



# Half Year Report & Condensed Financial Statements

Six months ended 31 March 2015





# Contents

- 1 Highlights
- 2 Chairman's Statement
- 4 Income Statement
- 5 Statement of Comprehensive Income
- 6 Statement of Changes in Equity
- 7 Balance Sheet
- 9 Statement of Cash Flows
- **11** Reconciliation of Net Cash Flow to Movement in Net Debt
- **12** Notes to the Half Year Financial Statements



# TREATT PLC HALF YEAR RESULTS SIX MONTHS ENDED 31 MARCH 2015

# Adjusted profit before tax up 5% and adjusted EPS up 9% as the Group continues to meet expectations

Treatt Plc, the manufacturer and supplier of ingredient solutions for the flavour, fragrance and FMCG industries, announces today its half year results for the six months ended 31 March 2015.

### **HIGHLIGHTS of our half year:**

- Revenues for the six months up 12% to £41.4 million (H1 2014: £37.1 million)
- Operating profit increased by 5% to £3.3m (H1 2014: £3.1m)
- Adjusted EBITDA<sup>1</sup> up 4% to £4.0m (H1 2014: £3.8m)
- Adjusted profit before tax<sup>1</sup> rose by 5% to £2.9m (H1 2014: £2.8m)
- Adjusted basic earnings per share<sup>1</sup> increased by 9% to 4.21p (H1 2014: 3.87p)
- Interim dividend per share raised by 3% to 1.28p (2014 interim dividend: 1.24p)

Commenting on the results, Group CEO Daemmon Reeve said:

"Our strategy continues to gain momentum. The performance and effort of our enabled and motivated teams across the Group is impressive. We are securing and delivering on opportunities which are making a real difference to the business and this provides me with great optimism for the future."

Notes: <sup>1</sup> Adjusted to exclude exceptional items – see note 7

#### **Enquiries:**

# Treatt plc

### +44 (0)1284 702500

Daemmon Reeve Richard Hope

Chief Executive Officer Finance Director

#### **Brokers**

Investec Investment Banking Patrick Robb +44 (0)20 7597 4000 David Anderson

#### **Public relations**

Davidson Ryan Dore Lawrence Dore +44 (0)20 7520 9218

Treatt Plc | Half Year Report and Condensed Financial Statements | Six months ended 31 March 2015



#### **CHAIRMAN'S STATEMENT**

I am pleased to be reporting a solid set of results for the first six months of the current financial year and the progress made in the business in order to meet our long term strategic objectives. Adjusted<sup>1</sup> EBITDA has improved by 4% to £4.0m (2014:  $\pm 3.8m$ ) with adjusted<sup>1</sup> profit before tax increasing by 5% to  $\pm 2.9m$  (2014:  $\pm 2.8m$ ). Adjusted<sup>1</sup> earnings per share have increased by 9% to 4.21 pence per share (2014: 3.87 pence per share).

The Board has declared an increase in the interim dividend of 3% to 1.28 pence per share (2014: 1.24 pence per share) which represents approximately one third of the previous year's total dividend in line with the Board's policy. Naturally, the total dividend for the year will continue to be guided by the overarching policy of maintaining a dividend cover of between 2-2.5X on a rolling three year basis. The interim dividend will be payable on 16 October 2015 to all shareholders on the register at close of business on 11 September 2015.

The first half of the financial year saw revenue grow by an encouraging 12% to £41.4m (2014: £37.1m) with a consequent increase in gross profit of 9% to £9.1m (2014: £8.4m). Margins in the first six months of the financial year have, as anticipated, been impacted by adverse raw material price movements in relation to some longer term fixed price contracts.

There has been a small increase in net debt of  $\pm 0.3m$  (2014:  $\pm 3.1m$  increase) as the Group generated free cash inflow of  $\pm 0.9m$  (2014: outflow  $\pm 2.2m$ ) in the period. The Group would expect to report an increase in net debt at this time of year, as inventory is built up to support the seasonally stronger sales in the second half. However, a number of strategic business developments have resulted in improvements in the underlying cash performance of the business.

There are hedging instruments in place to protect the Group from the full impact of foreign exchange rate volatility, particularly in respect of the US Dollar and Euro. Overall, this resulted in a short term FX loss, included within administrative expenses, of £0.4m which we expect to be offset by corresponding FX gains or margin improvements in H2.

The Group's strategy is to focus on delivering added-value ingredient solutions across key market segments in the flavour, fragrance, cosmetics, and in particular, the beverage sectors. We are making particularly good progress in the beverage sector which itself breaks down into a number of important segments for Treatt, including the fast growing craft beer market. The beverage market continues to innovate and brings opportunities to develop new products in these areas, especially the wellness and natural areas as demand grows for lower calorie and health-conscious products. We believe our experience in operating in these markets is a critical factor in our success but another is the close commercial and technical relationships we develop with key, targeted customers to deliver the difference they seek. In the first half of the year, we have achieved a number of new business wins leveraging our expertise in these areas.

Shareholders who attended January's AGM will have seen the new product development centre, including new sensory, applications and brewing capabilities, which we opened earlier this year at our UK site in Bury St. Edmunds. Building collaborative commercial and technical platforms such as this provides the environment that our customers expect and enhances our opportunities to achieve long-term success.

As we reported in March 2015, the Board has been actively considering a number of options with regard to our UK plant which no longer meets the medium to long term needs of the business. We believe that the best option for the future growth of the business will come in the form of a full site re-location within the Bury St. Edmunds area with new modern and efficient manufacturing and technical facilities. This will enable a material increase in our value-added capabilities through greater investment in innovation and R&D capabilities, lower cost production, and reduced inefficiencies and maintenance costs. Above all, this will enable us to partner on a much greater scale with global FMCG customers to deliver the innovative solutions they require.

Whilst plans are still being finalised, current indications are that the move is likely to cost in the region of £15m to £20m net of disposal proceeds, but will enable us to deliver greater returns for shareholders. As previously stated, we will consult with key stakeholders to ensure their support as these plans come together.

2



#### Prospects

The third quarter of the financial year has started steadily and with order books up on the prior year, the Board remains confident at this early stage of the second half that the Group will meet its expectations for the year ending 30 September 2015. Over the remainder of the year, we will continue to develop and evolve our strategy in order to build a stronger, more profitable business for the long term.

#### **TIM JONES**

Chairman

18 May 2015

Notes:

 $^{1}$  Adjusted to exclude exceptional items – see note 7  $\,$ 



#### **TREATT PLC**

# HALF YEAR FINANCIAL STATEMENTS CONDENSED GROUP INCOME STATEMENT for the six months ended 31 March 2015

	Notes	Six months to 31 March 2015 (unaudited) £'000	Six months to 31 March 2014 (unaudited) £'000	Year to 30 September 2014 (audited) £'000
Revenue	6	41,408	37,106	79,189
Cost of sales		(32,266)	(28,691)	(61,218)
Gross profit		9,142	8,415	17,971
Administrative expenses		(5,837)	(5,268)	(10,343)
Operating profit		3,305	3,147	7,628
Finance revenue		1	1	1
Finance costs		(369)	(352)	(725)
Profit before taxation and exceptional items		2,937	2,796	6,904
Exceptional items	7	(98)	(236)	(1,402)
Profit before taxation		2,839	2,560	5,502
Taxation	8	(769)	(809)	(1,553)
Profit for the period attributable to owners of the Parent	Company	2,070	1,751	3,949
Earnings per share				
Basic	9	4.02p	3.41p	7.69p
Diluted	9	4.00p	3.39p	7.66p
Adjusted basic	9	4.21p	3.87p	9.95p
Adjusted diluted	9	4.19p	3.85p	9.91p

All amounts relate to continuing operations



#### CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

#### for the six months ended 31 March 2015

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Profit for the period attributable to owners of the Parent Company	2,070	1,751	3,949
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on foreign currency net investments	1,275	(367)	20
Current tax on foreign currency translation differences	(8)	3	(11)
Fair value movement on cash flow hedges	(364)	(16)	16
Deferred tax on fair value movement	73	(2)	(8)
	976	(382)	17
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on defined benefit pension scheme	(1,371)	(112)	(1,170)
Current tax credit on actuarial loss	21	25	51
Deferred tax credit on actuarial loss	254	-	188
	(1,096)	(87)	(931)
Other comprehensive expense for the period	(120)	(469)	(914)
Total comprehensive income for the period attributable			
to owners of the Parent Company	1,950	1,282	3,035



