FINDEL PLC

25 November 2015

Findel plc ("Findel" or "the group")

Interim Results for the 26 weeks ended 25 September 2015

Findel, the UK Home Shopping and Education business, today announces its Interim Results for the 26 week period ended 25 September 2015.

Financial Summary

Results from continuing operations†	H1 2015	H1 2014
Revenue	£191.4m	£192.2m
Profit before tax*	£3.4m	£3.4m
Loss before tax	(£0.6m)	(£1.0m)
Net bank debt**	£95.6m	£115.9m
Net assets	£80.4m	£92.8m

* before exceptional items
** net bank debt excluding the securitisation facility relating to Express Gifts receivables
† Kitbag's results are presented as a discontinued operation

Highlights

- Solid first half performance with group revenue and profit before tax* from continuing operations in line with the first half of 2014

- New medium-term debt facilities agreed
    - £120m four-year revolving credit facility maturing in November 2019
    - Commercial terms significantly improved on the previous facility
    - Securitisation facility increased by £15m to £145m and also extended to November 2019

- Further significant progress on debt reduction
    - Net bank debt** at the half-year down £20.3m on prior year

- Express Gifts performance in H1 below expectations with revenue growth of 2.7% and flat operating profit
    - Unexpected slowing in demand from autumn catalogues, mainly from new and dormant customers
    - Sales to existing customers stronger, up 7.4% on prior year, reacting well to the clothing offer
    - Further reduction in bad debt charges offset by investments in headcount and systems infrastructure for future sustainable growth
    - H2 responses to this include:
        - Prudent refinements being made to credit policies and buying practices to stimulate growth
        - Planning for all year round customer recruitment in FY17 and increased investment in this area

- Good progress in rebuilding Findel Education's competitive position despite difficult market conditions. Early signs of recovery in market share for the core School brands
    - Revenue down 8.2%, although the rate of customer number decline has eased in core markets
    - New customer websites launched successfully, with further digital investment to follow
    - Warehouse and IT system consolidation project underway, leading to annual cost savings of £2-3m from FY18 onwards

- Revenue in the period since the half-year^ up 2.2% on the equivalent period last year

- Sales for the full year are expected to be broadly level with the prior year, with the group's continuing operations expecting to drive a significant increase in profit before tax* for FY16 in line with market expectations.

- The investment in growth in Express Gifts will subdue profit growth in FY17, but the returns from this together with Findel Education's business transformation projects is expected to yield incremental profit growth.

David Sugden, Executive Chairman, commented:

"Express Gifts has seen a remarkable improvement in its performance over the last four years and the business is confident that the recent slowdown in new customer recruitment will be reversed in future campaigns. The plans for recruitment all year round and maintaining the focus on delivering good value products to its 1.4 million customers position it well for the future.

Findel Education is starting to make encouraging progress in recovering its market share. The steps we have taken to rationalise its warehousing overhead, combined with the key appointments made to strengthen its marketing and digital strategies provide a strong platform for significant medium-term profit growth.

The refinancing of our debt facilities together with ongoing debt reduction provide a sound financial platform to develop the full potential of these two businesses.

Overall, we remain well positioned to deliver an increase in profit before tax* for the full year in line with expectations."

* before exceptional items
^ Revenue from continuing operations in the 8 weeks since period end

Enquiries

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Notes to Editors

The Findel Group contains market leading businesses in the UK home shopping and education supplies markets. It is primarily a retailer and distributor, handling and supplying specialist products manufactured by third parties.

The group's continuing activities are focused in two main operating segments, together with a small overseas sourcing operation:

- Express Gifts – one of the largest direct mail order businesses in the UK; and
- Findel Education – the largest listed independent supplier of resources and equipment (excluding information technology and publishing) to schools in the UK.

INTERIM MANAGEMENT REPORT

Introduction

Substantial and pleasing progress has been made in the first half of the year in improving the quality of the group's core businesses, reducing debt and strengthening our funding structure. In terms of financial results, Findel has reported a broadly unchanged first half pre-tax profit* from its continuing operations at £3.4m (2014: £3.4m) from sales of £191.4m (2014: £192.2m) and is on track to achieve another step-up in profits over the course of the full-year. In addition, the group's focusing of resources continues with discussions ongoing on the potential sale of Kitbag, the group's specialist sports retailer. Consequently, Kitbag's results for the current period (and comparative periods) have been presented to show it as a discontinued operation.

The group's largest business, **Express Gifts,** achieved growth in product sales of 1.9%. This was below both our expectations and previous rates of growth, reflecting a tougher autumn particularly in recruiting new customers. Sales growth from established customers has been more positive at 7.4%. Overall sales for the business, including financial services revenues, grew by 2.7% in H1.

Further improvements have been seen in the quality of the credit receivables, which has reduced the level of bad debt charge once again. The investments in buying and merchandising and IT systems made during the second half of FY15 have resulted in increased overheads and this, combined with the impact of the strengthening US dollar on buying prices, has kept operating profit* flat for the first half.

Notwithstanding the first-half results, the underlying strength and competitive positioning of Express Gifts continues to improve and we are confident in the long-term outlook for the business, particularly with the plans for all year round investment in customer recruitment from FY17. Over the remainder of the current year, the benefits of our recent move to risk based pricing together with careful control of our overhead costs will allow profits to move ahead more significantly.

