisition date of the contractual cash flows not to be collected was £__.	
IFRS 3.B64(j) IAS 37.85	A contingent liability of £__ has been recognised for [provide description of nature of obligation]. It is expected that the majority of cash outflows will be incurred in 2017 and that all will be incurred by the end of 2017. The potential undiscounted amount of all future payments that the Group could be required to make in respect of this contingent liability is estimated to be between £__ and £__.	

<sup>12</sup> This note illustrates the disclosure requirements for an acquisition accounted for under IFRS 3(2008). Where adjustments are made to acquisitions made in earlier periods (for example, in respect of contingent consideration), the relevant disclosures will be made in accordance with IFRS 3(2004).

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

- IFRS 3.B64(e) **16. Acquisition of subsidiary (continued)**  
The goodwill of £\_\_ arising from the acquisition consists of [describe factors that make up goodwill recognised].
- IFRS 3.B64(k) None of the goodwill recognised is expected to be deductible for income tax purposes.
- IFRS 3.B64(f) The fair value of the \_\_ ordinary shares issued as part of the consideration paid for [name of company acquired] (£\_\_) was measured on the basis of [describe method for measuring fair value].
- IFRS 3.B64(g) The contingent consideration arrangement requires [describe conditions of the contingent consideration arrangement]. The potential undiscounted amount of all future payments that Group plc could be required to make under the contingent consideration arrangement is between £\_\_ and £\_\_.
- The fair value of the contingent consideration arrangement of £\_\_ was estimated by applying [describe method for estimating fair value].
- IFRS 3.B64(l-m) Acquisition-related-costs (included in administrative expenses in Group plc consolidated income statement for the period ended 30 June 2016) amounted to £\_\_.
- IFRS 3.B64(q) [Name of company acquired] contributed £\_\_ revenue and £\_\_ to the Group's profit for the period between the date of acquisition and the balance sheet date.
- If the acquisition of [name of company acquired] had been completed on the first day of the financial year, group revenues for the period would have been £\_\_ and the Group's profit would have been £\_\_.

## Group plc

### Notes to the condensed set of financial statements (continued) Six months ended 30 June 2016

IAS 7.18

#### 17. Notes to the cash flow statement

	Six months ended 30 June		Year ended
	2016	2015	31 December
	£'000	£'000	2015
			£'000
Profit for the year			
Adjustments for:			
Share of profit of associates			
Investment revenues			
Other gains and losses			
Finance costs			
Income tax expense			
Gain on disposal of discontinued operations			
Depreciation of property, plant and equipment			
Impairment loss on fixtures and equipment			
Amortisation of intangible assets			
Impairment of goodwill			
Share-based payment expense			
(Increase)/decrease in fair value of investment property			
Gain on disposal of property, plant and equipment			
Increase/(decrease) in provisions			
Operating cash flows before movements in working capital			
Decrease/(increase) in inventories			
Decrease/(increase) in receivables			
Increase/(decrease) in payables			
Cash generated by operations			
Income taxes paid			
Interest paid			
Net cash from operating activities			

Additions to fixtures and equipment during the period amounting to £\_\_ million were financed by new finance leases. Additions of £\_\_ million in the six months ended 30 June 2016 were acquired on deferred payment terms, which remained outstanding at 30 June 2016.

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

IAS 34.15B(m)

#### **18. Contingent liabilities**

During the reporting period, a customer of the Group instigated proceedings against it for alleged defects in an electronic product which, it is claimed, were the cause of a major fire in the customer's premises on [date]. Total losses to the customer have been estimated at £\_\_ million and this amount is being claimed from the Group.

The Group's lawyers have advised that they do not consider that the suit has merit and have recommended that it be contested. No provision has been made in the condensed set of financial statements as the Group does not consider that there is any probable loss.

IAS 34.16A(c)

#### **19. Share-based payments**

On [date] 2016, the Group re-priced certain of its outstanding share options. The strike price was reduced from [ ] to the then current market price of [ ]. The incremental fair value of £\_\_ will be expensed over the remaining vesting period of two years. The Group used the inputs as previously published to measure the fair value of the share options immediately before and after the re-pricing.

IAS 34.16A(d)

#### **20. Retirement benefit schemes**

##### **Defined benefit schemes**

The defined benefit obligation as at 30 June 2016 is calculated on a year-to-date basis, using the latest actuarial valuation as at 31 December 2015. There have not been any significant fluctuations or one-time events since that time that would require adjustment to the actuarial assumptions made at 31 December 2015.

The defined benefit plan assets have been updated to reflect their market value at 30 June 2016.

IAS 34.15B(b)

#### **21. Significant loss on impairment of financial assets**

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of £\_\_ million due from companies which have been placed in liquidation. The impairment recognised during the period ended 30 June 2016 of £\_\_ million represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances. All the impaired receivables are more than 120 days old.

IAS 34.15B(h)

#### **22. Changes in circumstances significantly affecting the fair value of financial assets and financial liabilities**

From 1 January 2016 to 30 June 2016 interest rate movements were [describe movements], which significantly impacted the fair value of the Group's fixed rate borrowings and interest rate swaps as follows.

The Group's fixed rate borrowings, measured at amortised cost, had a carrying amount at 30 June 2016 and 31 December 2015 of £\_\_ million. The fair value of these borrowings at 30 June 2016 was £\_\_ million (31 December 2015 £\_\_ million). The Group also still holds those interest rate swaps it held at 31 December 2015, receiving a fixed rate of interest and paying a floating rate of 3 months LIBOR and measuring them at fair value. As at 30 June 2016 the fair value of the swaps was £\_\_ million (31 December 2015 £\_\_ million).

## Group plc

### Notes to the condensed set of financial statements (continued)

Six months ended 30 June 2016

IAS 34 16A(i)  
IFRS 13.93 (a)  
-(b)

#### 23. Financial Instruments' fair value disclosures

The Group held the following financial instruments at fair value at 30 June 2016. The Group had no financial instruments in the current or previous year with fair values that are determined by reference to significant unobservable inputs i.e. those that would be classified as level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Description	Fair value measurements at the end of reporting period using:		
	30 June 2016 £'000	Quoted prices in active markets for identical assets/liabilities (Level 1) £'000	Significant other observable inputs (Level 2) £'000
<b>Recurring fair value measurements:</b>			
<b>Financial assets</b>			
[Class A]			
[Class B]			
[Class C]			
<b>Total</b>			
<b>Financial liabilities</b>			
[Class A]			
[Class B]			
[Class C]			
<b>Total</b>			

Description	Fair value measurements at the end of reporting period using:		
	31 December 2015 £'000	Quoted prices in active markets for identical assets/liabilities (Level 1) £'000	Significant other observable inputs (Level 2) £'000
<b>Recurring fair value measurements:</b>			
<b>Financial assets</b>			
[Class A]			
[Class B]			
[Class C]			
<b>Total</b>			
<b>Financial liabilities</b>			
[Class A]			
[Class B]			
[Class C]			
<b>Total</b>			

## Group plc

Notes to the condensed set of financial statements (continued)  
Six months ended 30 June 2016

### 23. Financial instruments' fair value disclosures (continued)

Description	Fair value measurements at the end of reporting period using:		
	30 June 2015 £'000	Quoted prices in active markets for identical assets/liabilities (Level 1) £'000	Significant other observable inputs (Level 2) £'000
<b>Recurring fair value measurements:</b>			
<b>Financial assets</b>			
[Class A]			
[Class B]			
[Class C]			
<b>Total</b>			
<b>Financial liabilities</b>			
[Class A]			
[Class B]			
[Class C]			
<b>Total</b>			

IFRS 13.93(d) The [Class A financial assets] whose fair values include the use of level 2 inputs are valued using [valuation technique], which incorporates the following inputs:

- interest rates and yield curves observable at commonly quoted intervals; and
- observable credit spreads.

IFRS 7.25 Except as detailed in the following table, the directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values:

	Carrying amount			Fair value		
	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
<b>Financial assets</b>						
[Class D]						
[Class E]						
<b>Financial liabilities</b>						
[Class D]						
[Class E]						

### IAS 34.16A(h) 24. Events after the balance sheet date

On [date] the premises of [name of subsidiary] were seriously damaged by fire. Insurance claims have been put in hand but the cost of refurbishment is currently expected to exceed these by £\_\_ million.

## Group plc

### Notes to the condensed set of financial statements (continued)

#### Six months ended 30 June 2016

IAS 34.15B(j)

#### 25. Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note (see also the related party transactions note in the interim management report on page []).