6

#### **CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**

#### for the six months ended 31 March 2015

Share capital premium f '000         Share (2000         Instare (2000         Hedging (2000         example (2000         example (2000 <thexample (2000         example (2000        &lt;</thexample 				Own shares		Foreign		
capital         premium         trusts         reserve         reserve         earnings         equity           1 October 2013         1,048         2,757         (622)         (487)         455         24,292         27,442           Met profit for the period         -         -         -         1,751         1,751           Exchange differences net of tax         -         -         -         (16)         -         (2)         (18           Actuarial loss on defined benefit         -         -         -         -         -         (16)         (37)         1655           Tratacomprehensive income         -         -         -         -         15         12           Tratacomprehensive income         -         -         -         -         15         12           Tratacomprehensive income         -         -         -         -         15         12           1 April 2014         1,048         2,757         (622)         (503)         88         25,07         28,172           Net profit for the period         -         -         -         387         (3)         384           Fair value movement on cash         -         -         -<		Share	Share		Hedging	-	Retained	Total
1 October 2013       1,048       2,757       (622)       (487)       455       24,292       27,443         Net profit for the period       -       -       -       1,751		capital	premium	trusts		reserve	earnings	equity
Net profit for the period         -         -         -         1,751         1,751           Exchange differences net of tax         -         -         -         (367)         3         (364)           flow hedges net of tax         -         -         -         (367)         3         (364)           flow hedges net of tax         -         -         -         (16)         (2)         (18)           Acturaid loss on defined benefit         -         -         -         -         (87)         (87)           Total comprehensive income         -         -         -         15         12           April 2014         1,048         2,757         (622)         (503)         88         25,407         28,172           Net profit for the period         -         -         -         -         2,198			£'000	£'000	£'000	£'000	£'000	£'000
Exchange differences net of tax         -         -         (367)         3         (364)           Fair value movement on cash         -         -         (16)         (2)         (18)           Acturaia loss on defined benefit         -         -         -         (87)         (87)           Total comprehensive income         -         -         -         (87)         (87)         (87)           Transactions with owners:         -         -         -         -         (87)         (87)           Dividends         -         -         -         -         15         15           April 2014         1,048         2,757         (622)         (503)         88         25,407         28,172           Net profit for the period         -         -         -         387         (3)         364           For value movement on cash         -         -         387         (3)         384           for value movement on cash         -         -         32         2         2         34           for value movement on cash         -         -         102         (173)         71         -           for value morelabung to items above         -         <	1 October 2013	1,048	2,757	(622)	(487)	455	24,292	27,443
Exchange differences net of tax       -		-		-	-	-		1,751
Fair value movement on cash       flow hedges met of tax       -       -       (16)       -       (2)       (18)         Actuarial loss on defined benefit       -       -       -       -       (87)       (87)         Transactions with owners:       -       -       -       -       (16)       (367)       1,665       1,282         Transactions with owners:       -       -       -       -       15       15         Dividends       -       -       -       -       15       15         Share-based payments       -       -       -       -       15       15         Net profit for the period       -       -       -       -       2,198       2,198         Exchange differences net of tax       -       -       -       387       (3)       384         Fair value movement on cash       -       -       -       387       (3)       384         Transactions net net of tax       -       -       -       102       (173)       11       -       -       1,083       (1,083)       (1,083)       (1,083)       (1,083)       (1,083)       (1,084)       1,044       1,755       Transaction relating to items above		-	-	-	-	(367)		-
flow hedges net of tax       -       -       (16)       -       (2)       (18)         Actuarial loss on defined benefit       -       -       -       (87)       (87)         Tatal comprehensive income       -       -       (16)       (367)       1,665       1,282         Transactions with owners:       -       -       -       -       (16)       (367)       1,665       1,282         Dividends       -       -       -       -       15       11         Actuarial Dividends       -       -       -       15       12         I April 2014       1,048       2,757       (622)       (503)       88       25,407       28,175         Flow whedges net of tax       -       -       -       387       (3)       384         Flow whedges net of tax       -       -       -       32       2       34         Actuarial loss on defined benefit       -       -       -       102       (1,334)       (1,083)         Transactions with owners:       -       -       102       11       239       222         Total comprehensive income       -       -       126       203       1,424       1,						()	-	()
Actuarial isso an defined benefit         -         -         -         -         (87)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)         (81)		-	-	-	(16)	-	(2)	(18)
pension scheme net of tax         -         -         -         (87)         [87]           Total comprehensive income         -         -         (16)         (367)         1,665         1,282           Transactions with owners:         -         -         -         (565)         5           Share-based payments         -         -         15         15           April 2014         1,048         2,757         (622)         (503)         88         25,407         28,177           Net profit for the period         -         -         -         387         (3)         384           Fair value movement on cash         -         -         -         32         -         2         34           Actuarial loss on defined benefit         -         -         -         102         (173)         71         -           Transaction relating to items above         -         102         (173)         71         -         -         -         102         173         71         -         -         -         103         11         329         220         Total comprehensive income         -         -         126         203         1,424         1,525         Transacti					()		(-)	()
Total comprehensive income         -         -         (16)         (367)         1,665         1,282           Transactions with owners:         Dividends         -         -         -         556         (565)           Share-based payments         -         -         -         15         15           1 April 2014         1,048         2,757         (622)         (503)         88         25,407         28,175           Net profit for the period         -         -         -         2,198         2,108         2,108         2,101		-	-	-	-	-	(87)	(87)
Transactions with owners:       Dividends       -       -       -       (565)       (565)         Share-based payments       -       -       -       15       11         1 April 2014       1,048       2,757       (622)       (503)       88       25,407       28,175         Net profit for the period       -       -       -       2,198       2,1		-	-	-	(16)	(367)		
Dividends       -       -       -       -       15       15         Share-based payments       -       -       -       15       11         1 April 2014       1,048       2,757       (622)       (503)       88       25,407       28,175         Net profit for the period       -       -       -       -       2,198       2,198         Fair value movement on cash       -       -       -       387       (3)       384         flow hedges net of tax       -       -       -       32       -       2       34         Actuarial loss on defined benefit       -       -       -       102       (173)       71       -         Transfer between reserves       -       -       -       18       (1.083)       1(.083)       1(.083)         Transaction relating to items above       -       -       102       (173)       71       -         Toxation relating to items above       -       -       126       203       1,424       1,752         Transactions with owners:       -       -       -       18       18       -       -       12       32       32       32       32       32					( - <i>)</i>	()	,	, -
Share-based payments         -         -         -         15         12           1 April 2014         1,048         2,757         (622)         (503)         88         25,407         28,175           Net profit for the period         -         -         -         2,198         1,1048         2,179         1,1048         2,179         1,1048         2,175         1,215         1,215		-	-	-	-	-	(565)	(565)
1 April 2014         1,048         2,757         (622)         (503)         88         25,407         28,175           Net profit for the period         -         -         -         -         2,198         2,188         2,198         2,188         2,187         3,184         3,180         3,184         3,180		-	-	-	-	_		
Net profit for the period       -       -       -       2,198       2,198         Exchange differences net of tax       -       -       -       387       (3)       384         Fair value movement on cash       flow hedges net of tax       -       -       -       32       2       34         Actuarial loss on defined benefit       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       104       1,023       220       70       70       -       -       -       104       1,034       1,753       Transactions with owners:       -       -       -       -       104       1,344       1,753       -       -       77       Gain on release of shares in share trust       -       -       -       103       30       30       30       31       10ctober 2014       1,048       2,757       (549)       (377)		1 048	2 757	(622)	(503)	88		
Exchange differences net of tax       -       -       -       387       (3)       384         Fair value movement on cash       -       -       -       32       -       2       34         Actuarial loss on defined benefit       -       -       -       32       -       2       34         Actuarial loss on defined benefit       -       -       -       -       -       1(1083)       (1.083)         Transfer between reserves       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       102       (1033)       1.083       -       -       -       102       (173)       71       -       -       -       102       (173)       71       -       -       -       102       1033       1.083       .       -       -       103       1.083       .       -       -       103       1.043       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034       1.034 <td></td> <td>1,040</td> <td>2,737</td> <td>(022)</td> <td>(505)</td> <td></td> <td></td> <td></td>		1,040	2,737	(022)	(505)			
Fair value movement on cash flow hedges net of tax       -       -       32       -       2       34         Actuarial loss on defined benefit pension scheme net of tax       -       -       -       1(1,083)       (1,083)         Transfer between reserves       -       -       102       (173)       71       -         Taxation relating to items above       -       -       102       (113)       239       226         Total comprehensive income       -       -       126       203       1,424       1,753         Transactions with owners:       -       -       -       126       203       1,424       1,733         Joindends       -       -       -       126       203       1,424       1,732         Gain on release of shares in share trust       -       -       -       -       32       32         Movement in own shares in share trust       -       -       -       -       18       18         Toxation relating to items recognised       -       -       -       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070		-	-	-	-	- 707		
flow hedges net of tax       -       -       32       -       2       34         Actuarial loss on defined benefit       -       -       -       (1,083)       (1,083)         pension scheme net of tax       -       -       102       (173)       71       -         Transfer between reserves       -       -       102       (173)       71       -       -         Taxation relating to items above       -       -       126       203       1,424       1,753         Transactions with owners:       -       -       -       126       203       1,424       1,753         Dividends       -       -       -       126       203       1,424       1,753         Transactions with owners:       -       -       -       126       203       1,424       1,753         Dividends       -       -       -       126       203       1,424       1,753         Gain on release of shares in share trust       -       -       73       -       -       73         Goin on release of shares in share trust       -       -       -       43       42         1 October 2014       1,048       2,757       (549) <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>507</td> <td>(5)</td> <td>504</td>		-	-	-	-	507	(5)	504
Actuarial loss on defined benefit       pension scheme net of tax       -       -       -       (1,083)       (1,083)         Transfer between reserves       -       -       102       (173)       71       71         Taxation relating to items above       -       -       (8)       (111)       239       220         Total comprehensive income       -       -       (8)       (111)       239       220         Total comprehensive income       -       -       126       203       1,424       1,753         Transactions with owners:       -       -       -       (1,334)       (1,334)         Dividends       -       -       -       32       33         Movement in own shares in share trust       -       -       -       73         Gain on release of shares in share trust       -       -       -       18       16         Taxation relating to items recognised       -       -       -       18       16         Totato comprehensive income       -       -       -       18       16         Toxation relating to items recognised       -       -       -       125       2070       2070         I October 2014       1					27		2	24