Findel Education went into the current financial year with revenues declining at a rate of approximately 9% as a result of difficult market conditions, falling customer numbers and lower market share. Whilst the overall market remains difficult, substantial progress has been made in addressing the causes of the market share decline and, whilst this was never going to be a quick fix, customer numbers are starting to stabilise in the company's core markets and particularly in the Schools brands. Sales were 8.2% lower than the prior year in the first half, although improved product margins and the impact of last year's overhead savings offset this to produce an improved operating profit* of £3.6m (2014: £3.1m).

Rebuilding the marketing function and investing in an improved digital capability, although causing overheads to increase in the second half and into the next financial year, is expected to lead to sales stabilising in FY17. The business transformation processes are continuing including the recent announcement of the planned integration of the two warehouses into one site and one operating platform by the end of 2016. This is expected to produce significant annual savings of £2-3m from FY18 onwards.

Since the half-year, group sales from continuing operations have been slightly ahead of the prior year up 2.2%.

Net bank debt

The seasonality in the group's businesses mean that net bank debt** is at its peak at the half-year point. The net bank debt** at September 2015 stood at £95.6m, some £20.3m lower than at September 2014. This decrease has been delivered through continued improvements in working capital management, particularly within Express Gifts' financial services activities. A greater proportion of the older delinquent receivables have been sold to specialist third-party debt purchasers, and this has been undertaken earlier than in previous years to realise capital. The proactive steps taken to prevent customers from falling into arrears have led to a greater proportion of the receivables book being eligible for funding from the securitisation facility, reducing the burden on net bank debt.

Continued deleveraging of this element of the group's debt continues to remain a key priority.

Total net debt at the end of September 2015 was £217.6m (September 2014: £224.6m) with securitisation borrowings £13.3m higher at £122.0m (2014: £108.7m) as a result of growth of the Express Gifts receivables.

Refinancing

We are pleased to report that the group has entered into a new four-year revolving bank facility on significantly improved commercial terms to replace the two existing facilities that were due to expire in December 2016. The securitisation facility has also been extended to the same new maturity date of November 2019 and has been increased from £130m to £145m to cater for future growth in Express Gifts. The bank facility has been set at £120m plus a £25m accordion feature, with a variable borrowing margin linked to the group's gearing level and starting at 275bp (current facilities: 300bp).

Potential Sale of Kitbag

As announced on 29 September 2015 we have received an approach to purchase Kitbag and terms for that transaction have been agreed subject to contract. The buyer is taking longer than expected to finalise their funding for the transaction and until this is completed there can be no certainty that a transaction will be agreed. Discussions are ongoing.

Kitbag's trading performance in the first half of FY16 was disappointing, with revenue of £33.3m being 2.1% lower than the prior year and operating losses* widening by £2.7m to £4.2m (2014: £1.5m).

Board changes

The process to recruit a new full-time Group Chief Executive is ongoing but has been delayed by the potential sale of Kitbag. In the event that Kitbag is sold the board may review the appropriate leadership structure for the more focused group before any appointment is made.

Sandy Kinney Pritchard retired from the Board on 28 August 2015 for personal reasons. The process to recruit an appropriately qualified new non-executive director is ongoing.

We received a notice from Sports Direct International plc to convene a General Meeting to consider a resolution to appoint Benjamin Gardener a director of the company. We intend to publish a Shareholder Circular to set out the Board's recommendation together with a notice to convene the meeting in due course.

Outlook

Sales for the full year are expected to be broadly level with the prior year. The factors mentioned above should drive a significant increase in profit before tax* which is expected to be in line with market expectations. The increased investment in all year round recruitment by Express Gifts is expected to moderate the rate of profit growth in FY17. The returns on this investment in FY18 together with the expected marked improvement in profitability from our Education business in that year gives us confidence in the prospects for FY18 and subsequent years.

* before exceptional items
** net bank debt excluding the securitisation facility relating to Express Gifts receivables

Group Financial Results

The nature of the businesses within the Findel Group mean that profits have shown, and will continue to show, a significant seasonal bias with the majority of profit being earned in the second half. Kitbag's results for the current period (and comparative periods) have been presented to show it as a discontinued operation.

i) Group revenue of £191.4m from continuing operations, 0.4% behind the first half of last year

	2015 £000	2014 £000	Change £000	
Express Gifts	133,165	129,662	3,503	*2.7%*
Findel Education	55,889	60,871	(4,982)	*(8.2%)*
Major divisions	**189,054**	**190,533**	**(1,479)**	***(0.8%)***
Overseas sourcing	2,307	1,667	640	*38.4%*
Group revenue	**191,361**	**192,200**	**(839)**	***(0.4%)***

ii) Group operating profit* of £8.4m from continuing operations, up £0.2m from the first half of FY15. Profit before tax* unchanged at £3.4m

	2015 £000	2014 £000	Change £000
Express Gifts	4,900	4,844	56
Findel Education	3,619	3,103	516
Major divisions	**8,519**	**7,947**	**572**
Overseas sourcing	(76)	296	(372)
Group operating profit*	**8,443**	**8,243**	**200**
Net finance costs*	(5,057)	(4,876)	(181)
Profit before tax*	**3,386**	**3,367**	**19**
Exceptional items	(3,939)	(4,365)	426
Loss before tax	**(553)**	**(998)**	**445**

* before exceptional items

The performance of each of the major divisions is discussed in more detail below.