During the period, Group companies entered into the following transactions with related parties who are not members of the Group:

	Sales of goods £'000	Purchase of goods £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
<b>Six months ended 30 June 2016</b>				
X Holdings				
Associates				
<b>Six months ended 30 June 2015</b>				
X Holdings				
Associates				
<b>Year ended 31 December 2015</b>				
X Holdings				
Associates				

X Holdings is a related party of the Group because [give reason].

Sales of goods to related parties were made at the Group's usual list prices, less average discounts of \_%. Purchases were made at market price, discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts on the amounts owed by related parties.

# Half-yearly financial report disclosure checklist

This checklist contains the disclosure and reporting requirements for half-yearly financial reports for listed Rules reporting under IFRSs or new UK GAAP for periods beginning on or after 1 January 2016. It notes the disclosures required by the Disclosure Rules and Transparency Rules (DTR) for half-yearly financial reports, those required by IAS 34 "Interim Financial Reporting" and those required by FRS 104 "Interim Financial Reporting". The checklist focuses on content and the mechanics of reporting. It does not discuss the basis of preparation or measurement.

		Reference	Yes/No/N/a
<b>1</b>	<b>Applicability of DTR requirements</b>		
1.1	<p>Subject to the exemptions set out in 1.2 to 1.6 below, the requirement to prepare a half-yearly financial report applies to an issuer:</p> <ul style="list-style-type: none"> <li>• Whose shares or debt securities are admitted to trading on a regulated market; and</li> <li>• Whose Home State is the United Kingdom.</li> </ul> <p><b>Regulated markets include the LSE Main Market, but exclude exchange regulated markets such as AIM and the Professional Securities Market.</b></p>	DTR 4.2.1	
1.2	<p>Public sector issuers</p> <p>The rules on half-yearly financial reports (DTR 4.2) do not apply to a state, a regional or local authority of a state, a public international body of which at least one EEA State is a member, the ECB, the European Financial Stability Facility established by the EFSF Framework Agreement and any other mechanism established with the objective of preserving the financial stability of European monetary union by providing temporary financial assistance to the EEA states whose currency is the euro, and EEA States' national central banks.</p>	DTR 4.4.1	
1.3	<p>Debt issuers</p> <p>The rules on half-yearly financial reports (DTR 4.2) do not apply to an issuer that issues exclusively debt securities admitted to trading the denomination per unit of which is at least €100,000 (or an equivalent amount).</p> <p><b>Before 1 July 2012 this was denominations of at least €50,000. See the end of chapter 1 in this document for further information and transitional provisions.</b></p> <p>The rules on half-yearly financial reports did not apply to an issuer of debt securities which were admitted to the official list before 1 January 2005 until 2015 but this transitional provision has now expired.</p> <p>The rules on half-yearly financial reports (DTR 4.2) do not apply to a credit institution whose shares are not admitted to trading and which has, in a continuous or repeated manner, only issued debt securities provided that:</p> <p>(a) the total nominal amount of all such debt securities remains below €100,000,000; and</p> <p>(b) the credit institution has not published a prospectus in accordance with the Prospectus Directive.</p> <p>The rules on half-yearly financial reports do not apply to an issuer already existing on 31 December 2003 which exclusively issues debt securities unconditionally and irrevocably guaranteed by the issuer's Home Member State or by a regional or local authority of that state, on a regulated market.</p>	<p>DTR 4.4.2</p> <p>DTR TP1</p> <p>DTR 4.4.3</p> <p>DTR 4.4.4</p>	

		Reference	Yes/No/N/a
1.4	Issuers of convertible securities The rules on half-yearly financial reports (DTR 4.2) do not apply to an issuer of transferable securities convertible into shares.	DTR 4.4.5	
1.5	Issuers of depository receipts The rules on half-yearly financial reports (DTR 4.2) do not apply to an issuer of depository receipts.	DTR 4.4.7	
1.6	Non-EEA States – Equivalence An issuer whose registered office is a non-EEA state is exempted from the rules on half-yearly financial reports (DTR 4.2) if the law of the non EEA state in question lays down equivalent requirements or the issuer complies with requirements of the law of a non EEA state that the FCA considers as equivalent.	DTR 4.4.8	
<b>2</b>	<b>Mechanics of reporting</b>		
2.1	An entity must make public a half-yearly financial report covering the first six months of the financial year.	DTR 4.2.2(1)	
2.2	The half-yearly financial report must be made public as soon as possible, but no later than three months, after the end of the period to which the report relates.	DTR 4.2.2(2)	
2.3	The half-yearly financial report must remain available to the public for at least ten years.	DTR 4.2.2(3)	
2.4	The half-yearly financial report must include: (a) a condensed set of financial statements (see sections 3, 4 and 5 below); (b) an interim management report (see section 6 below); and (c) responsibility statements (see section 8 below).	DTR 4.2.3	
2.5	The required content of the half-yearly financial report must be communicated to the media in unedited full text.	DTR 6.3.5(1)	
2.6	The announcement relating to the publication of the half-yearly report must include an indication of which website the document is available on.	DTR 6.3.5(3)	
<b>3</b>	<b>Condensed set of financial statements</b>	DTR 4.2.3(1)	
3.1	<b>If the entity is required to prepare consolidated accounts</b> , the condensed set of financial statements must be prepared in accordance with IAS 34 (see section 4 below). Entities reporting under FRS 102 should apply FRS 104 <i>Interim Financial Reporting</i> in preparing condensed financial statements (see section 6 below).	DTR 4.2.4(1)	

		Reference	Yes/No/N/a
3.2	<p><b>If the entity is not required to prepare consolidated accounts</b>, the condensed set of financial statements must contain, as a minimum the following:</p> <p>(a) a condensed balance sheet;</p> <p>(b) a condensed profit and loss account; and</p> <p>(c) explanatory notes on these accounts.</p> <p>The same principles for recognising and measuring as when preparing annual financial statements must be followed in preparing the condensed balance sheet and the condensed profit and loss account.</p> <p>The balance sheet and the profit and loss account must show each of the headings and subtotals included in the most recent annual financial statements of the entity.</p> <p>Additional line items must be included if, as a result of their omission, the half-yearly financial statements would give a misleading view of the assets, liabilities, financial position and profit or loss of the entity.</p> <p>Comparative information must be presented as follows:</p> <p>(a) comparative balance sheet as at the end of the immediate preceding financial year; and</p> <p>(b) comparative profit and loss account for the comparable period for the preceding financial year.</p> <p>Explanatory notes must include the following:</p> <p>(a) sufficient information to ensure the comparability of the condensed half-yearly financial statements with the annual financial statements; and</p> <p>(b) sufficient information and explanations to ensure a user's proper understanding of any material changes in amounts and of any developments in the half-year period concerned, which are reflected in the balance sheet and the profit and loss account.</p>	<p>DTR 4.2.4(2)</p> <p>DTR 4.2.5(2)</p> <p>DTR 4.2.5(3)</p> <p>DTR 4.2.5(3)</p> <p>DTR 4.2.5(4)</p> <p>DTR 4.2.5(5)</p>	
3.3	<p>The accounting policies and presentation applied to half-yearly figures must be consistent with those applied in the latest published annual accounts, except where the accounting policies and presentation are to be changed in the subsequent annual financial statements.</p> <p>Where the accounting policies and presentation are to be changed in the subsequent annual financial statements, the new accounting policies and presentation should be followed in the condensed half-yearly financial statements. The changes and the reasons for the changes should be disclosed.</p>	<p>DTR 4.2.6</p> <p>DTR 4.2.6(1)</p>	
3.4	<p>If the half-yearly financial report has been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information, the audit report or review report must be reproduced in full.</p> <p>If the half-yearly financial report has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information', the entity must make a statement to this effect in its report.</p>	<p>DTR 4.2.9(1)</p> <p>DTR 4.2.9(2)</p>	
3.5	<p>Closed-ended investment funds applying for, or with, a premium listing are required to include in their half-yearly financial reports information showing the split between dividend and interest income and other forms of income (including income of associated companies).</p>	<p>Listing Rules 15.6.7R</p>	