pension scheme net of tax       -       -       -       -       (1,083)       (1,083)         Transfer between reserves       -       -       102       (173)       71         Taxation relating to items above       -       -       (18)       (11)       239       220         Total comprehensive income       -       -       126       203       1,424       1,753         Transactions with owners:       -       -       -       -       (1,334)       (1,334)         Share-based payments       -       -       -       -       102       32       32         Movement in own shares in share trust       -       -       -       -       18       18         Toxation relating to items recognised       -       -       -       43       43         I October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       640       -       -       644         Actuarial loss on defined benefit       -       <		-	-	-	52	-	2	54
Transfer between reserves       -       -       102       (173)       71         Taxation relating to items above       -       -       (8)       (11)       239       220         Total comprehensive income       -       -       126       203       1,424       1,753         Transactions with owners:       -       -       -       126       203       1,424       1,733         Dividends       -       -       -       -       32       33         Movement in own shares in share trust       -       -       -       32       33         Gain on release of shares in share trust       -       -       -       18       18         Toxation relating to items recognised       -       -       -       18       18         directly in equity       -       -       -       -       18       18         Toxation relating to items recognised       -       -       -       18       18         directly in equity       -       -       -       -       18       18         Toxation relating to items above       -       -       -       1,275       -       1,275         Fair value movement on cash <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>(1 092)</td><td>(1 002)</td></t<>							(1 092)	(1 002)
Taxation relating to items above       -       -       (8)       (11)       239       220         Total comprehensive income       -       -       126       203       1,424       1,755         Transactions with owners:       Dividends       -       -       126       203       1,424       1,755         Dividends       -       -       -       1334)       (1,334)       (1,334)         Share-based payments       -       -       -       32       32         Movement in own shares in share trust       -       -       -       32       32         Gain on release of shares in share trust       -       -       73       -       -       -       73         directly in equity       -       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070       2,070<	-	-	-	-	-	-		(1,083)
Total comprehensive income         -         -         126         203         1,424         1,753           Transactions with owners:         Dividends         -         -         -         (1,334)         (1,334)           Share-based payments         -         -         -         (1,334)         (1,334)           Share-based payments         -         -         73         -         -         73           Gain on release of shares in share trust         -         -         -         18         18           Taxation relating to items recognised         -         -         -         43         43           1 October 2014         1,048         2,757         (549)         (377)         291         25,590         28,760           Net profit for the period         -         -         -         -         2,070         2,070         2,070           Exchange differences         -         -         -         1,275         -         1,275         -         1,275           Foir value movement on cash         -         -         -         (364)         -         -         (364)           Actuarial loss on defined benefit         -         -         -         73<	-	-	-	-				-
Transactions with owners:       Dividends       -       -       -       -       (1,334)       (1,334)         Dividends       -       -       -       -       32       32         Movement in own shares in share trust       -       -       -       32       32         Movement in own shares in share trust       -       -       73       -       -       73         Gain on release of shares in share trust       -       -       -       18       18         Taxation relating to items recognised       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       -       (1,371)       (1,371)         Taxation relating to items above       -       -       -       73       (8)       275       340         Total comprehensive income       -		-	-	-				
Dividends       -       -       -       -       (1,334)       (1,334)         Share-based payments       -       -       -       32       32         Movement in own shares in share trust       -       -       73       -       -       73         Gain on release of shares in share trust       -       -       73       -       -       73         Gain on release of shares in share trust       -       -       -       -       18       18         Taxation relating to items recognised       -       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       -       34       34         I otaction relating to items above       -       -       -       1,371       (1,371)       1,371         Taxation relating to items above       -		-	-	-	126	203	1,424	1,753
Share-based payments       -       -       -       -       32       32         Movement in own shares in share trust       -       -       73       -       -       73         Gain on release of shares in share trust       -       -       -       73       -       -       73         Gain on release of shares in share trust       -       -       -       -       18       18         Taxation relating to items recognised       -       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       2,070       2,070       2,070         Exchange differences       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       (364)       -       -       (364)         Actuarial loss on defined benefit       -       -       -       73       (8)       275       340         Taxation relating to items above       -       -       -       73       (8)       275       340         T							(4.224)	(4.224)
Movement in own shares in share trust       -       -       73       -       -       73         Gain on release of shares in share trust       -       -       -       -       18       18         Taxation relating to items recognised       directly in equity       -       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       -       2,070       2,070         Exchange differences       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       -       6364)       -       -       6364         Actuarial loss on defined benefit       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -       73       (8)       275       340         Total comprehensive inshare trusts       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -		-	-	-	-	-		
Gain on release of shares in share trust       -       -       -       -       18       18         Taxation relating to items recognised       directly in equity       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       2,070       2,070         Exchange differences       -       -       -       -       1,275       1,275         Fair value movement on cash       -       -       -       (364)       -       -       (364)         Actuarial loss on defined benefit       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -       73       (8)       275       340         Transactions with owners:       -       -       -       103       103       103         Movement in own shares in share trusts       -       -       -       -       103       103         Movement in own shares in share trusts       -       -       -       -       29       22       22       -       -<		-	-	-	-	-	32	
Taxation relating to items recognised         directly in equity       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       20,700       2,070         Exchange differences       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       (364)       -       -       (364)         Actuarial loss on defined benefit       -       -       -       73       (8)       275       340         Taxation relating to items above       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -       73       (9)       1,978       1,978         Dividends       -       -       -       -       -       103       103         Movement in own shares in share trusts       -       -       -       -       29       29         Issue of share capital       2       -       -       -       29       29       29		-	-	/3	-	-	-	
directly in equity       -       -       -       43       43         1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       2,070       2,070         Exchange differences       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       (364)       -       -       (364)         Actuarial loss on defined benefit       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -       73       (8)       275       340         Transactions with owners:       -       -       -       73       (8)       275       340         Dividends       -       -       -       73       (8)       275       340         Movement in own shares in share trusts       -       -       -       103       103       103         Movement in own shares in share trusts       -       -       -       29       29       29         Issue of share capital       2       - <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>18</td> <td>18</td>		-	-	-	-	-	18	18
1 October 2014       1,048       2,757       (549)       (377)       291       25,590       28,760         Net profit for the period       -       -       -       -       2,070       2,070         Exchange differences       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       1,275       -       1,275         flow hedges       -       -       -       (364)       -       -       (364)         Actuarial loss on defined benefit       -       -       -       -       (1,371)       (1,371)         Taxation relating to items above       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -       73       (8)       275       340         Transactions with owners:       -       -       -       103       103         Dividends       -       -       -       -       103       103         Movement in own shares in share trusts       -       -       -       29       29       29         Issue of share capital       2       -       -       -							42	40
Net profit for the period       -       -       -       -       -       2,070       2,070         Exchange differences       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       -       1,275       -       1,275         Fair value movement on cash       -       -       -       (364)       -       -       (364)         Actuarial loss on defined benefit       -       -       -       (1,371)       (1,371)       (1,371)         Taxation relating to items above       -       -       -       73       (8)       275       340         Total comprehensive income       -       -       -       -       (1,978)       (1,978)         Transactions with owners:       -       -       -       -       103       103         Dividends       -       -       -       -       2       -       -       22         Gain on release of sh		-	-	-	-	-		
Exchange differences1,275-1,275Fair value movement on cashflow hedges(364)(364)Actuarial loss on defined benefitpension scheme(1,371)(1,371)Taxation relating to items above73(8)275340Total comprehensive income73(8)275340Transactions with owners:(291)1,2679741,950Dividends103103Share-based payments103103Movement in own shares in share trusts22Issue of share capital2222Taxation relating to items recognised222Issue of share sin share trusts2222Issue of share capital2222Issue of share sing to items recognised111111Interctly in equity111111		1,048	2,757	(549)	(377)	291		
Fair value movement on cash flow hedges(364)(364)Actuarial loss on defined benefit pension scheme(364)(364)Taxation relating to items above(1,371)(1,371)Taxation relating to items above73(8)275340Total comprehensive income73(8)275340Transactions with owners:(291)1,2679741,950Dividends(1,978)(1,978)Share-based payments103103Movement in own shares in share trusts29Issue of shares of shares in share trusts29Issue of share capital220Taxation relating to items recognised1111directly in equity1111		-	-	-	-	-	2,070	
flow hedges(364)(364)Actuarial loss on defined benefitpension scheme(1,371)(1,371)Taxation relating to items above73(8)275340Total comprehensive income73(8)275340Transactions with owners:(291)1,2679741,950Dividends103103Share-based payments103103Movement in own shares in share trusts2Gain on release of shares in share trusts2929Issue of share capital22Taxation relating to items recognised1111		-	-	-	-	1,275	-	1,275
Actuarial loss on defined benefitpension scheme(1,371)(1,371)Taxation relating to items above73(8)275340Total comprehensive income(291)1,2679741,950Transactions with owners:(1,978)(1,978)Dividends(1,978)(1,978)Share-based payments103103Movement in own shares in share trusts22Gain on release of shares in share trusts292929Issue of share capital222Taxation relating to items recognised111111								
pension scheme(1,371)(1,371)Taxation relating to items above73(8)275340Total comprehensive income(291)1,2679741,950Transactions with owners:(1,978)(1,978)(1,978)Dividends(1,978)(1,978)Share-based payments103103Movement in own shares in share trusts229Gain on release of shares in share trusts2929Issue of share capital21111Taxation relating to items recognised1111		-	-	-	(364)	-	-	(364)
Taxation relating to items above73(8)275340Total comprehensive income(291)1,2679741,950Transactions with owners:Dividends(1,978)(1,978)Share-based payments103103Movement in own shares in share trusts220Gain on release of shares in share trusts2929Issue of share capital21111Taxation relating to items recognised1111								
Total comprehensive income(291)1,2679741,950Transactions with owners:Dividends(1,978)(1,978)Share-based payments103103Movement in own shares in share trusts22Gain on release of shares in share trusts22Issue of share capital222Taxation relating to items recognised1111	•	-	-	-	-	-		
Transactions with owners:Dividends(1,978)Share-based payments103103Movement in own shares in share trusts22Gain on release of shares in share trusts22Issue of share capital222Taxation relating to items recognised1111		-	-	-				340
Dividends(1,978)(1,978)Share-based payments103103Movement in own shares in share trusts2103103Gain on release of shares in share trusts22929Issue of share capital22929Taxation relating to items recognised1111		-	-	-	(291)	1,267	974	1,950
Share-based payments103103Movement in own shares in share trusts22Gain on release of shares in share trusts2929Issue of share capital22929Taxation relating to items recognised1111								
Movement in own shares in share trusts22Gain on release of shares in share trusts2929Issue of share capital229Taxation relating to items recognised2directly in equity1111		-	-	-	-	-	,	
Gain on release of shares in share trusts2929Issue of share capital22Taxation relating to items recognised1111		-	-	-	-	-	103	103
Issue of share capital22Taxation relating to items recogniseddirectly in equity		-	-	2	-	-	-	2
Taxation relating to items recogniseddirectly in equity	-	-	-	-	-	-	29	29
directly in equity 11 11		2	-	-	-	-	-	2
<i>31 March 2015</i> 1,050 2,757 (547) (668) 1,558 24.729 28.879		-	-	-		-		11
	31 March 2015	1,050	2,757	(547)	(668)	1,558	24,729	28,879