Divisional Performance Review

i) Express Gifts; slower sales growth and flat operating profit

Express Gifts, our core credit-based home shopping business, has seen strong growth in the last few years from an increased customer base and an increased annual spend per customer. At the same time, it has seen its profit margins widen from the benefit of increased scale, greater use of our overseas sourcing office to reduce cost prices, and advances in credit management to reduce bad debt and improve customer outcomes.

The business is continuing to invest for future growth with a number of key system upgrades planned for the next twelve months. This will include enhancements to the customer website to improve system capability and customer functionality, as well as a new credit platform to provide greater flexibility on credit products to reflect the changing needs of our customers. Investment has also been made in the last year within the buying and merchandising function to support the broadening of the product range offered, in particular for clothing, which has been rolled out across a number of catalogues since the summer.

The overall sales performance in the first half of FY16 has, however, been below our expectations showing a slower rate of growth than has been delivered in previous years. Growth in sales to the established customer base of 7.4% in the first half of FY16 has been encouraging, with sales of clothing to this group growing by over 25%. However, after a good start to the year, the response to the main recruitment campaigns launched in August and September proved disappointing. The planned expansion of clothing ranges has produced particularly strong growth although we have seen weaker demand for more expensive products including electricals. The overall level of product sales in H1 was 1.9% higher at £93.0m.

Detailed analysis of this performance, and ongoing market testing, have identified a number of factors and are leading us to three important changes to our marketing strategy for FY17.

1. The steps that we have taken to improve the quality of our debtor book have clearly had a negative impact on product sales. We will be taking steps to refine our credit policies to ensure that we strike the right balance in this area, always remaining vigilant on ensuring fair customer outcomes.
2. Our broadening range of product and particularly our expanding clothing range allows us to focus on customer recruitment all year round rather than in our historical window from August to October. We intend to increase our investment in customer recruitment to take advantage of this substantial opportunity.
3. We continue to invest in value, an approach which has served Express Gifts well over recent years. Recent testing has shown that our customers are showing greater responsiveness to promotional driven events, which is an increasing feature of the current marketplace. As a result, we will be further strengthening our promotional activity.

The more cautious approach to credit underwriting noted above, together with refinements to the behavioural scoring system and improved collections management, has meant that a greater proportion of the receivables book has been brought up to date. These are our best customers, as they have the greatest propensity to order repeatedly throughout the year as well as generating credit income. Consequently the level of credit income earned from the book has increased by 4.7%, with the annualised bad debt charge reducing further to 7.3% of revenue (March 2015: 8.1%). As planned, Express Gifts submitted its application for a full consumer credit licence to the Financial Conduct Authority at the end of October.

Total revenue for the first half of the year grew by 2.7% to £133.2m (2014: £129.7m).

There is a high level of seasonality within Express Gifts, with around 60% of product sales occurring in the second half of the year. The operating profit for the quieter first half of FY16 of £4.9m is marginally ahead of the prior year, with the growth in sales and improvement in bad debt being offset by the investment in infrastructure and headcount from the second half of last year noted above. Now that these costs have been factored into the annual run-rate, we expect Express Gifts to produce a result for the full year that shows further profit growth on FY15.

Product sales since the half year are 3.1% ahead continuing the trend of lower growth that we have seen since August. Total revenue including financial services has increased by 4.1%.

ii) Findel Education; transformation projects underway

Findel Education is in the early stages of a significant business transformation which is aimed at repositioning it for medium-term profit growth. It has seen difficult market conditions, resulting in part from public sector austerity, but has also seen declining customer numbers and a sustained loss of market share. Good progress has been made in the first half of the year in addressing the causes of this market share decline, particularly in stabilising customer numbers in its core School brands in the business's heartland of London & the South East and in Scotland. It will take longer for progress to be made for the Classroom and Specialist brands due to the annual catalogue cycle and the less frequent customer ordering patterns, but our marketing functions have been strengthened and we continue to invest in improving our digital capability. These give us the expectation that total sales for the business will stabilise in FY17.

The encouraging trend in active customer numbers was more than offset by a further decline in the average level of spend per customer, with a particularly acute reduction being seen in spending on furniture in our School brands. The size of the Sainsbury's Active Kids scheme has been around 20% lower than in the prior year, resulting in total revenue for the first half of the year being some 8.2% lower at £55.9m (2014: £60.9m).

Improvements to the pricing architecture within the 2015 catalogues, combined with the annualised effect of overhead savings implemented in the second half of last year, has mitigated the impact of the sales decline producing an increase in operating profit for H1 of £0.5m to £3.6m (2014: £3.1m).

The business launched its new customer websites over the summer period, leading to an improved customer experience and an increase in the net promoter score of 1% compared to September 2014. Our plans to develop our digital organisation are well under way and we continue to monitor changes to customer needs closely.

Findel Education's various business streams were developed through a series of acquisitions made over the last 10-15 years. Those acquisitions have left the business with a relatively inefficient warehousing and logistics capability compared to its competitors. The two main warehouses in Nottingham and Enfield that supply the core UK brands have used different operating platforms, leading to instances of duplicated stock and support functions. A project has recently been completed to pave the way for both sites to operate from a single platform to eliminate these inefficiencies. A proposal to consolidate the two warehouses into one by closing the Enfield site towards the end of 2016 and migrating its activities to Nottingham is currently under consultation. These changes are expected to produce annual cost savings of £2-3m from FY18 onwards.

Sales since the half year are 7.7% down on the equivalent period last year.