		Reference	Yes/No/N/a
<b>4</b>	<b>IAS 34 'Interim financial reporting'</b> <b>Entities which report under IFRSs should prepare their condensed half-yearly financial statements in accordance with IAS 34.</b> <b>The requirements below are those that apply to condensed half-yearly financial statements. Should an entity choose to produce a complete set of half-yearly financial statements, all requirements of IFRSs apply in the same way as for annual financial statements, including the disclosure requirements.</b>	DTR 4.2.4(1)	
4.1	An interim report should include, at a minimum, the following components: (a) a condensed statement of financial position; (b) a condensed statement or condensed statements of profit or loss and other comprehensive income; (c) a condensed statement of changes in equity; (d) a condensed statement of cash flows; and (e) selected explanatory notes.	IAS 34.8	
	<b>Revised terminology for primary statements was suggested by the June 2011 amendments to IAS 1. The terminology is not mandatory, and it is likely that, at least in the short term, many UK companies will retain or return to more familiar terms such as 'income statement', 'profit and loss account', 'statement of comprehensive income', 'balance sheet' and 'cash flow statement'.</b>		
4.2	A half-yearly financial report should be prepared on a consolidated basis if the entity's most recent annual financial statements were consolidated statements.	IAS 34.14	
	<b>Condensed statement of financial position</b>		
4.3	At a minimum, each of the headings and subtotals included in the entity's most recent annual financial statements should be included in the condensed statement of financial position.  Additional line items or notes should be included if their omission would make the condensed half-yearly financial statements misleading.	IAS 34.10  IAS 34.10	
4.4	The nature and amount of items affecting assets, liabilities and equity that are unusual because of their nature, size or incidence should be disclosed.	IAS 34.16A(c)	
4.5	A statement of financial position should be presented as at the end of the current interim period.  A comparative statement of financial position should be given as at the end of the preceding financial year.  Entities whose business is highly seasonal are encouraged (but not required) to report financial information for the twelve months ending on the interim reporting date, and comparative information for the prior twelve month period.	IAS 34.20(a)  IAS 34.20(a)  IAS 34.21	
	<b>Condensed statement of comprehensive income</b>		
4.6	At a minimum, each of the headings and subtotals included in the entity's most recent annual financial statements should be included in the statement of comprehensive income.  Additional line items or notes should be included if their omission would make the condensed half-yearly financial statements misleading.	IAS 34.10  IAS 34.10	
4.7	The nature and amount of items affecting net income that are unusual because of their nature, size or incidence should be disclosed.	IAS 34.16A(c)	
4.8	In the statement that presents the components of profit or loss for an interim period, an entity shall present basic and diluted earnings per share.	IAS 34.11	

		Reference	Yes/No/N/a
	If an entity presents items of profit or loss in a separate statement as described in paragraph 10A of IAS 1, it presents basic and diluted earnings per share in that statement.	IAS 34.11A	
4.9	Statements of profit or loss and other comprehensive income should be presented for the current interim period and cumulatively for the current financial year to date.	IAS 34.20(b)	
	Comparative statements of profit or loss and other comprehensive income should be given for the comparable interim periods (current and year-to-date) of the preceding financial year.	IAS 34.20(b)	
	Entities whose business is highly seasonal are encouraged (but not required) to report financial information for the twelve months ending on the interim reporting date, and comparative information for the prior twelve month period, in addition to the information required by IAS 34.20(b).	IAS 34.21	
4.10	Items of income and expense should be measured and recognised on a basis consistent with that used in the preparation of the annual financial statements (the year-to-date method).	IAS 34.28	
<b>Condensed statement of changes in equity</b>			
4.11	At a minimum, each of the headings and subtotals included in the entity's most recent annual financial statements should be included in the condensed statement of changes in equity.	IAS 34.10	
	Additional line items or notes should be included if their omission would make the condensed half-yearly financial statements misleading.	IAS 34.10	
4.12	The nature and amount of items affecting equity that are unusual because of their nature, size or incidence should be disclosed.	IAS 34.16A(c)	
4.13	A statement showing changes in equity should be presented cumulatively for the current financial year to date.	IAS 34.20(c)	
	A comparative statement should be given for the comparable year-to-date period of the preceding financial year.	IAS 34.20(c)	
	Entities whose business is highly seasonal are encouraged (but not required) to report financial information for the twelve months ending on the interim reporting date, and comparative information for the prior twelve month period.	IAS 34.21	
4.14	Changes in equity should be measured and recognised on a basis consistent with that used in the preparation of the annual financial statements (the year-to-date method).	IAS 34.28	
<b>Condensed statement of cash flows</b>			
4.15	At a minimum, each of the headings and subtotals included in the entity's most recent annual financial statements should be included in the condensed statement of cash flows.	IAS 34.10	
	Additional line items or notes should be included if their omission would make the condensed half-yearly financial statements misleading.	IAS 34.10	
4.16	The nature and amount of items affecting cash flows that are unusual because of their nature, size or incidence should be disclosed.	IAS 34.16A(c)	
4.17	A statement of cash flows should be presented cumulatively for the current financial year to date.	IAS 34.20(d)	
	A comparative statement should be given for the comparable year-to-date period in the preceding financial year. to date.	IAS 34.20(d)	
	Entities whose business is highly seasonal are encouraged (but not required) to report financial information for the twelve months ending on the interim reporting date, and comparative information for the prior twelve month period.	IAS 34.21	

		Reference	Yes/No/N/a
<b>Significant events and transactions and other disclosures</b>			
4.18	<p>The interim report is intended to provide an update on the latest complete set of annual financial statements. An entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period.</p> <p>The following is a list of events and transactions for which disclosures would be required if they are significant: the list is not exhaustive.</p> <p>(a) the write-down of inventories to net realisable value and the reversal of such a write-down;</p> <p>(b) recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversal of such an impairment loss; Where an entity has adopted IFRS 15 <i>Revenue from Contracts with Customers</i> this listing is extended to include assets arising from contracts with customers.</p> <p>(c) the reversal of any provisions for the costs of restructuring;</p> <p>(d) acquisitions and disposals of items of property, plant and equipment;</p> <p>(e) commitments for the purchase of property, plant and equipment;</p> <p>(f) litigation settlements;</p> <p>(g) corrections of prior period errors;</p> <p>(h) changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost;</p> <p>(i) any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period;</p> <p>(j) related party transactions;</p> <p>(k) transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments;</p> <p>(l) changes in the classification of financial assets as a result of a change in the purpose or use of those assets; and</p> <p>(m) changes in contingent liabilities or contingent assets.</p> <p>Individual IFRSs provide guidance regarding disclosure requirements for many of the items listed in paragraph 15B. When an event or transaction is significant to an understanding of the changes in an entity's financial position or performance since the last annual reporting period, its interim financial report should provide an explanation of and an update to the relevant information included in the financial statements of the last annual reporting period.</p>	<p>IAS 34.6</p> <p>IAS 34.15</p> <p>IAS 34.15B</p> <p>IAS 34.15C</p>	
4.19	<p>The information in the notes should normally be reported on a financial year-to-date basis. For periods beginning on or after 1 January 2016, the disclosures required by IAS 34.16A on the following pages shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. If users of the financial statements do not have access to the information incorporated by cross-reference on the same terms and at the same time, the interim financial report is incomplete.</p>	IAS 34.16A	

		Reference	Yes/No/N/a
4.20	<p>A statement should be included that the same accounting policies and methods of computation are followed in the interim financial statements as in the most recent annual financial statements. If those policies or methods have been changed, a description of the nature and effect of the change should be included.</p> <p>Interim reports should be prepared using the same accounting policies and principles for recognising assets, liabilities, income and expense as applied in the latest published annual accounts, except where the accounting policies and principles are to be changed in the subsequent annual financial statements.</p> <p>A change in accounting policy, other than one for which the transition is specified by a new Standard or Interpretation, shall be reflected by restating the financial statements of prior interim periods of the current financial year and the comparable interim periods of any prior financial years included.</p>	<p>IAS 34.16A(a)</p> <p>IAS 34.28 IAS 34.29</p> <p>IAS 34.43(a)</p>	
4.21	<p>Where full year comparatives are provided, a statement is required to satisfy section 435 of the Companies Act 2006 regarding the publication of non-statutory accounts, stating:</p> <p>(a) that the accounts are not the entity's statutory accounts (the term 'statutory accounts' is defined in section 434 of the Companies Act 2006);</p> <p>(b) whether statutory accounts, dealing with the financial year with which the non-statutory accounts purport to deal, have been delivered to the Registrar of Companies;</p> <p>(c) whether the auditors have made a report under section 495 and 496 on the entity's statutory accounts for any such financial year; and</p> <p>(d) whether this audit report was qualified or unqualified, or included a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report or contained a statement under section 498(2) or 498(3) of Companies Act 2006 (i.e. the accounting records or returns were inadequate, or the accounts do not agree with records or returns, or there has been a failure to obtain necessary information and explanations).</p> <p><b>For example: The information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006</b></p>	<p>CA2006 s435 CA2006 s498</p>	
4.22	<p>Explanatory comments about the seasonality or cyclicity of the interim operations should be given.</p>	IAS 34.16A(b)	
4.23	<p>The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year should be disclosed.</p> <p>Additionally, changes in estimates of amounts reported in prior financial years should be disclosed.</p>	IAS 34.16A(d)	
4.22	<p>Explanatory comments about the seasonality or cyclicity of the interim operations should be given.</p>	IAS 34.16A(b)	
4.23	<p>The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year should be disclosed.</p> <p>Additionally, changes in estimates of amounts reported in prior financial years should be disclosed.</p>	IAS 34.16A(d)	
4.24	<p>Information about issues, repurchases and repayments of debt and equity securities should be given.</p>	IAS 34.16A(e)	
4.25	<p>Dividends paid (aggregate or per share) should be disclosed separately for ordinary shares and other shares.</p>	IAS 34.16A(f)	