#### **CONDENSED GROUP BALANCE SHEET**

#### as at 31 March 2015

31 March31 March30 September20152014(unaudited)(unaudited)£'000£'000£'000£'000ASSETS£'000£'000£'000Mon-current assets1,0751,0751,075Goodwill1,0751,0751,0751,075Other intangible assets684627725Property, Jaint and equipment11,25711,30210.994Deferred tax assets792313396Trade and other receivables13,80313,20313,707Current assets792313396Inventories26,37127,12728,020Trade and other receivables18,83016,23414,509Current assets1449234392Carl and bank balances3,254531629Current tax astes14462757,367367Current tax iabilities62,27557,36757,367Current tax iabilities(450)(43)(2,356)Current tax iabilities(12,466)(13,028)(12,053)Current tax iabilities(12,466)(13,028)(12,053)Non-current tax iabilities(9,779)(5,861)(5,879)Non-current tax iabilities(1,979)(1,582)(2,357)Non-current tax iabilities(1,077)(1,582)(2,357)Non-current tax iabilities(1,077)(1,583)(2,357)Non-current tax iabilities(1,079)(1,262)(7,877) </th <th></th> <th>As at</th> <th>As at</th> <th>As at</th>		As at	As at	As at
(unaudited)(unaudited)(audited)f000f000f000f000ASSETSf000f000Mon-current assetsf0051.0751.075Goodwill1.0751.0751.0751.075Other intangible assetsf068466277226Property, plant and equipment11.25711.30210.994Deferred tax assets792313396Trade and other receivablesreceivables13.80813.903Current assets13.80813.90313.777Current assets26.37127.12728.020Trade and other receivables18.83016.23414.509Current tax assets1.42043.509Current tax assets1.42.032.2543531Current fabilities62.27757.81557.367Total assets(43.44)(4.3.459)(4.3.43)(4.3.590Current tax labilities(450)(41.3.028)(4.2.356)Provisions(42.04)(4.3.41)(4.0.605)(4.001)Current tax labilities(798)(920)(576)-Provisions(4.3.018)(14.005)(4.634)(14.005)Non-current tax labilities(798)(920)(576)-Non-current tax labilities(240)Redeemable loan notes payable(5.30)(1.3.028)(4.537)(4.537)Non-current tabilities(3.3797)(1.588)(2.529)(575) <t< td=""><td></td><td>31 March</td><td>31 March</td><td>30 September</td></t<>		31 March	31 March	30 September
£'000         £'000         £'000           ASSETS		2015	2014	2014
ASSETS         Non-current assets         1,075         1,075         1,075           Goodwill         1,075         1,075         1,075         1,075           Other intangible assets         664         627         726           Property, plant and equipment         11,257         11,302         10,994           Deferred tax assets         792         313         396           Trade and other receivables         -         586         586           Inventories         26,371         27,127         28,020           Trade and other receivables         18,830         16,234         14,509           Current axasets         14         20         340           Derivative financial instruments         -         -         92           Cash and bank balances         3,254         531         629           Current tax assets         62,277         57,815         57,367           LIABIUTES         26,3389         (4,634)         (2,356)           Derivative financial instruments         (240)         -         -           Current takibilities         (240)         -         -         -           Borrowings         (3,0451         25,281         27,585         <		(unaudited)	(unaudited)	(audited)
Non-current assets         Image in the image in th		£'000	£'000	£'000
Goodwill         1,075         1,075         1,075           Other intangible assets         684         627         726           Property, plant and equipment         11,257         11,302         10,994           Deferred tax assets         792         313         396           Trade and other receivables         586         586           Inventories         26,371         27,127         28,020           Current assets         18,830         16,234         14,509           Current tax assets         18,830         16,234         14,509           Current tax assets         18,830         16,234         14,509           Current tax assets         3,254         531         629           Cash and bark balances         3,254         531         629           Current flabilities         3,254         531         629           Current flabilities         104         0         340           Derivative financial instruments         (48,469         43,912         43,590           Current flabilities         104         (40)         (200)         (676)           Derivative financial instruments         (10,463)         (12,053)         (12,12,053)           Current	ASSETS			
Other intangible assets         684         627         726           Property, plant and equipment         11,257         11,302         10,994           Deferred tax assets         792         313         396           Trade and other receivables         -         586         586           Inventories         26,371         27,127         28,020           Trade and other receivables         18,830         16,234         14,500           Current assets         11         2         340           Derivative financial instruments         -         92         2331         629           Cash and bank balances         3,254         531         629         340           Derivative financial instruments         -         92         2331         629           Current tassets         14         20         340         243,590           Total assets         62,277         57,815         57,367           LIABILITIES         Current Liabilities         13,008         (4,634)         (2,356)           Provisions         (450         (49)         (200)         17.43         (200)         -           Trade and other payables         (675)         -         -         - <td>Non-current assets</td> <td></td> <td></td> <td></td>	Non-current assets			
Property, plant and equipment         11,257         11,302         10,994           Deferred tax assets         792         313         396           Trade and other receivables         586         586           Current assets         13,808         13,903         13,777           Inventories         26,371         27,127         28,020           Trade and other receivables         26,371         4         20         340           Derivative financial instruments         14         20         340           Current tax assets         14         20         340           Derivative financial instruments         3,254         551         629           Cash and bank balances         3,254         57,815         57,367           LABILITIES         48,469         43,912         43,590           Current liabilities         (12,466)         (13,028)         (12,356)           Provisions         (12,466)         (13,028)         (12,053)           Current tax iabilities         (12,466)         (13,028)         (12,053)           Current tax iabilities         (13,028)         (12,053)         (12,656)           Derivative financial instruments         (13,028)         (14,059)         (16,0	Goodwill	1,075	1,075	1,075
Deferred tax assets         792         313         396           Trade and other receivables         586         586           Inventories         13,808         13,903         13,777           Current assets         26,371         27,127         28,020           Current assets         18,830         16,234         14,509           Current assets         14         20         340           Derivative financial instruments         -         92         23,324         531         629           Current tax assets         14,269         43,912         43,590         343         3590           Cash and bank balances         3,254         531         629         57,815         57,367           LIABILITIES         313         (4,634)         (2,356)         (4,634)         (2,356)           Provisions         (4,634)         (12,053)         (12,053)         (12,053)           Current tax iabilities         (12,466)         (13,028)         (12,053)           Derivative financial instruments         (240)         -         -           Redeemable loan notes payable         (675)         -         -           Derivative financial instruments         (240)         - <td< td=""><td>Other intangible assets</td><td>684</td><td>627</td><td>726</td></td<>	Other intangible assets	684	627	726
Trade and other receivables         586         586           Inventories         13,808         13,903         13,777           Current assets         26,371         27,127         28,020           Trade and other receivables         26,371         27,127         28,020           Current assets         14         20         340           Derivative financial instruments         -         92         3254         531         629           Cash and bank balances         3,254         531         629         3254         351         629           Total assets         62,277         57,815         57,367         366 <t< td=""><td>Property, plant and equipment</td><td>11,257</td><td>11,302</td><td>10,994</td></t<>	Property, plant and equipment	11,257	11,302	10,994