Exceptional items

Express Gifts has established that there is a flaw in the product features of one of the financial services products that has been provided by a third-party insurance underwriter. Consequently, a provision of £2m has been recorded in the 26 week period ended 25 September 2015 to cover any potential customer redress required, estimated on the basis of information that is currently available. It is possible that work being currently undertaken could result in more information becoming available which could lead management to revise this estimate. Any such changes would be accounted for as a revision to an accounting estimate and would be recognised in the period in which the estimate was revised.

Express Gifts is currently in dispute with its former sister company, Kleeneze, in respect of sums owed by Kleeneze relating to services provided prior to its sale in March 2015. Whilst Express Gifts intends to pursue its case robustly, a provision of £1.0m has been recorded within exceptional items at the half-year, reflecting concerns around Kleeneze's ability to pay. Other exceptional restructuring costs totalling £0.9m have been recognised in the first half of the year.

Taxation

The group recognised an income tax credit in respect of continuing operations in the first half of £0.1m (2014: credit of £0.3m). The estimated effective tax rate for the full year, excluding the impact of exceptional items is 20.8%.

Balance sheet

Net assets at September 2015 stood at £80.4m, compared to £92.8m at September 2014. The £12.4m decrease has been driven by the £19.9m impairment of goodwill made at March 2015, losses made by discontinued operations offset by the underlying profitability of the group over the last 12 months.

The group's pension deficit has reduced from £11.5m to £8.9m since year end due to deficit reduction contributions offset by an increase in bond yields.

Findel plc
Group Financial Information

Condensed Consolidated Income Statement
26 week period ended 25 September 2015

	Before Exceptional items £000	Exceptional items £000	Total £000
Continuing operations			
Revenue	191,361	—	191,361
Cost of sales	(98,672)	—	(98,672)
Gross profit	92,689	—	92,689
Trading costs	(84,246)	(3,871)	(88,117)
Analysis of operating profit/(loss):			
– **EBITDA**	11,761	(3,871)	7,890
– Depreciation and amortisation	(3,318)	—	(3,318)
– Impairment	—	—	—
Operating profit/(loss)	8,443	(3,871)	4,572
Finance costs	(5,057)	(68)	(5,125)
Profit/(loss) before tax	3,386	(3,939)	(553)
Tax (expense)/income	(705)	821	116
Profit/(loss) for the period	2,681	(3,118)	(437)
Discontinued operation			
Loss from discontinued operation, net of tax	(3,478)	(243)	(3,721)
Loss for the period	(797)	(3,361)	(4,158)
Loss per ordinary share			
from continuing operations			
Basic			(0.51)p
Diluted			(0.51)p
from discontinued operations			
Basic			(4.33)p
Diluted			(4.33)p
total attributable to ordinary shareholders			
Basic			(4.84)p
Diluted			(4.84)p

Condensed Consolidated Income Statement
26 week period ended 26 September 2014 (restated – refer to note 2)

	Before exceptional items £000	Exceptional items £000	Total £000
Continuing operations			
Revenue	192,200	—	192,200
Cost of sales	(101,925)	—	(101,925)
Gross profit	90,275	—	90,275
Trading costs	(82,032)	(4,297)	(86,329)
Analysis of operating profit/(loss):			
– **EBITDA**	11,404	(4,297)	7,107
– Depreciation and amortisation	(3,161)	—	(3,161)
– Impairment	—	—	—
Operating profit/(loss)	8,243	(4,297)	3,946
Finance costs	(4,876)	(68)	(4,944)
Profit/(loss) before tax	3,367	(4,365)	(998)
Tax (expense)/income	(768)	1,114	346
Profit/(loss) for the period	2,599	(3,251)	(652)
Discontinued operations			
Loss from discontinued operations, net of tax	(1,469)	(12,262)	(13,731)
Profit/(loss) for the period	1,130	(15,513)	(14,383)
Loss per ordinary share			
from continuing operations			
Basic			(0.76)p
Diluted			(0.76)p
from discontinued operations			
Basic			(16.11)p
Diluted			(16.11)p
total attributable to ordinary shareholders			
Basic			(16.87)p
Diluted			(16.87)p

Condensed Consolidated Income Statement
52 week period ended 27 March 2015 (restated – refer to note 2)

	Before Exceptional items £000	Exceptional items £000	Total £000
Continuing operations			
Revenue	406,930	—	406,930
Cost of sales	(215,146)	—	(215,146)
Gross profit	191,784	—	191,784
Trading costs	(153,988)	(27,036)	(181,024)
Analysis of operating profit/(loss):			
– **EBITDA**	44,275	(7,136)	37,139
– Depreciation and amortisation	(6,479)	—	(6,479)
– Impairment	—	(19,900)	(19,900)
Operating profit/(loss)	37,796	(27,036)	10,760
Finance costs	(10,097)	(136)	(10,233)
Profit/(loss) before tax	27,699	(27,172)	527
Tax (expense)/income	(6,566)	1,243	(5,323)
Profit/(loss) for the period	21,133	(25,929)	(4,796)
Discontinued operations			
Loss from discontinued operations, net of tax	(663)	(19,802)	(20,465)
Profit/(loss) for the period	20,470	(45,731)	(25,261)
Loss per ordinary share			
from continuing operations			
Basic			(5.63)p
Diluted			(5.63)p
from discontinued operations			
Basic			(24.03)p
Diluted			(24.03)p
total attributable to ordinary shareholders			
Basic			(29.66)p
Diluted			(29.66)p