		Reference	Yes/No/N/a
4.26	<p>If the entity is required to comply with IFRS 8 Operating Segments in its annual financial statements the following segment information should be disclosed:</p> <p>(i) revenues from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker;</p> <p>(ii) intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker;</p> <p>(iii) a measure of segment profit or loss;</p> <p>(iv) a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment;</p> <p>(v) a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss; and</p> <p>(vi) a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.</p> <p>If an entity changes the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier interim periods shall be restated, unless the information is not available and the cost to develop it would be excessive.</p> <p>Following a change in the composition of its reportable segments, an entity shall:</p> <ul style="list-style-type: none"> <li>disclose whether it has restated the corresponding items of segment information for earlier interim periods; and</li> <li>if segment information for earlier periods is not restated, disclose in the year in which the change occurs segment information for the current period on both the old basis and the new basis of segmentation.</li> </ul>	<p>IAS 34.16A(g)</p> <p>IFRS 8.29</p> <p>IFRAS 8.29</p> <p>IFRS 8.30</p>	
4.27	<p>Events after the interim period that have not been reflected in the financial statements for the interim period should be disclosed.</p>	IAS 34.16A(h)	

		Reference	Yes/No/N/a
4.28	<p>The effect of changes in the composition of the entity during the interim period should be disclosed, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations.</p> <p>In the case of business combinations, the disclosures required by IFRS 3 should be given as follows:</p> <p>An acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a business combinations that occurs either:</p> <p>(a) during the current reporting period; or</p> <p>(b) after the end of the reporting period but before the financial statements are authorised for issue.</p> <p><b>Note: Paragraphs B64 to B66 of IFRS 3, as below, specify the minimum disclosures to satisfy the requirement in IFRS 3.59.</b></p> <p>The acquirer shall disclose the following information for each business combination that occurs during the reporting period:</p> <p>(a) the name and a description of the acquiree;</p> <p>(b) the acquisition date;</p> <p>(c) the percentage of voting equity instruments acquired;</p> <p>(d) the primary reasons for the business combination and a description of how the acquirer obtained control of the acquire.</p> <p>(e) a qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors.</p> <p>(f) the acquisition date fair value of the total consideration transferred and the acquisition date fair value of each major class of consideration, such as:</p> <p>(i) cash;</p> <p>(ii) other tangible or intangible assets, including a business or subsidiary of the acquirer;</p> <p>(iii) liabilities incurred, for example, a liability for contingent consideration; and</p> <p>(iv) equity instruments of the acquirer, including the number of instruments or interests issued or issuable and the method of measuring the fair value of those instruments or interests.</p> <p>(g) for contingent consideration arrangements and indemnification assets:</p> <p>(i) the amount recognised as of the acquisition date;</p> <p>(ii) a description of the arrangement and the basis for determining the amount of the payment; and</p> <p>(iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.</p>	<p>IAS.34.16A(1)</p> <p>IFRS 3.59</p> <p>IFRS 3.B64</p> <p>IFRS 3.B64(a)</p> <p>IFRS 3.B64(b)</p> <p>IFRS 3.B64(c)</p> <p>IFRS 3.B64(d)</p> <p>IFRS 3.B64(d)</p> <p>IFRS 3.B64(f)</p> <p>IFRS 3.B64(g)</p>	

	Reference	Yes/No/N/a
(h) for acquired receivables:	IFRS 3.B64(h)	
(i) the fair value of the receivables;		
(ii) the gross contractual amounts receivable; and		
(iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected.		
The disclosures shall be provided by major class of receivable, such as loans, direct finance leases and any other class of receivables.		
(i) the amount recognised as of the acquisition date for each major class or affects acquired and liabilities assumed	IFRS 3.B64(i)	
(j) for each contingent liability recognised in accordance with paragraph 23 of IFRS 3, the information required in paragraph 85 of IAS 37. If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose:	IFRS 3.B64(j)	
(i) the information required by paragraph 86 of IAS 37; and		
(ii) the reasons why the liability cannot be measured reliably.		
An entity shall disclose the following for each class of provision:	IAS 37.85	
(a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;		
(b) an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 48 [of IAS 37]; and		
(c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.		
Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:	IAS 37.86	
(d) an estimate of its financial effect, measured under paragraphs 36–52 [of IAS 37];		
(e) an indication of the uncertainties relating to the amount or timing of any outflow; and		
(f) the possibility of any reimbursement.		
(k) the total amount of goodwill that is expected to be deductible for tax purposes.	IFRS 3.B64(k)	
(l) for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51 of IFRS 3:	IFRS 3.B64(l)	
(i) a description of each transaction;		
(ii) how the acquirer accounted for each transaction;		
(iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and		
(iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.		

	Reference	Yes/No/N/a
(m) the disclosure of separately recognised transactions required by IFRS 3.B67(l) shall include the amount of acquisition-related costs and, separately, the amount of those costs recognised as an expense and the line item or items in the statement of comprehensive income in which those expenses are recognised. The amount of any issue costs not recognised as an expense and how they were recognised shall also be disclosed.	IFRS 3.B64(m)	
(n) in a bargain purchase (see IFRS 3 paragraphs 34 to 36):	IFRS 3.B64(n)	
(i) the amount of any gain recognised in accordance with paragraph 34 of IFRS 3 and the line item in the statement of comprehensive income in which the gain is recognised; and		
(ii) a description of the reasons why the transaction resulted in a gain.		
(o) for each business combination in which the acquirer holds less than 100 per cent of the equity instruments in the acquiree at the acquisition date:	IFRS 3.B64(o)	
(i) the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount; and		
(ii) for each non-controlling interest in an acquiree measured at fair value, the valuation techniques and significant inputs used to measure that value.		
(p) in a business combination achieved in stages:	IFRS 3.B64(p)	
(i) the acquisition date fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date; and		
(ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the equity interest in the acquiree held by the acquirer before the business combination (see paragraph 42 of IFRS 3) and the line item in the statement of comprehensive income in which that gain or loss is recognised.		
(q) the following information:	IFRS 3.B64(q)	
(i) the amount of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period; and		
(ii) the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period.		
If disclosure of any of the information required by this subparagraph [IFRS 3.B64(q)] is impracticable, the acquirer shall disclose that fact and explain why the disclosure is impracticable.		
For individually immaterial business combinations occurring during the reporting period that are material collectively, the acquirer shall disclose in aggregate the information required by IFRS 3.B64(e)-(q)	IFRS 3.B65	
If the acquisition date of a business combination is after the end of the reporting period but before the financial statements are authorised for issue, the acquirer shall disclose the information required by paragraph B64 of IFRS 3 unless the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue. In that situation, the acquirer shall describe which disclosures could not be made and the reasons why they cannot be made.	IFRS 3.B66	