13,808         13,903         13,777           Current assets         26,371         27,127         28,020           Trade and other receivables         18,830         16,234         14,509           Current tax assets         14         20         340           Derivative financial instruments         -         92         3254         531         629           Cash and bank balances         3254         43,912         43,590         43,912         43,590           Total assets         62,277         57,815         57,367         LIABILITIES         Current liabilities         920           Trade and other payables         (4,534)         (2,356)         (12,053)         (12,053)           Current Liabilities         (12,056)         (12,053)         (12,053)         (12,053)           Current Liabilities         (798)         (920)         -         -           Derivative financial instruments         (240)         -         -           Redeemable loan notes payable         (675)         -         -           Marcent Liabilities         30,451         25,281         27,585           Non-current Liabilities         (23)         (23)         (23)           Dort-motyonyment benefits<	Deferred tax assets	792	313	396
Current assets         26,371         27,127         28,020           Trade and other receivables         18,830         16,234         14,509           Current tax assets         14         20         340           Derivative financial instruments         -         92           Cash and bank balances         3,254         531         629           Cash and bank balances         62,277         57,815         57,367           LABILITIES         62,277         57,815         57,367           LABILITIES         649         (920)         (12,466)         (13,028)         (12,053)           Current liabilities         (12,066)         (13,028)         (12,053)         (12,053)           Current xi liabilities         (798)         (920)         -         -           Derivative financial instruments         (240)         -         -         -           Redeemable loan notes payable         (675)         -         -         -         -           Non-current liabilities         9,779         (7,262)         (7,877)         16,8631         (16,005)           Net current assets         30,451         25,281         27,585         -         -         -         -         (23)	Trade and other receivables	-	586	586
Inventories         26,371         27,127         28,020           Trade and other receivables         18,830         16,234         14,509           Current tax assets         14         20         340           Derivative financial instruments         -         -         92           Cash and bank balances         3,354         531         629           Cash and bank balances         62,277         57,815         57,367           ILABILITIES         62,277         57,815         57,367           Current liabilities         (450)         (49)         (920)           Borrowings         (4,534)         (12,356)         (12,053)           Provisions         (450)         (49)         (920)           Trade and other payables         (12,466)         (13,028)         (12,053)           Current tax liabilities         (798)         (920)         (676)           Derivative financial instruments         (240)         -         -           Redeemable loan notes payable         (675)         -         -           Non-current liabilities         (9,797)         (17,262)         (7,857)           Derivative financial instruments         (3,797)         (1,588)         (2,529)		13,808	13,903	13,777
Trade and other receivables       18,830       16,234       14,509         Current tax assets       14       20       340         Derivative financial instruments       -       92         Cash and bank balances       3,254       531       629         Cash and bank balances       48,469       43,912       43,590         Total assets       62,277       57,815       57,367         LIABILITIES       5       5       57,367         Current liabilities       (4,634)       (2,356)         Provisions       (4,50)       (4,9)       (920)         Trade and other payables       (12,466)       (13,028)       (12,053)         Current tax liabilities       (798)       (920)       (676)         Derivative financial instruments       (240)       -       -         Redeemable loan notes payable       (675)       -       -         Non-current liabilities       118,018       (18,631)       (16,005)         Non-current liabilities       -       (23)       (23)         Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,007)       (675)       (675)         Derivative financial ins	Current assets			
Trade and other receivables       18,830       16,234       14,509         Current tax assets       14       20       340         Derivative financial instruments       -       92         Cash and bank balances       3,254       531       629         Cash and bank balances       48,469       43,912       43,590         Total assets       62,277       57,815       57,367         LIABILITIES       5       5       57,367         Current liabilities       (4,634)       (2,356)         Provisions       (4,50)       (4,9)       (920)         Trade and other payables       (12,466)       (13,028)       (12,053)         Current tax liabilities       (798)       (920)       (676)         Derivative financial instruments       (240)       -       -         Redeemable loan notes payable       (675)       -       -         Non-current liabilities       118,018       (18,631)       (16,005)         Non-current liabilities       -       (23)       (23)         Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,007)       (675)       (675)         Derivative financial ins		26,371	27,127	28,020
Current tax assets1420340Derivative financial instruments-92Cash and bank balances3,254531629Cash and bank balances3,254531629Total assets62,27757,81557,367LIABILITIES62,27757,81557,367Current liabilities(4,339)(4,634)(2,356)Provisions(4,50)(49)(920)Tade and other payables(13,028)(12,053)Current Lax liabilities(240)Derivative financial instruments(240)Redeemable loan notes payable(675)Non-current liabilities(14,018)(18,031)(16,005)Net current assets30,45125,28127,585Non-current liabilities(3,797)(7,262)(7,857)Trade and other payables(1,108)(958)(1,007)Deferred tax liabilities(3,797)(1,588)(2,529)Deferred tax liabilities(1,108)(958)(1,007)Derivative financial instruments(696)(503)(511)Redeemable loan notes payable-(675)(675)Deferred tax liabilities(1,108)(958)(1,007)Derivative financial instruments(696)(503)(511)Redeemable loan notes payable-(675)(675)Deferred tax liabilities(1,108)(1,203)(511)Redeemable loan notes payable-(675) </td <td>Trade and other receivables</td> <td></td> <td></td> <td></td>	Trade and other receivables			
Cash and bank balances3,254531629Ideal48,46943,91243,590Total assets62,27757,81557,367LIABILITIESCurrent liabilities11Borrowings(4,634)(2,356)Provisions(4,630)(4,634)(2,356)Provisions(4,630)(12,063)(12,053)Current tax liabilities(12,466)(13,028)(12,053)Current tax liabilities(798)(920)(676)Derivative financial instruments(240)Redeemable loan notes payable(675)Non-current liabilities(18,018)(18,631)(16,005)Net current assets30,45125,28127,585Non-current liabilities(9,779)(7,262)(7,857)Trade and other payables(1,108)(958)(1,007)Dest-employment benefits(3,797)(1,588)(2,529)Deferred tax liabilities(1,108)(958)(1,107)Derivative financial instruments(696)(503)(511)Redeemable loan notes payable-(675)(675)Itak and other payables(1,108)(958)(1,007)Derivative financial instruments(696)(503)(511)Redeemable loan notes payable-(675)(675)Itak and other payable-(675)(675)Deferred tax liabilities(1,108)(1,108)(1,2,69)Derivative financial instruments <td< td=""><td>Current tax assets</td><td></td><td></td><td></td></td<>	Current tax assets			
48,469         43,912         43,590           Total assets         62,277         57,815         57,367           LIABILITIES         Current liabilities         5         5         5         5         5         5         5         5         5         7         367           LIABILITIES         Current liabilities         6         (3,389)         (4,634)         (2,356)         (49)         (920)           Trade and other payables         (12,466)         (13,028)         (12,053)         (11,005)         Net current assets         (14,005)         (14,005)         (14,005)         Net current assets         25,281         27,585         Non-current liabilities         (14,005)         (14,005)         (14,005)         (14,005)         (14,005)         (12,612)         (13,028)         (12,02)         (13,028)         (12,02) <t< td=""><td>Derivative financial instruments</td><td></td><td>-</td><td>92</td></t<>	Derivative financial instruments		-	92
Total assets         62,277         57,815         57,367           LIABILITIES         Current liabilities              Borrowings         (3,389)         (4,634)         (2,356)          (450)         (49)         (920)           Trade and other payables         (12,466)         (13,028)         (12,053)	Cash and bank balances	3,254	531	629