Condensed Consolidated Statement of Comprehensive Income
26 week period ended 25 September 2015

	26 weeks to 25.9.2015 £000	26 weeks to 26.9.2014 £000	52 weeks to 27.3.2015 £000
Loss for the period	**(4,158)**	(14,383)	(25,261)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Cash flow hedges	**—**	(33)	(42)
Currency translation (loss)/gain arising on consolidation	**(63)**	(311)	255
	(63)	(344)	213
Items that will not subsequently be reclassified to profit and loss			
Actuarial gains/(losses) on defined benefit pension scheme	**1,713**	(5,061)	(5,125)
Tax relating to components of comprehensive income	**(216)**	306	374
	1,497	(4,755)	(4,751)
Total comprehensive loss for period	**(2,724)**	(19,482)	(29,799)

The total comprehensive loss for the period is attributable to the equity shareholders of the parent company Findel plc.

Condensed Consolidated Balance Sheet
At 25 September 2015

	25.9.2015 £000	26.9.2014 £000	27.3.2015 £000
Non-current assets			
Goodwill	**16,691**	36,591	16,691
Other intangible assets	**29,453**	34,066	33,526
Property, plant and equipment	**35,720**	35,112	35,070
Deferred tax assets	**9,957**	18,518	9,141
	91,821	124,287	94,428
Current assets			
Inventories	**70,640**	88,381	65,405
Trade and other receivables	**230,727**	223,776	224,375
Derivative financial instruments	**—**	9	—
Cash and cash equivalents	**36,047**	30,355	38,470
Assets held for sale	**31,858**	—	—
	369,272	342,521	328,250
Total assets	**461,093**	466,808	422,678
Current liabilities			
Trade and other payables	**88,634**	97,766	73,290
Current tax liabilities	**3,841**	2,297	2,138
Derivative financial instruments	**75**	20	—
Provisions	**4,609**	6,292	6,912
Liabilities held for sale	**28,371**	—	—
	125,530	106,375	82,340
Non-current liabilities			
Bank loans	**245,395**	254,978	245,021
Provisions	**900**	725	1,152
Retirement benefit obligation	**8,914**	11,950	11,455
	255,209	267,653	257,628
Total liabilities	**380,739**	374,028	339,968
Net assets	**80,354**	92,780	82,710
Equity			
Share capital	**126,442**	126,442	126,442
Capital redemption reserve	**403**	403	403
Share premium account	**92,954**	92,954	92,954
Translation reserve	**697**	194	760
Hedging reserve	**(42)**	(33)	(42)
Accumulated losses	**(140,100)**	(127,180)	(137,807)
Total equity	**80,354**	92,780	82,710

Condensed Consolidated Cash Flow Statement
26 week period ended 25 September 2015

	26 weeks to 25.9.2015 £000	26 weeks to 26.9.2014 £000	52 weeks to 27.3.2015 £000
Loss for the period	**(4,158)**	(14,383)	(25,261)
Adjustments for:			
Income tax	**(895)**	(7,625)	4,273
Finance costs	**5,125**	4,944	10,233
Depreciation of property, plant and equipment	**2,872**	2,657	5,483
Impairment of property, plant and equipment and software and IT development costs	—	—	485
Impairment of goodwill	—	—	19,900
Impairment of other intangible assets	—	19,045	19,045
Amortisation of intangible assets	**1,348**	1,512	3,029
Share-based payment expense	**368**	614	861
Loss/(profit) on disposal of property, plant and equipment	**75**	—	(191)
Profit on disposal of subsidiary	—	—	(641)
Pension contributions less income statement charge	**(1,000)**	(1,751)	(2,481)
Operating cash flows before movements in working capital	**3,735**	5,013	34,735
Increase in inventories	**(24,265)**	(23,975)	(5,370)
Increase in receivables	**(11,440)**	(10,560)	(13,175)
Increase in payables	**35,204**	21,803	1,957
(Decrease)/increase in provisions	**(1,808)**	56	1,103
Cash generated from/(used in) operations	**1,426**	(7,663)	19,250
Income taxes paid	**(798)**	(1,190)	(1,396)
Interest paid	**(4,851)**	(4,862)	(9,977)
Net cash from operating activities	**(4,223)**	(13,715)	7,877
Investing activities			
Interest received	—	38	39
Proceeds on disposal of property, plant and equipment	—	—	960
Purchases of property, plant and equipment and software and IT development costs	**(6,826)**	(4,004)	(10,269)
Sale of subsidiary (net of cash held in subsidiary)	—	—	1,720
Net cash used in investing activities	**(6,826)**	(3,966)	(7,550)
Financing activities			
Bank loans (repaid)/drawn	**(1,958)**	24,780	3,821
Securitisation loan drawn/(repaid)	**2,332**	(1,025)	9,977
Net cash from financing activities	**374**	23,755	13,798
Net (decrease)/increase in cash and cash equivalents	**(10,675)**	6,074	14,125
Cash and cash equivalents at the beginning of the period	**38,470**	24,270	24,270
Effect of foreign exchange rate changes	**(11)**	11	75
Cash and cash equivalents at the end of the period	**27,784**	30,355	38,470

Condensed Consolidated Statement of Changes in Equity
26 week period ended 25 September 2015