		Reference	Yes/No/N/a
4.29	<p><b>The requirements of paragraph 61 of IFRS 3 (revised 2008) apply only to adjustments to business combinations which were accounted for under that standard. Any adjustments in respect of business combinations which were accounted for under IFRS 3 as issued in 2004 should be accounted for and disclosed under the requirements of that standard.</b></p> <p>The acquirer shall disclose information that enables users of its financial statements to evaluate the financial effects of adjustments recognised in the current reporting period that relate to business combinations that occurred in the current or in previous reporting period</p> <p>Note: Paragraph B67 of IFRS 3, as below, specifies the minimum disclosures to satisfy the requirement in IFRS 3.61.</p> <p>The acquirer shall disclose the following information for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively:</p> <p>(a) if the initial accounting for a business combination is incomplete for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognised in the financial statements for the business combination thus have been determined only provisionally:</p> <p>(i) the reasons why the initial accounting for the business combination is incomplete;</p> <p>(ii) the assets, liabilities, equity interests or items of consideration for which the initial accounting is incomplete; and</p> <p>(iii) the nature and amount of any measurement period adjustments recognised during the reporting period in accordance with paragraph 49 of IFRS 3.</p> <p>(b) for each reporting period after the acquisition date until the entity collects, sells or otherwise loses the right to a contingent consideration asset, or until the entity settles a contingent consideration liability or the liability is cancelled or expires:</p> <p>(i) any changes in the recognised amounts, including any differences arising upon settlement;</p> <p>(ii) any changes in the range of outcomes (undiscounted) and the reasons for those changes; and</p> <p>(iii) the valuation techniques and key model inputs used to measure contingent consideration.</p> <p>(c) for contingent liabilities recognised in a business combination, the acquirer shall disclose the information required by paragraphs 84 and 85 of IAS 37 for each class of provision</p> <p>(d) a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period showing separately:</p> <p>(i) the gross amount and accumulated impairment losses at the beginning of the reporting period.</p> <p>(ii) additional goodwill recognised during the reporting period, except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.</p> <p>(iii) adjustments resulting from the subsequent recognition of deferred tax assets during the reporting period in accordance with paragraph 67 of IFRS 3.</p>	IFRS 3.61	
		IFRS 3.B67	
		IFRS 3.B67(a)	
		IFRS 3.B67(b)	
		IFRS 3.B67(c)	
		IFRS 3.B67(d)	

		Reference	Yes/No/N/a
	(iv) goodwill included in a disposal group classified as held for sale in accordance with IFRS 5 and goodwill derecognised during the reporting period without having previously been included in a disposal group classified as held for sale.		
	(v) impairment losses recognised during the reporting period in accordance with IAS 36. (IAS 36 requires disclosure of information about the recoverable amount and impairment of goodwill in addition to this requirement.)		
	(vi) net exchange rate differences arising during the reporting period in accordance with IAS 21.		
	(vii) any other changes in the carrying amount during the reporting period.		
	(viii) the gross amount and accumulated impairment losses at the end of the reporting period.		
	(e) the amount and an explanation of any gain or loss recognised in the current reporting period that both:	IFRS 3.B67(e)	
	(i) relates to the identifiable assets acquired or liabilities assumed in a business combination that was effected in the current or previous period; and		
	(ii) is of such a size, nature or incidence that disclosure is relevant to understanding the combined entity's financial statements.		
4.30	If the specific disclosures required by IFRS 3 do not meet the objectives set out in paragraphs 59 and 61 of IFRS 3, the acquirer shall disclose whatever additional information is necessary to meet those objectives.	IFRS 3.63	
4.31	For financial instruments, the disclosures about fair value required by paragraphs 91-93(h), 94-96, 98 and 99 of IFRS 13 Fair Value Measurement and paragraphs 25, 26 and 28-30 of IFRS 7 Financial Instruments: Disclosures should be given. The disclosure requirements are as follows. An entity shall disclose information that helps users of its financial statements assess both of the following:	IAS 34.16A(j) IFRS 13.91	
	(a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements.		
	(b) for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.		
	To meet the objectives in IFRS 13.91, an entity shall consider all the following:	IFRS 13.92	
	(a) the level of detail necessary to satisfy the disclosure requirements;		
	(b) how much emphasis to place on each of the various requirements;		
	(c) how much aggregation or disaggregation to undertake; and		
	(d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.		
	If the disclosures provided in accordance with IFRS 13 and other IFRSs are insufficient to meet the objectives in IFRS 13.91, an entity shall disclose additional information necessary to meet those objectives.		

	Reference	Yes/No/N/a
<p>To meet the objectives in IFRS 13.91, an entity shall disclose, at a minimum, the following information for each class of assets and liabilities (see IFRS 13.94 for information on determining appropriate classes of assets and liabilities) measured at fair value (including measurements based on fair value within the scope of IFRS 13) in the statement of financial position after initial recognition:</p> <p>(a) for recurring and non-recurring fair value measurements, the fair value measurement at the end of the reporting period, and for non-recurring fair value measurements, the reasons for the measurement. Recurring fair value measurements of assets or liabilities are those that other IFRSs require or permit in the statement of financial position at the end of each reporting period. Non-recurring fair value measurements of assets or liabilities are those that other IFRSs require or permit in the statement of financial position in particular circumstances (eg when an entity measures an asset held for sale at fair value less costs to sell in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations because the asset's fair value less costs to sell is lower than its carrying amount).</p> <p>(b) for recurring and non-recurring fair value measurements, the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3).</p> <p>(c) for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred (see IFRS 13.95). Transfers into each level shall be disclosed and discussed separately from transfers out of each level.</p> <p>(d) for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique (eg changing from a market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it. For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (eg when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.</p>	IFRS 13.93	

	Reference	Yes/No/N/a
<p>(e) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:</p> <p>(i) total gains or losses for the period recognised in profit or loss, and the line item(s) in profit or loss in which those gains or losses are recognised.</p> <p>(ii) total gains or losses for the period recognised in other comprehensive income, and the line item(s) in other comprehensive income in which those gains or losses are recognised.</p> <p>(iii) purchases, sales, issues and settlements (each of those types of changes disclosed separately).</p> <p>(iv) the amounts of any transfers into or out of Level 3 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred (see IFRS 13.95). Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.</p> <p>(f) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of the total gains or losses for the period in (e)(i) included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in profit or loss in which those unrealised gains or losses are recognised.</p> <p>(g) for recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).</p> <p>(h) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy:</p> <p>(i) for all such measurements, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, an entity shall also provide a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement. To comply with that disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed when complying with (d).</p> <p>(ii) for financial assets and financial liabilities, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, an entity shall state that fact and disclose the effect of those changes. The entity shall disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated. For that purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.</p>		

	Reference	Yes/No/N/a
<p>An entity shall determine appropriate classes of assets and liabilities on the basis of the following:</p> <p>(a) the nature, characteristics and risks of the asset or liability; and</p> <p>(b) the level of the fair value hierarchy within which the fair value measurement is categorised.</p> <p>The number of classes may need to be greater for fair value measurements categorised within Level 3 of the fair value hierarchy because those measurements have a greater degree of uncertainty and subjectivity. Determining appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided requires judgement. A class of assets and liabilities will often require greater disaggregation than the line items presented in the statement of financial position. However, an entity shall provide information sufficient to permit reconciliation to the line items presented in the statement of financial position. If another IFRS specifies the class for an asset or a liability, an entity may use that class in providing the disclosures required in this IFRS if that class meets the requirements in this paragraph.</p>	IFRS 13.94	
<p>An entity shall disclose and consistently follow its policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred in accordance with IFRS 13.93(c) and (e)(iv). The policy about the timing of recognising transfers shall be the same for transfers into the levels as for transfers out of the levels. Examples of policies for determining the timing of transfers include the following:</p> <p>(a) the date of the event or change in circumstances that caused the transfer.</p> <p>(b) the beginning of the reporting period.</p> <p>(c) the end of the reporting period.</p>	IFRS 13.95	
<p>If an entity makes an accounting policy decision to use the exception in IFRS 13.48 (applicable to groups of financial assets and financial liabilities that are managed on the basis of net exposure to either market risks or credit risk), it shall disclose that fact.</p>	IFRS 13.96	
<p>For a liability measured at fair value and issued with an inseparable third-party credit enhancement, an issuer shall disclose the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability.</p>	IFRS 13.98	
<p>An entity shall present the quantitative disclosures required by this IFRS in a tabular format unless another format is more appropriate.</p>	IFRS 13.99	
<p>Except as set out in IFRS 7.29, for each class of financial assets and financial liabilities (see IFRS 7.6), an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.</p>	IFRS 7.25	
<p>In disclosing fair values, an entity shall group financial assets and financial liabilities into classes, but shall offset them only to the extent that their carrying amounts are offset in the statement of financial position.</p>	IFRS 7.26	