LIABILITIES           Current liabilities           Borrowings         (3,389)         (4,634)         (2,356)           Provisions         (450)         (49)         (920)           Trade and other payables         (12,466)         (13,028)         (12,053)           Current tax liabilities         (798)         (920)         (676)           Derivative financial instruments         (240)         -         -           Redeemable loan notes payable         (675)         -         -           Net current assets         30,451         25,281         27,585           Non-current liabilities         (14,008)         (14,631)         (16,005)           Net current assets         30,451         25,281         27,585           Non-current liabilities         (9,779)         (7,262)         (7,857)           Trade and other payables         -         (23)         (23)           Post-employment benefits         (3,797)         (1,588)         (2,529)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         -         (675)         (675)           Image: Comparison of the payables         -         (675)         (675) <td></td> <td>48,469</td> <td>43,912</td> <td>43,590</td>		48,469	43,912	43,590
Current liabilities         Image: mathematical state stat	Total assets	62,277	57,815	57,367
Borrowings         (4,634)         (2,356)           Provisions         (450)         (49)         (920)           Trade and other payables         (12,466)         (13,028)         (12,053)           Current tax liabilities         (798)         (920)         (676)           Derivative financial instruments         (240)         -         -           Redeemable loan notes payable         (675)         -         -           Net current assets         (18,018)         (18,631)         (16,005)           Non-current liabilities         (9,779)         (7,262)         (7,857)           Trade and other payables         (1,108)         (958)         (2,529)           Deferred tax liabilities         (1,108)         (958)         (1,007)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         (1,108)         (958)         (1,007)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         (15,380)         (11,009)         (12,602)           Total liabilities         (13,039)         (29,600)         (28,607)	LIABILITIES			
Provisions         (450)         (49)         (920)           Trade and other payables         (12,466)         (13,028)         (12,053)           Current tax liabilities         (798)         (920)         (676)           Derivative financial instruments         (240)         -         -           Redeemable loan notes payable         (675)         -         -           Met current assets         (18,018)         (18,631)         (16,005)           Net current assets         30,451         25,281         27,585           Non-current liabilities         -         -         -           Borrowings         (9,779)         (7,262)         (7,857)           Trade and other payables         -         (23)         (23)           Post-employment benefits         (1,007)         (1,588)         (2,529)           Deferred tax liabilities         (1,007)         (1,518)         (511)           Redeemable loan notes payable         -         (675)         (675)           Corrowings         (1,007)         (1,007)         (1,007)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         -         (675)	Current liabilities			
Provisions       (450)       (49)       (920)         Trade and other payables       (12,466)       (13,028)       (12,053)         Current tax liabilities       (798)       (920)       (676)         Derivative financial instruments       (240)       -       -         Redeemable loan notes payable       (675)       -       -         Net current assets       30,451       25,281       27,585         Non-current liabilities       -       -       -         Borrowings       (9,779)       (7,262)       (7,857)         Trade and other payables       -       (23)       (23)         Post-employment benefits       (1,007)       (1,588)       (2,529)         Deferred tax liabilities       (1,007)       (1,588)       (2,529)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       (1,009)       (12,602)         Total liabilities       (23,09)       (28,007)	Borrowings	(3,389)	(4,634)	(2,356)
Trade and other payables       (12,466)       (13,028)       (12,053)         Current tax liabilities       (798)       (920)       (676)         Derivative financial instruments       (240)       -       -         Redeemable loan notes payable       (675)       -       -         (18,018)       (18,631)       (16,005)       -         Net current assets       30,451       25,281       27,585         Non-current liabilities       -       -       -         Borrowings       (9,779)       (7,262)       (7,857)         Trade and other payables       -       (23)       (23)         Post-employment benefits       (1,007)       (1,588)       (2,529)         Deferred tax liabilities       (1,007)       (573)       (511)         Redeemable loan notes payable       -       (675)       (675)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)       (28,607)	-			
Current tax liabilities       (798)       (920)       (676)         Derivative financial instruments       (240)       -       -         Redeemable loan notes payable       (675)       -       -         (18,018)       (18,631)       (16,005)         Net current assets       30,451       25,281       27,585         Non-current liabilities       -       -       -         Borrowings       (9,779)       (7,262)       (7,857)         Trade and other payables       -       (23)       (23)         Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,108)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)	Trade and other payables			
Redeemable loan notes payable         (675)         -         -           (18,018)         (18,631)         (16,005)           Net current assets         30,451         25,281         27,585           Non-current liabilities         (9,779)         (7,262)         (7,857)           Trade and other payables         (1,108)         (958)         (23)           Post-employment benefits         (3,797)         (1,588)         (2,529)           Deferred tax liabilities         (1,108)         (958)         (1,007)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         -         (675)         (675)           Total liabilities         (11,009)         (12,602)	Current tax liabilities	(798)	(920)	
(18,018)       (18,631)       (16,005)         Net current assets       30,451       25,281       27,585         Non-current liabilities       9       9       (7,262)       (7,857)         Trade and other payables       (13,797)       (1,588)       (2,529)         Deferred tax liabilities       (11,008)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)	Derivative financial instruments	(240)	-	-
Net current assets         30,451         25,281         27,585           Non-current liabilities         (9,779)         (7,262)         (7,857)           Borrowings         (9,779)         (7,262)         (7,857)           Trade and other payables         -         (23)         (23)           Post-employment benefits         (3,797)         (1,588)         (2,529)           Deferred tax liabilities         (1,108)         (958)         (1,007)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         -         (675)         (675)           Total liabilities         (33,398)         (29,640)         (28,607)	Redeemable loan notes payable	(675)	-	-
Non-current liabilities           Borrowings         (9,779)         (7,262)         (7,857)           Trade and other payables         -         (23)         (23)           Post-employment benefits         (3,797)         (1,588)         (2,529)           Deferred tax liabilities         (1,108)         (958)         (1,007)           Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         -         (675)         (675)           Total liabilities         (33,398)         (29,640)         (28,607)		(18,018)	(18,631)	(16,005)
Borrowings       (9,779)       (7,262)       (7,857)         Trade and other payables       -       (23)       (23)         Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,108)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)	Net current assets	30,451	25,281	27,585
Borrowings       (9,779)       (7,262)       (7,857)         Trade and other payables       -       (23)       (23)         Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,108)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)	Non-current liabilities			
Trade and other payables       -       (23)       (23)         Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,108)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)		(9,779)	(7,262)	(7,857)
Post-employment benefits       (3,797)       (1,588)       (2,529)         Deferred tax liabilities       (1,108)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (1,009)       (12,602)	-	-		
Deferred tax liabilities       (1,108)       (958)       (1,007)         Derivative financial instruments       (696)       (503)       (511)         Redeemable loan notes payable       -       (675)       (675)         Total liabilities       (11,009)       (12,602)		(3,797)		
Derivative financial instruments         (696)         (503)         (511)           Redeemable loan notes payable         -         (675)         (675)           Image: Comparison of the second				
(15,380)         (11,009)         (12,602)           Total liabilities         (33,398)         (29,640)         (28,607)	Derivative financial instruments	(696)	(503)	
Total liabilities         (33,398)         (29,640)         (28,607)	Redeemable loan notes payable	-	(675)	(675)
		(15,380)	(11,009)	(12,602)
Net assets 28,879 28,175 28,760	Total liabilities	(33,398)	(29,640)	(28,607)
	Net assets	28,879	28,175	28,760