	Share capital £000	Capital redemption reserve £000	Share premium account £000	Translation reserve £000	Hedging reserve £000	Retained earnings/ (accumulated losses) £000	Total equity £000
At 27 March 2015	126,442	403	92,954	760	(42)	(137,807)	82,710
Total comprehensive loss	—	—	—	(63)	—	(2,661)	(2,724)
Share-based payments	—	—	—	—	—	368	368
At 25 September 2015	**126,442**	**403**	**92,954**	**697**	**(42)**	**(140,100)**	**80,354**

	Share capital £000	Capital redemption reserve £000	Share premium account £000	Translation reserve £000	Hedging reserve £000	Retained earnings/ (accumulated losses) £000	Total equity £000
At 28 March 2014	125,942	403	93,454	505	—	(108,656)	111,648
Total comprehensive loss	—	—	—	(311)	(33)	(19,138)	(19,482)
Share issue	500	—	(500)	—	—	—	—
Share-based payments	—	—	—	—	—	614	614
At 26 September 2014	126,442	403	92,954	194	(33)	(127,180)	92,780

	Share capital £000	Capital redemption reserve £000	Share premium account £000	Translation reserve £000	Hedging reserve £000	Retained earnings/ (accumulated losses) £000	Total equity £000
As at 28 March 2014	125,942	403	93,454	505	—	(108,656)	111,648
Total comprehensive loss	—	—	—	255	(42)	(30,012)	(29,799)
Share issue	500	—	(500)	—	—	—	—
Share-based payments	—	—	—	—	—	861	861
At 27 March 2015	**126,442**	**403**	**92,954**	**760**	**(42)**	**(137,807)**	**82,710**

The total equity is attributable to the equity shareholders of the parent company Findel plc.

Notes to the Condensed Consolidated Financial Statements

1. General Information

The condensed consolidated financial statements have been approved by the board on 24 November 2015.

Statement of compliance
These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union ("EU") and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority. As required by the latter, the interim financial statements have been prepared applying the accounting policies and presentation that were applied in the company's published consolidated financial statements for the 52 weeks ended 27 March 2015. They do not include all the information required for full annual financial statements, and should be read in conjunction with the group's consolidated financial statements as at and for the 52 weeks ended 27 March 2015.

The financial information for the period ended 27 March 2015 is not the company's statutory accounts for that financial year. Those accounts which were prepared under IFRS as adopted by the EU ("adopted IFRS") have been reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor draws attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

Going concern basis
In determining whether the group's financial statements for the period ended 25 September 2015 can be prepared on a going concern basis, the directors considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities in the current challenging economic climate. The financial position of the group, its cash flows, liquidity position and borrowing facilities and the key risks and uncertainties are set out in further detail in the Finance Director's Review on pages 18 to 20 of the company's published consolidated financial statements for the 52 weeks ended 27 March 2015.

The directors have reviewed the trading and cash flow forecasts as part of their going concern assessment, including reasonable downside sensitivities which take into account the uncertainties in the current operating environment including amongst other matters demand for the group's products, its available financing facilities, and movements in interest rates. Although at certain times the level of headroom reduces to a level which is less than the directors would regard as desirable in the long term, the directors believe it to be sufficient and have identified controllable mitigating actions that could be implemented if required.

Taking into account the above uncertainties and circumstances, the directors formed a judgement that there is a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the group's condensed financial statements for the period ended 25 September 2015.

Risks and uncertainties
The principal risks and uncertainties which could impact the group's long-term performance remain those detailed on pages 19 to 20 of the group's 2015 Annual Report and Accounts, a copy of which is available on the group's website, www.findel.co.uk. No new risks have been identified.

The risks detailed in the Annual Report and Accounts remain valid as regards their potential to impact the group during the second half of the current financial year. The group has a comprehensive system of risk management installed within all parts of its business to mitigate these risks as far as is possible.

Seasonality
The nature of the businesses within the Findel Group mean that profits have shown, and will continue to show, a significant seasonal bias with the majority of profit being earned in the second half.

2. Accounting Policies

As required by the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority, this condensed set of financial statements has been prepared applying the same accounting policies and computation methods that were applied in the preparation of the company's published consolidated financial statements for the year ended 27 March 2015.

Discontinued operations

Kitbag Limited

At 25 September 2015 the group's sports retail business, Kitbag Limited met the criteria to be accounted for as a discontinued operation as defined by IFRS 5 *Non-current assets held for sale and discontinued operations.* Results from this discontinued operation have therefore been separated out in the condensed consolidated income statement for the 26 week period ended 25 September 2015, and its assets and liabilities have been classified as held for sale in the condensed consolidated balance sheet at 25 September 2015. In addition the comparative figures given in the condensed consolidated income statement for the 26 week period ended 26 September 2014 and the 52 week period ended 27 March 2015 have been restated to show the results from this discontinued operation separately, in order to enhance the comparability of the results of the group's ongoing businesses. Further details are given in note 6.

Kleeneze Limited

The group completed the disposal of its network marketing company, Kleeneze Limited on 24 March 2015. Consequently the comparative figures given in the condensed consolidated income statement for the 26 week period ended 26 September 2014 have been restated to show the results from this discontinued operation separately, in accordance with the requirements of IFRS 5 *Non-current assets held for sale and discontinued operations*.