	Reference	Yes/No/N/a
<p>In some cases, an entity does not recognise a gain or loss on initial recognition of a financial asset or financial liability because the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability (ie a Level 1 input) nor based on a valuation technique that uses only data from observable markets (see paragraph AG76 of IAS 39). In such cases, the entity shall disclose by class of financial asset or financial liability:</p> <p>(a) its accounting policy for recognising in profit or loss the difference between the fair value at initial recognition and the transaction price to reflect a change in factors (including time) that market participants would take into account when pricing the asset or liability (see paragraph AG76(b) of IAS 39).</p> <p>(b) the aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference.</p> <p>(c) why the entity concluded that the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value</p>	IFRS 7.28	
<p>Disclosures of fair value are not required:</p> <p>(a) when the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade receivables and payables;</p> <p>(b) for an investment in equity instruments that do not have a quoted price in an active market for an identical instrument (ie a Level 1 input), or derivatives linked to such equity instruments, that is measured at cost in accordance with IAS 39 because its fair value cannot otherwise be measured reliably; or</p> <p>(c) for a contract containing a discretionary participation feature (as described in IFRS 4) if the fair value of that feature cannot be measured reliably.</p>	IFRS 7.29	
<p>In the cases described in IFRS 7.29(b) and (c), an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including:</p> <p>(a) the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably;</p> <p>(b) a description of the financial instruments, their carrying amount, and an explanation of why fair value cannot be measured reliably;</p> <p>(c) information about the market for the instruments;</p> <p>(d) information about whether and how the entity intends to dispose of the financial instruments; and</p> <p>(e) if financial instruments whose fair value previously could not be reliably measured are derecognised, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognised.</p>	IFRS 7.30	

		Reference	Yes/No/N/a
4.32	For entities becoming, or ceasing to be, investment entities, as defined in IFRS 10 Consolidated Financial Statements, the disclosures in IFRS 12 Disclosure of Interests in Other Entities paragraph 9B should be given.	IAS 34.16A(k)	
	When an entity becomes, or ceases to be, an investment entity, it shall disclose the change of investment entity status and the reasons for the change. In addition, an entity that becomes an investment entity shall disclose the effect of the change of status on the financial statements for the period presented, including:	IFRS 12.9B	
	(a) the total fair value, as of the date of change of status, of the subsidiaries that cease to be consolidated;		
	(b) the total gain or loss, if any, calculated in accordance with paragraph B101 of IFRS 10; and		
	(c) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).		
4.33	Where an entity has adopted IFRS 15 Revenue from Contracts with Customers, the disaggregation of revenue from contracts with customers required by paragraphs 114-115 of IFRS 15 should be disclosed.	IAS 34.16A(l)	
	An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87-B89 of IFRS 15 when selecting the categories to use to disaggregate revenue.	IFRS 15.114	
	In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies IFRS 8 Operating Segments.	IFRS 15.115	
4.34	The compliance with IAS 34 should be stated.	IAS 34.19	
<b>5</b>	<b>First-time Adoption of IFRSs</b>		
5.1	If an entity presents an interim financial report in accordance with IAS 34 for part of the period covered by its first IFRS financial statements, the entity shall satisfy the following requirements in addition to the requirements of IAS 34:	IFRS 1.32	
	(a) Each such interim financial report shall, if the entity presented an interim financial report for the comparable interim period of the immediately preceding financial year, include:		
	(i) a reconciliation of its equity in accordance with previous GAAP at the end of that comparable interim period to its equity under IFRSs at that date; and		
	(ii) a reconciliation to its total comprehensive income in accordance with IFRSs for that comparable interim period (current and year to date). The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for that period or, if an entity did not report such a total, profit or loss in accordance with previous GAAP.		
	(b) In addition to the reconciliations required by (a), an entity's first interim financial report in accordance with IAS 34 for part of the period covered by its first IFRS financial statements shall include the reconciliations described in IFRS 1 paragraphs 24(a) and (b) (supplemented by the details required by paragraphs 25 and 26) or a cross-reference to another published document that includes these reconciliations.		
	(c) If an entity changes its accounting policies or its use of the exemptions contained in IFRS 1, it shall explain the changes in each such interim financial report in accordance with IFRS 1 paragraph 23 and update the reconciliations required by (a) and (b).		



		Reference	Yes/No/N/a
6.5	An entity that has presented only an income statement, or a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss' in accordance with paragraph 3.19 of FRS 102 in its most recent annual financial statements, is permitted to use the same basis of presentation if there are no items of other comprehensive income in any of the periods for which the interim financial statements are required to be presented in accordance with paragraph FRS 104.20B.	FRS 104.8C	
6.6	The condensed interim financial statements shall include, at a minimum, each of the headings and subtotals that were included in the entity's most recent annual financial statements and the selected explanatory notes as required by this FRS. Additional line items or notes shall be included if their omission would make the condensed interim financial statements misleading.	FRS 104.10	
6.7	Interim financial reports shall include interim financial statements (condensed or complete) for periods as follows: <ul style="list-style-type: none"> <li>(a) A statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year.</li> <li>(b) A single statement of comprehensive income or separate statements of income and of comprehensive income for the current interim period and, if different, cumulatively for the current financial year to date, with a comparative single statement of comprehensive income or separate statements of income and of comprehensive income for the comparable interim period (current and, if different, year-to-date) of the immediately preceding financial year. 6.3 sets out when an entity shall present a single statement of comprehensive income or separate statements of income and of comprehensive income.</li> <li>(c) A statement of changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.</li> <li>(d) A statement of cash flows cumulatively for the current financial year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year. This requirement does not apply to entities that do not present a statement of cash flows in accordance with 6.1.</li> </ul>	FRS 104.20	
6.8	An entity that presents a single condensed statement of income and retained earnings in place of the statement of comprehensive income and statement of changes in equity in accordance with 6.4, shall present a single condensed statement of income and retained earnings for the periods set out in 6.7(b).	FRS 104.20A	
6.9	An entity that presents an income statement, or a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss' in accordance with 6.5, shall present an income statement, or a statement of comprehensive income on that basis for the periods set out in 6.7(b).	FRS 104.20B	
6.10	For an entity whose business is highly seasonal, financial information for the 12 months up to the end of the interim period and comparative information for the prior 12-month period may be useful. Accordingly, entities whose business is highly seasonal are encouraged to consider reporting such information in addition to the information called for in 6.8 to 6.9.	FRS 104.21	
<b>Significant events and transactions</b>			
6.11	An entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.	FRS 104.15	

		Reference	Yes/No/N/a
6.12	A user of an entity's interim financial report will have access to the most recent annual financial report of that entity. Therefore, it is unnecessary for the interim financial report to provide relatively insignificant updates to the information that was reported in the most recent annual financial report.	FRS 104.15A	
6.13	<p>The following is a list of events and transactions for which disclosures would be required, if they are significant, either in the notes to the interim financial statements or, if disclosed elsewhere in the interim financial report, cross-referred to in the disclosure in the notes to the interim financial statements. Disclosure of this information is required in an entity's interim financial report only if the entity would be required to make the disclosure in its annual financial statements. This list is not exhaustive:</p> <p>(a) the write-down of inventories to net realisable value and the reversal of such a writedown;</p> <p>(b) recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversal of such an impairment loss;</p> <p>(c) the reversal of any provisions for the costs of restructuring;</p> <p>(d) acquisitions and disposals of items of property, plant and equipment;</p> <p>(e) commitments for the purchase of property, plant and equipment;</p> <p>(f) litigation settlements;</p> <p>(g) corrections of prior period errors;</p> <p>(h) changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, where those assets or liabilities are measured at fair value;</p> <p>(i) any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period;</p> <p>(j) related party transactions, unless the transaction was entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member; and</p> <p>(k) [not used]</p> <p>(l) [not used]</p> <p>(m) changes in contingent liabilities or contingent assets.</p>	FRS 104.15B	
6.14	Individual sections of FRS 102 provide guidance regarding disclosure requirements for many of the items listed in 6.13. When an event or transaction is significant to an understanding of the changes in an entity's financial position or performance since the last annual reporting period, its interim financial report should provide an explanation of and an update to the relevant information included in the financial statements of the last annual reporting period.	FRS 104.15C	

		Reference	Yes/No/N/a
<b>Other disclosures</b>			
6.15	<p>In addition to disclosing significant events and transactions in accordance with 6.11-14, an entity shall include the following information, either in the notes to its interim financial statements or, if disclosed elsewhere in the interim financial report, cross-referred to in the information in the notes to the interim financial statements (the information shall normally be reported on a financial year-to-date basis):</p> <p>(a) A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.</p> <p>(b) Explanatory comments about the seasonality or cyclicity of interim operations.</p> <p>(c) The nature and amount of items affecting assets, liabilities, equity, profit or loss or cash flows that are unusual because of their nature, size or incidence.</p> <p>(d) The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.</p> <p>(e) Issues, repurchases and repayments of debt and equity securities.</p> <p>(f) Dividends paid (aggregate or per share) separately for ordinary shares and other shares.</p> <p>(g) The following segment information (disclosure of segment information is required in an entity's interim financial report only if the entity has presented segment information in accordance with IFRS 8 Operating Segments (as adopted in the EU) in its most recent annual financial statements):</p> <p>(i) Revenues from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.</p> <p>(ii) Intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.</p> <p>(iii) A measure of segment profit or loss.</p> <p>(iv) A measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the most recent annual financial statements for that reportable segment.</p> <p>(v) A description of differences from the most recent annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.</p> <p>(vi) A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.</p>	FRS 104.16A	