8

### **CONDENSED GROUP BALANCE SHEET (continued)**

#### as at 31 March 2015

	As at	As at	As at
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
EQUITY			
Share capital	1,050	1,048	1,048
Share premium account	2,757	2,757	2,757
Own shares in share trusts	(547)	(622)	(549)
Hedging reserve	(668)	(503)	(377)
Foreign exchange reserve	1,558	88	291
Retained earnings	24,729	25,407	25,590
Total equity attributable to owners of the Parent Company	28,879	28,175	28,760



9

# CONDENSED GROUP STATEMENT OF CASH FLOWS for the six months ended 31 March 2015

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Cash flow from operating activities			
Profit before taxation	2,839	2,560	5,502
Adjusted for:			
Depreciation of property, plant and equipment	614	614	1,222
Amortisation of intangible assets	93	84	172
Loss on disposal of property, plant and equipment	47	7	17
Gain on disposal of intangible assets	-	-	(2)
Net finance costs	368	351	724
Share-based payments	100	15	46
Decrease in fair value of derivatives	115	129	115
Decrease in post-employment benefit obligations	(102)	(113)	(230)
Operating cash flow before movements in working capital	4,074	3,647	7,566
Movements in working capital:			
Decrease/(increase) in inventories	2,578	(3,728)	(4,322)
Increase in trade and other receivables	(3,311)	(3,141)	(1,331)
(Decrease)/increase in trade and other payables, and provisions	(1,721)	1,844	1,615
Cash generated from operations	1,620	(1,378)	3,528
Taxation paid	(343)	(420)	(1,552)
Net cash from operating activities	1,277	(1,798)	1,976
Cash flow from investing activities			
Proceeds on disposal of property, plant and equipment	-	-	4
Purchase of property, plant and equipment	(376)	(385)	(538)
Purchase of intangible assets	(49)	(28)	(212)
Interest received	1	1	1
	(424)	(412)	(745)



# CONDENSED GROUP STATEMENT OF CASH FLOWS (continued) for the six months ended 31 March 2015

	Six months to	Six months to	Year to
	31 March	31 March	
			30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Cash flow from financing activities			
Increase/(decrease) in bank loans	354	(363)	215
Interest paid	(369)	(352)	(725)
Dividends paid	(638)	(565)	(1,899)
Net purchase of own shares by share trusts	33	-	91
	(620)	(1,280)	(2,318)
Net increase/(decrease) in cash and cash equivalents	233	(3,490)	(1,087)
Effect of foreign exchange rates	8	(15)	13
Movement in cash and cash equivalents in the period	241	(3,505)	(1,074)
Cash and cash equivalents at beginning of period	21	1,095	1,095
Cash and cash equivalents at end of period	262	(2,410)	21
Cash and cash equivalents comprise:			
Cash and bank balances	3,254	531	629
Bank borrowings	(2,992)	(2,941)	(608)
	262	(2,410)	21



# CONDENSED GROUP RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT for the six months ended 31 March 2015

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Movement in cash and cash equivalents in the period	241	(3,505)	(1,074)
Increase in bank loans	(354)	363	(215)
Cash outflow from changes in net debt in the period	(113)	(3,142)	(1,289)
Effect of foreign exchange rates	(217)	71	(1)
Movement in net debt in the period	(330)	(3,071)	(1,290)
Net debt at beginning of period	(9,584)	(8,294)	(8,294)
Net debt at end of period	(9,914)	(11,365)	(9,584)

The notes on pages 12 to 13 form part of these condensed half year financial statements

#### **Responsibility statement**

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements for the six months ended 31 March 2015 has been prepared in accordance with IAS 34

(b) the half year report and condensed financial statements 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)

(c) the half year report and condensed financial statements includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

RICHARD HOPE Finance Director 18 May 2015



#### NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS

#### **1.** Basis of preparation

The Group is required to prepare its condensed half year financial statements in accordance with accounting standards adopted for use in the European Union (International Financial Reporting Standards (IFRS)). The Group has adopted the reporting requirements of IAS 34 'Interim Financial Reporting'.

The consolidated condensed half year financial statements are prepared on the basis of all International Accounting Standards (IAS) and IFRS published by the International Accounting Standards Board (IASB) that are currently in issue. New interpretations may be issued by the International Financial Reporting Interpretations Committee (IFRIC) on existing standards and best practice continues to evolve. It is therefore possible that the accounting policies set out below may be updated by the time the Group prepares its full set of financial statements under IFRS for the year ending 30 September 2015.