Estimates

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

In preparing the interim financial statements, the significant judgements made by management in applying the group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 27 March 2015 with the exception of the following:

Provision for financial services redress

Express Gifts has established that there is a flaw in the features of one of the financial services products that has been provided by a third-party insurance underwriter. Consequently, a provision of £2m has been recorded in the 26 week period ended 25 September 2015 to cover any future customer redress required, using assumptions that the directors consider are appropriate on the basis of information that is currently available. It is possible that work being currently undertaken could result in further information becoming available which could lead management to revise its assumptions in this regard. Any such changes would be accounted for as a revision to an accounting estimate and would be recognised in the period in which the estimate was revised.

3. Trading costs

An analysis of the group's trading costs is as follows:

	26 weeks to 25.9.15			26 weeks to 26.9.14*			52 weeks to 27.3.15*		
	Continuing operations £000	Discontinued operation £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000	Continuing operations £000	Discontinued operations £000	Total £000
Selling and distribution costs:									
– Before exceptional items	**51,847**	**4,003**	**55,850**	54,861	13,013	67,874	98,193	26,460	124,653
– Exceptional items	—	—	—	—	—	—	—	—	—
Administrative expenses:									
– Before exceptional items	**32,399**	**12,899**	**45,298**	27,171	15,278	42,449	55,795	31,201	86,996
– Exceptional items	**3,871**	**300**	**4,171**	4,297	19,107	23,404	27,036	20,173	47,209
	88,117	**17,202**	**105,319**	86,329	47,398	133,727	181,024	77,834	258,858

*restated – refer to note 2.

4. Segmental analysis

26 weeks to 25 September 2015

Revenue

	Continuing operations				Discontinued operation	Group
	Express Gifts £000	Findel Education £000	Overseas sourcing £000	Total £000	Kitbag £000	Total £000
Sales of goods	92,963	55,889	2,307	151,159	33,268	184,427
Rendering of services and fees	7,716	—	—	7,716	—	7,716
Interest	32,486	—	—	32,486	—	32,486
Reportable segment revenue	133,165	55,889	2,307	191,361	33,268	224,629

Loss after tax

	Continuing operations				Discontinued operation	Group
	Express Gifts £000	Findel Education £000	Overseas Sourcing £000	Total £000	Kitbag £000	Total £000
Reportable segment results	4,900	3,619	(76)	8,443	(4,200)	4,243
Exceptional items	(3,483)	(388)	—	(3,871)	(300)	(4,171)
Operating profit/(loss) after exceptional items	1,417	3,231	(76)	4,572	(4,500)	72
Finance costs (includes £68,000 exceptional finance costs)				(5,125)	—	(5,125)
Loss before tax				(553)	(4,500)	(5,053)
Tax				116	779	895
Loss after tax				(437)	(3,721)	(4,158)

26 weeks ended 26 September 2014 (restated – refer to note 2)

Revenue

	Continuing operations				Discontinued operations			Group
	Express Gifts £000	Findel Education £000	Overseas sourcing £000	Total £000	Kitbag £000	Kleeneze £000	Total £000	Total £000
Sales of goods	91,258	60,871	1,667	153,796	33,981	17,233	51,214	205,010
Rendering of services and fees	9,979	—	—	9,979	—	656	656	10,635
Interest	28,425	—	—	28,425	—	48	48	28,473
Reportable segment revenue	129,662	60,871	1,667	192,200	33,981	17,937	51,918	244,118

Loss after tax

	Continuing operations				Discontinued operations			Group
	Express Gifts £000	Findel Education £000	Overseas Sourcing £000	Total £000	Kitbag £000	Kleeneze £000	Total £000	Total £000
Reportable segment results	4,844	3,103	296	8,243	(1,518)	(385)	(1,903)	6,340
Exceptional items	(1,680)	(2,617)	—	(4,297)	(62)	(19,045)	(19,107)	(23,404)
Operating profit/(loss) after exceptional items	3,164	486	296	3,946	(1,580)	(19,430)	(21,010)	(17,064)
Finance costs (includes £68,000 exceptional finance costs)				(4,944)	—	—	—	(4,944)
Loss before tax				(998)	(1,580)	(19,430)	(21,010)	(22,008)
Tax				346	547	6,732	7,279	7,625
Loss after tax				(652)	(1,033)	(12,698)	(13,731)	(14,383)

52 weeks ended 27 March 2015 (restated – refer to note 2)

Revenue

	Continuing operations				Discontinued operations			Group
	Express Gifts £000	Findel Education £000	Overseas sourcing £000	Total £000	Kitbag £000	Kleeneze £000	Total £000	Total £000
Sales of goods	219,796	102,776	2,502	325,074	74,488	32,460	106,948	432,022
Rendering of services and fees	19,598	—	—	19,598	—	4,015	4,015	23,613
Interest	62,258	—	—	62,258	—	82	82	62,340
Reportable segment revenue	301,652	102,776	2,502	406,930	74,488	36,557	111,045	517,975

Loss after tax

	Continuing operations				Discontinued operations			Group
	Express Gifts £000	Findel Education £000	Overseas Sourcing £000	Total £000	Kitbag £000	Kleeneze £000	Total £000	Total £000
Reportable segment results	33,452	4,199	145	37,796	(1,200)	(142)	(1,342)	36,454
Exceptional items	(3,335)	(23,701)	—	(27,036)	(1,046)	(19,127)	(20,173)	(47,209)
Operating profit/(loss) after exceptional items	30,117	(19,502)	145	10,760	(2,246)	(19,269)	(21,515)	(10,755)
Finance costs (includes £136,000 exceptional finance costs)				(10,233)	—	—	—	(10,233)
Profit/(loss) before tax				527	(2,246)	(19,269)	(21,515)	(20,988)
Tax				(5,323)	910	140	1,050	(4,273)
Loss after tax				(4,796)	(1,336)	(19,129)	(20,465)	(25,261)