		Reference	Yes/No/N/a
	<p>(h) Events after the interim period that have not been reflected in the financial statements for the interim period.</p> <p>(i) The effect of changes in the composition of the entity during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations. In the case of business combinations, the entity shall disclose the information required by paragraphs 19.25 and 19.25A of FRS 102 (disclosure of this information is required in an entity's interim financial report only if the entity would be required to make the disclosure in the annual financial statements).</p> <p>(j) For financial instruments disclosures that help users of interim financial reports to evaluate the significance of financial instruments measured at fair value; the entity shall disclose the information required by paragraphs 11.43, 11.48A(e) and 34.22 of FRS 102 (disclosure of this information is required in an entity's interim financial report only if the entity would be required to make the disclosure in its annual financial statements).</p>		
6.16	<p>An interim financial report that covers part of an annual financial reporting period during which an entity transitions from one financial reporting framework to another shall, in order to comply with the disclosure requirements in paragraph 6.15(a), disclose the following information:</p> <p>(a) a description of the nature of each change in accounting policy;</p> <p>(b) a reconciliation of its equity determined in accordance with its previous financial reporting framework to its equity determined in accordance with the new financial reporting framework for the following dates:</p> <p>(i) the date of transition to the new financial reporting framework; and</p> <p>(ii) at the end of the comparable year-to-date period of the immediately preceding financial year; and</p> <p>(c) a reconciliation of profit or loss determined in accordance with its previous financial reporting framework for the comparable interim period (current and if different year-to-date) of the immediately preceding financial year.</p> <p>The requirements of paragraph 35.14 of FRS 102 apply in respect of the reconciliations presented.</p>	FRS 104.16B	
6.17	<p>An entity shall present basic and diluted earnings per share for an interim period when the entity has presented earnings per share information in accordance with IAS 33 Earnings per Share (as adopted in the EU) in its most recent annual financial statements.</p> <p>If an entity presents basic and diluted earnings per share, it shall do so in the statement that presents the components of profit or loss (see 6.1).</p>	FRS 104.11-11A	
6.18	<p>If an entity's interim financial report is in compliance with FRS 104, that fact shall be disclosed.</p>	FRS 104.19	

		Reference	Yes/No/N/a
6.19	<p>Where full year comparatives are provided, a statement is required to satisfy section 435 of the Companies Act 2006 regarding the publication of non-statutory accounts, stating:</p> <p>(a) that the accounts are not the entity's statutory accounts (the term 'statutory accounts' is defined in section 434 of the Companies Act 2006);</p> <p>(b) whether statutory accounts, dealing with the financial year with which the non-statutory accounts purport to deal, have been delivered to the Registrar of Companies;</p> <p>(c) whether the auditors have made a report under section 495 and 496 on the entity's statutory accounts for any such financial year; and</p> <p>(d) whether this audit report was qualified or unqualified, or included a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report or contained a statement under section 498(2) or 498(3) of Companies Act 2006 (i.e. the accounting records or returns were inadequate, or the accounts do not agree with records or returns, or there has been a failure to obtain necessary information and explanations).</p> <p><b>For example: The information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006</b></p>	CA2006 s435 CA2006 s498	
<b>7</b>	<b>Interim management report</b>	DTR 4.2.3(2)	
7.1	<p>The interim management report must include at a minimum:</p> <p>(a) an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements; and</p> <p>(b) a description of the principal risks and uncertainties for the remaining six months of the financial year.</p> <p>Where the principal risks and uncertainties faced at the time of the last annual report remain valid for the purposes of the Interim Management Report, the FCA has indicated that it is acceptable to:</p> <ul style="list-style-type: none"> <li>state that the principal risks and uncertainties have not changed;</li> <li>provide a summary of those principal risks and uncertainties; and</li> <li>include a cross-reference to where a detailed explanation of the principal risks and uncertainties can be found in the Annual Report.</li> </ul> <p>If the risks and uncertainties have changed since the annual report, the entity should describe the new principal risks and uncertainties in the interim management report.</p>	DTR 4.2.7	UKLA Technical note: DTR
7.2	<p><b>If the entity has listed shares</b>, the following information must be disclosed in the interim management report, at a minimum:</p> <p>(a) related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the group during the period; and</p> <p>(b) any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the group in the first six months of the current financial year.</p>	DTR 4.2.8(1)	

		Reference	Yes/No/N/a
7.3	<p><b>If the entity has listed shares but is not required to prepare consolidated accounts</b>, it must disclose, at a minimum, any transactions which have been entered into with related parties by the entity, if such transactions are material and have not been concluded under normal market conditions.</p> <p>Information to be disclosed includes the amount of such transactions, the nature of the related party relationship and other information about the transactions necessary for an understanding of the financial position of the entity.</p> <p>Information about such related party transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the entity.</p>	DTR 4.2.8(2)	
<b>8</b>	<b>Going concern</b>		
8.1	In annual and half-yearly financial statements, the directors should state whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.	UK Corporate Governance Code C.1.3	
8.2	<p>Where an entity is required to prepare half-yearly financial statements, the same considerations should apply as for the annual financial statements in relation to disclosures about the going concern basis of accounting and material uncertainties. Directors should therefore build on their understanding of these matters since the completion of the last annual report, update their conclusions on the basis of accounting and the existence of material uncertainties and revise their disclosures as necessary.</p> <p><b>Appendix A of the FRC's 2014 Guidance on Risk Management, Internal Control and Related Financial and Business Reporting provides guidance on the going concern basis of accounting and material uncertainties, plus the reporting thereof.</b></p>	2014 FRC Guidance – Appendix A paragraph 10	
<b>9</b>	<b>Responsibility statements</b>	DTR 4.2.3(3)	
9.1	Responsibility statements must be made by the persons responsible within the entity.	DTR 4.2.10(1)	
9.2	The name and function of any person who makes a responsibility statement must be clearly indicated in the responsibility statement.	DTR 4.2.10(2)	
9.3	<p>For each person making a responsibility statement, the statement must confirm that to the best of his or her knowledge:</p> <p>(a) the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;</p> <p>(b) the interim management report includes a fair review of the information required by DTR 4.2.7R; and(c) if the entity has listed shares, the interim management report includes a fair review of the information required by DTR 4.2.8R.</p>	DTR 4.2.10(3)	

		Reference	Yes/No/N/a
9.4	<p>A person making a responsibility statement will satisfy the requirement in DTR 4.2.10. (3) (a) above to confirm that the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer (or the undertakings included in the consolidation as a whole) by including a statement that the condensed set of financial statements have been prepared in accordance with:</p> <p>(a) IAS 34; or</p> <p>(b) for UK issuers not using IFRSs, FRS 104: <i>Interim Financial Reporting</i>; or</p> <p>(c) for all other issuers not using IFRSs, a national accounting standard relating to interim reporting,</p> <p>provided always that a person making such a statement has reasonable grounds to be satisfied that the condensed set of financial statements prepared in accordance with such a standard is not misleading.</p>	DTR 4.2.10(4)	
<b>10</b>	<b>ESMA Guidelines on Alternative Performance Measures (APMs)</b>		
	<p><b>The interim management report (the narrative part) in a half-yearly financial report prepared by an issuer of securities on a regulated market (for example the Main Market in the UK but not AIM) does fall within the scope of the guidelines. The Guidelines themselves provide more detail on the scope of which documents they apply to.</b></p> <p><b>APMs are defined in the guidelines as “a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.” This captures metrics such as EBIT, EBITDA, free cash flows, net debt, gearing and more besides.</b></p> <p><b>Further information on the guidelines can be found in the Regulatory Requirements section of this publication. The below sets out the requirements contained within the guidelines.</b></p>		
	<p>Except for those member states which do not permit the compliance by reference, disclosure principles set out in the guidelines may be replaced by a direct reference to other documents previously published which contain these disclosures on APMs and are readily and easily accessible to users. In this case, compliance with the guidelines is to be assessed reading the documents together. However, compliance by reference should not override the other principles of the guidelines.</p>	ESMA guidelines Annex IV 45	
	<p>As set out below, APMs should be accompanied by the comparatives for the corresponding previous periods, thus the compliance by reference should not be understood as allowing the removal of those comparatives and replacement with references.</p>	ESMA guidelines Annex IV 46	
	<p>References made should direct users to the information required by the guidelines such as direct hyperlinks into the documents where the information may be accessed. This reference should be sufficiently precise such as identification of the specific page, section or chapter of the documents where this information can be read.</p>	ESMA guidelines Annex IV 47	
	<p>For the purpose of the guidelines, readily and easily access to the documents implies that investors will not need to register on websites, to pay fees to access this information or to search for these documents through a search facility or a succession of links.</p>	ESMA guidelines Annex IV 48	
	<p><b>The FRC’s FAQs on the Guidelines note that “preparers of financial information should consider their wider reporting responsibilities when using signposting to external information, such as the UK Corporate Governance Code’s requirement to ensure, when taken as a whole, the Annual Report is fair, balanced and understandable.” Under the DTR the interim management report is required to provide a “fair” review.</b></p>		