The information relating to the six months ended 31 March 2015 and 31 March 2014 is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 30 September 2014 have been reported on by the company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 of the Companies Act 2006. These condensed half year financial statements for the six months ended 31 March 2015 have neither been audited nor formally reviewed by the Group's auditors.

#### 2. Accounting policies

These condensed half year financial statements have been prepared on the basis of the same accounting policies and presentation set out in the Group's 30 September 2014 annual report.

There were no new standards, or amendments to standards, which are mandatory and relevant to the Group for the first time for the financial year ending 30 September 2015 which have had a material effect on these condensed half year financial statements.

#### 3. Accounting estimates

The preparation of the condensed half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. In preparing these condensed half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at, and for the year ended, 30 September 2014.

#### 4. Going concern

As at the date of this report, the Directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future. Since the period end all the Group's expiring banking facilities have been renewed on existing or improved terms. Accordingly, the condensed half year financial statements have been prepared on the going concern basis.

#### 5. Risks and uncertainties

The operation of a public company involves a series of risks and uncertainties across a range of strategic, commercial, operational and financial areas. The principal risks and uncertainties that could have a material impact on the Group's performance over the remaining six months of this financial year (for example, causing actual results to differ materially from expected results or from those experienced previously) are the same as those detailed on pages 17-18 of the 2014 Annual Report and Financial Statements.



#### 6. Segmental information

#### **Business segments**

IFRS 8 requires operating segments to be identified on the basis of internal financial information reported to the Chief Operating Decision Maker (CODM). The Group's CODM has been identified as the Board of Directors who are primarily responsible for the allocation of resources to the segments and for assessing their performance. The disclosure in the Group accounts of segmental information is consistent with the information used by the CODM in order to assess profit performance from the Group's operations.

The Group operates as one global business segment. The Group is engaged in the manufacture and supply of ingredient solutions for the flavour, fragrance and FMCG industries with manufacturing sites in the UK, US and Kenya. Many of the Group's activities, including sales, purchasing, manufacturing, technical, IT and finance are managed globally on a Group basis.

#### **Geographical segments**

The following table provides an analysis of the Group's revenue by geographical market:

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	<b>£'000</b>	£'000	£'000
United Kingdom	5,392	4,744	9,975
Rest of Europe	11,271	10,928	21,566
The Americas	16,254	13,136	29,638
Rest of the World	8,491	8,298	18,010
	41,408	37,106	79,189

#### 7. Exceptional items

The exceptional items referred to in the income statement can be categorised as follows:

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Legal and professional fees	98	236	292
Agency termination	-	-	1,110
	98	236	1,402

The exceptional items in the year all relate to non-recurring items. The legal and professional fees relate to the earnout dispute in relation to the acquisition of the Earthoil Group, which remains on-going.

#### 8. Taxation

Taxation has been provided on pre-exceptional profits at 26.2% (six months ended 31 March 2014: 28.9%) which is the effective group rate currently anticipated for the financial year ending 30 September 2015.



#### 9. Earnings per share

#### **Basic earnings per share**

Basic earnings per share is based on the weighted average number of ordinary shares in issue and ranking for dividend during the year. The weighted average number of shares excludes shares held by the Treatt Employee Benefit Trust (EBT), together with shares held by the Treatt SIP Trust (SIP) which do not rank for dividend.

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
Earnings (£'000)	2,070	1,751	3,949
Weighted average number of ordinary shares in issue (No: '000)	51,444	51,323	51,335
Basic earnings per share (pence)	4.02p	3.41p	7.69p

#### **Diluted earnings per share**

Diluted earnings per share is based on the weighted average number of ordinary shares in issue and ranking for dividend during the year, adjusted for the effect of all dilutive potential ordinary shares. The number of shares used to calculate earnings per share (EPS) have been derived as follows:

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	No ('000)	No ('000)	No ('000)
Weighted average number of shares	52,450	52,405	52,405
Weighted average number of shares held in the EBT and SIP	(1,006)	(1,082)	(1,070)
Weighted average number of shares used for calculating basic EPS	51,444	51,323	51,335
Executive share option schemes	156	39	40
All-employee share options	147	233	177
Weighted average no. of shares used for calculating diluted EPS	51,747	51,595	51,552
Diluted earnings per share (pence)	4.00p	3.39p	7.66p



#### 9 Earnings per share (continued)

#### Adjusted earnings per share

Adjusted earnings per share measures are calculated based on profits for the year attributable to owners of the Parent Company before exceptional items as follows:

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Earnings for calculating basic and diluted earnings per share Adjusted for:	2,070	1,751	3,949
Exceptional items (see note 7)	98	236	1,402
Taxation thereon	-	-	(244)
Earnings for calculating adjusted earnings per share	2,168	1,987	5,107
Adjusted basic earnings per share (pence)	4.21p	3.87p	9.95p
Adjusted diluted earnings per share (pence)	4.19p	3.85p	9.91p

#### 10. Dividends

#### Equity dividends on ordinary shares:

	Dividend per share for years ended 30 September:		Six months to 31 March	Six months to 31 March	Year to 30 September	
	2015 <sup>2</sup>	<b>2014</b> <sup>1</sup>	2013 <sup>1</sup>	2015	2014	2014
				(unaudited)	(unaudited)	(audited)
	Pence	Pence	Pence <sup>3</sup>	£'000	£'000	£'000
Interim dividend	1.28p	1.24p	1.10p	638	565	565
Final dividend	N/A	2.60p	2.60p	1,340	-	1,334
	N/A	3.84p	3.70p	1,978	565	1,899

<sup>1</sup> Accounted for in the subsequent year in accordance with IFRS.

<sup>2</sup> The declared interim dividend for the year ended 30 September 2015 of 1.28 pence was approved by the Board on 18 May 2015 and in accordance with IFRS has not been included as a deduction from equity at 31 March 2015. The dividend will be paid on 16 October 2015 to those shareholders on the register at 11 September 2015 and will, therefore, be accounted for in the financial statements for the year ended 30 September 2016.

<sup>3</sup> Following a resolution approved by shareholders on 16 May 2014, the share capital of the Company was sub-divided on a five for one ratio (i.e. five new 2 pence ordinary shares replacing each existing 10 pence ordinary share) and accordingly, where required the above numbers have been restated on the basis of the new share capital.



#### **11. Contingent liabilities**

As disclosed in note 27 of the 2014 annual report and financial statements, the sellers of the Earthoil Group, which was acquired by the Group in April 2008, have filed a claim in the Chancery Division of the High Court against the Group for £1.8m which has subsequently been extended to £2.3m. Following rulings by the High Court and Court of Appeal on issues of contractual interpretation, two of which were found in Treatt's favour and one in favour of the sellers of the Earthoil Group, the matter has now been referred to chartered accountants for determination of the substantive claim, being the quantum of the Earn-out. The costs of resolving the dispute currently total £1,037,000, of which the current year's costs of £98,000 have been included in exceptional items (see note 7), on a consistent basis to the prior year. The total eventual legal and professional fees of the dispute are currently unknown, but are likely to exceed £1.25m.

#### 12. Related party transactions

Treatt Plc, the Parent Company, entered into the following material transactions with related parties:

	Six months to	Six months to	Year to
	31 March	31 March	30 September
	2015	2014	2014
	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Interest received on loan notes from:			
Earthoil Plantations Limited	7	7	14
Earthoil Kenya PTY EPZ Limited	3	3	6
Dividends received from:			
R C Treatt & Co Limited	2,637	563	936
Treatt USA Inc	-	-	902
Redeemable loan notes receivable:			
Earthoil Plantations Limited	950	950	950
Earthoil Kenya PTY EPZ Limited	400	400	400
Amounts owed to/(by) parent undertaking:			
Earthoil Plantations Limited	105	1,009	45
R C Treatt & Co Limited	(149)	(997)	(13)

The redeemable loan notes are redeemable in full on 31 December 2015 or from 31 March 2009 on request from the issuer. Interest is receivable at 1% above UK base rate. Amounts owed to the Parent Company are unsecured and will be settled in cash.

#### CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.