		Reference	Yes/No/N/a
10.1	APMs and their components should be defined in a clear and readable way along with the basis of calculation adopted, including details of any material hypotheses or assumptions used. An indication should be given as to whether the APM or any of its components relate to the (expected) performance of the past or future reporting period.	ESMA guidelines Annex IV 20-21	
10.2	<p>APMs should be given meaningful labels reflecting their content and basis of calculation in order to avoid conveying misleading messages to users. Overly optimistic or positive labels such as 'guaranteed profit' or 'protected returns' should not be used.</p> <p>References to APMs should not use labels, titles or descriptions that are the same or confusingly similar to measures defined in the applicable financial reporting framework.</p> <p>Items should not be mislabelled as nonrecurring, infrequent or unusual. For example, items that affected past periods and will affect future periods will rarely be considered as non-recurring, infrequent or unusual (such as restructuring costs or impairment losses).</p>	<p>ESMA guidelines Annex IV 22-23</p> <p>ESMA guidelines Annex IV 24</p> <p>ESMA guidelines Annex IV 25</p>	
10.3	<p>A reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period should be disclosed, separately identifying and explaining the material reconciling items.</p> <p>The most directly reconcilable line item, subtotal or total presented in the financial statements relevant for that specific APM should also be presented.</p> <p>Where reconciling items are included in financial statements, users should be able to identify them in those financial statements. Where a reconciling item cannot be extracted directly from the financial statements, the reconciliation should show how the figure is calculated.</p> <p>Where an APM is directly identifiable from the financial statements no reconciliation is required. This applies for example when an APM is a total or subtotal presented in financial statements.</p> <p><b>Paragraphs 30 and 31 address scenarios where financial statements of the corresponding period are not yet published (such as results announcements) or will never be published. These requirements are not reproduced here in light of their limited relevance to half-yearly financial reports.</b></p> <p>Where an APM presented is not reconcilable because it does not derive from the financial statements, such as profit estimates, future projections or profit forecasts, the issuer should provide an explanation about the consistency of that APM with the accounting policies applied by the issuer in the financial statements prepared in accordance with the applicable financial reporting framework.</p>	<p>ESMA guidelines Annex IV 26</p> <p>ESMA guidelines Annex IV 27</p> <p>ESMA guidelines Annex IV 28</p> <p>ESMA guidelines Annex IV 29</p> <p>ESMA guidelines Annex IV 30-31</p> <p>ESMA guidelines Annex IV 32</p>	
10.4	The use of APMs should be explained in order to allow users to understand their relevance and reliability. The explanation should set out why it is believed that an APM provides useful information regarding the financial position, cash-flows or financial performance as well as the purposes for which the specific APM is used.	ESMA guidelines Annex IV 33-34	
10.5	APMs should not be displayed with more prominence, emphasis or authority than measures directly stemming from financial statements. The presentation of APMs should not distract from the presentation of the measures directly stemming from financial statements.	ESMA guidelines Annex IV 35-36	

		Reference	Yes/No/N/a
10.6	<p>APMs should be accompanied by comparatives for the corresponding previous periods, including reconciliations for those comparatives. In situations where APMs relate to forecasts or estimations, the comparatives should be in relation to the last historical information available.</p> <p>Where it is impracticable to provide comparative figures, this should be disclosed together with an explanation as to why it is impracticable.</p> <p>Where restating comparatives, only information available at the end of the financial period for which the APM was presented should be used. The effects of events occurring after that moment should not be incorporated, i.e. hindsight should not be used when presenting restated comparatives.</p>	<p>ESMA guidelines Annex IV 37-38</p> <p>ESMA guidelines Annex IV 39</p> <p>ESMA guidelines Annex IV 40</p>	
10.7	<p>The definition and calculation of an APM should be consistent over time. In exceptional circumstances where APMs are redefined, the issuer should:</p> <ol style="list-style-type: none"> <li>i. Explain the changes;</li> <li>ii. explain the reasons why these changes result in reliable and more relevant information on the financial performance, and</li> <li>iii. provide restated comparative figures.</li> </ol> <p>Where an APM stops being disclosed, the reason for considering that this APM no longer provides relevant information should be explained.</p> <p>When a specific APM is replaced by another one that better achieves the same objectives, an explanation should be given as to why the new APM provides reliable and more relevant information compared to the previous APM used.</p>	<p>ESMA guidelines Annex IV 41</p> <p>ESMA guidelines Annex IV 42</p> <p>ESMA guidelines Annex IV 43</p>	

# Acronyms explained

The following acronyms are used in this publication:

AIM	Alternative Investment market
APB	Auditing Practices Board
APM	Alternate Performance Measures
ASB	Accounting Standards Board
CA2006	Companies Act 2006, as amended
CRR	Corporate Reporting Review team
DPT	Diverted Profits Tax
DTR	Disclosure Rules and Transparency Rules
EEA	European Economic Area
ECB	European Central Bank
EFSF	European Financial Stability Facility
ESMA	European Securities and Markets Authority
FRC	Financial Reporting Council
FCA	Financial Conduct Authority
GAAP	Generally Accepted Accounting Practice
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
IMR	Interim Management Review
IMS	Interim Management Statement
LSE	London Stock Exchange
KPI	Key performance indicator
OCI	Other comprehensive income
PSM	Professional Securities Market
RIS	Regulated information System
SOCI	Statement of comprehensive income
SOCIE	Statement of changes in equity
UKLA	UK Listing Authority

In addition, the following accounting standards are referred to:  
ASB statement Half-yearly financial reports (as issued in 2007)

IFRS 1	<i>First-time Adoption of International Financial Reporting Standards</i>
IFRS 3 (2004)	<i>Business Combinations</i> (as issued in 2004)
IFRS 3 (2008)	<i>Business Combinations</i> (as issued in 2008)
IFRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
IFRS 7	<i>Financial Instruments: Disclosures</i>
IFRS 8	<i>Operating Segments</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 10	<i>Consolidated Financial Statements</i>
IFRS 11	<i>Joint Arrangements</i>
IFRS 12	<i>Disclosure of Interests in Other Entities</i>
IFRS 13	<i>Fair Value Measurement</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
IFRS 16	<i>Leases</i>
IAS 1 (revised)	<i>Presentation of Financial Statements</i> (as revised in 2007)
IAS 7	<i>Statement of Cash Flows</i>
IAS 12	<i>Income Taxes</i>
IAS 19	<i>Employee Benefits</i> (as revised in 2011)
IAS 21	<i>The Effects of Changes in Foreign Exchange Rates</i>
IAS 27	<i>Separate Financial Statements</i> (as revised in 2011)
IAS 28	<i>Investments in Associates and Joint Ventures</i> (as revised in 2011)
IAS 33	<i>Earnings Per Share</i>
IAS 34	<i>Interim Financial Reporting</i>
IAS 36	<i>Impairment of Assets</i>
IAS 37	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
IFRIC 21	<i>Interpretation of International Financial Reporting Standards Levies</i>
FRS 104	<i>Interim Financial Reporting</i>

## How can we help?

Further resources and publications on corporate reporting can be found at [www.ukaccountingplus.co.uk](http://www.ukaccountingplus.co.uk)

Deloitte would be pleased to advise on specific application of the principles set out in this publication. Professional advice should be obtained as this general advice cannot be relied upon to cover specific situations. Application will depend on the particular circumstances involved. If you would like further, more detailed information or advice, or would like to meet with us to discuss your half-yearly financial reporting issues, please contact your local Deloitte partner or:

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# Notes





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