5. Exceptional items

	26 weeks to 25.9.15 £000	26 weeks to 26.9.14* £000	52 week to 27.3.15* £000
Continuing operations			
Exceptional trading costs			
Restructuring costs	**853**	277	1,725
Express Gifts financial services redress	**2,000**	2,500	3,738
Provision for amounts due from Kleeneze Limited	**1,018**	—	—
Onerous lease provisions	**—**	—	853
Legacy VAT issues	**—**	(820)	(820)
Pension scheme service costs	**—**	2,340	1,640
Impairment of goodwill	**—**	—	19,900
	3,871	4,297	27,036
Exceptional financing costs			
Debt refinancing costs	**68**	68	136
	3,939	4,365	27,172
Tax credit in respect of exceptional items	**(821)**	(1,114)	(1,243)
Total	**3,118**	3,251	25,929
Discontinued operation(s)			
Restructuring costs	**300**	62	—
Profit on disposal of subsidiary	**—**	—	(641)
Stock write down in respect of disposal	**—**	—	476
Legacy VAT issues	**—**	—	41
Impairment of other intangible assets	**—**	19,045	19,045
Onerous contracts	**—**	—	1,138
Onerous lease provisions	**—**	—	114
	300	19,107	20,173
Tax credit in respect of exceptional items	**(57)**	(6,845)	(371)
Total	**243**	12,262	19,802
Group total	**3,361**	15,513	45,731

Restructuring costs in the current period of £1,153,000 (26 weeks to 26 September 2014: £339,000; 52 weeks to 27 March 2015: £1,725,000), of which £300,000 (26 weeks to 26 September 2014: £62,000; 52 weeks to 27 March 2015: £nil) related to discontinued operations, relate to management changes, redundancies and costs associated with remedying legacy poor systems and controls, as well as organisational changes made in relation to compliance with new FCA requirements.

Express Gifts has become aware of a flaw in the product features of one of the financial services products that has been provided by a third-party insurance underwriter. Consequently, a provision of £2m has been recorded in the 26 week period ended 25 September 2015 to cover any potential customer redress required, estimated on the basis of information that is currently available. It is possible that work being currently undertaken could result in more information becoming available which could lead management to revise this estimate. Any such changes would be accounted for as a revision to an accounting estimate and would be recognised in the period in which the estimate was revised. In the 26 weeks to 26 September 2014 charges of £2,500,000 were incurred in respect of instances where Express Gifts sought to redress customers as a result of flaws in some legacy processes (52 weeks to 27 March 2015: £3,738,000). This included £500,000 (52 weeks to 27 March 2015: £738,000) for any remaining elements of PPI.

A provision of £1,018,000 has been recorded in respect of the doubtful recoverability of amounts due to Express Gifts Limited from Findel plc's former subsidiary Kleeneze Limited. The provision is held within trade and other receivables in the balance sheet.

Charges of £68,000 (26 weeks to 26 September 2014: £68,000; 52 weeks to 27 March 2015: £136,000) relate to the extension to the group's lending facilities in March 2011.

*restated – refer to note 2.

6. Discontinued operations

Kitbag Limited

As announced on 29 September 2015, the group received an approach to purchase Kitbag and terms for that transaction have been agreed subject to contract. Management are of the belief that the disposal of Kitbag will enable the group to reduce its indebtedness and focus on core operations.

Kitbag's results for the 26 week period to 25 September 2015, the 26 week period to 26 September 2014 and the 52 week period ended 27 March 2015 have been presented to show the discontinued operation separately from continuing operations and are summarised below:

	26 weeks ended 25.9.15 £000	26 weeks ended 26.9.14 £000	52 weeks ended 27.3.15 £000
Revenue	**33,268**	33,981	74,488
Expenses*	**(37,768)**	(35,561)	(76,734)
Loss before tax	**(4,500)**	(1,580)	(2,246)
Tax credit	**779**	547	910
Loss for the year	**(3,721)**	(1,033)	(1,336)

*including exceptional charges of £300,000 (26 weeks to 26 September 2014: £62,000; 52 weeks to 27 March 2015: £1,046,000).

The major classes of assets and liabilities of Kitbag Limited at 25 September 2015, 26 September 2014 and 27 March 2015 were as follows:

	25.9.15 £000	26.9.14 £000	27.3.15 £000
Assets			
Intangible assets	**3,708**	3,284	3,703
Property, plant and equipment	**2,243**	2,482	1,856
Deferred tax asset	**1,789**	2,033	1,584
Inventory	**19,030**	17,596	13,753
Trade and other receivables	**5,088**	10,063	4,030
	31,858	35,458	24,926
Liabilities			
Overdraft	**(8,263)**	(42,679)	(605)
Trade and other payables	**(19,361)**	(15,639)	(14,926)
Provisions	**(747)**	(1,871)	(2,013)
	(28,371)	(60,189)	(17,544)
Net assets of disposal group	**3,487**	(24,731)	7,382

The net cash flows (used in)/generated from Kitbag Limited were as follows:

	26 weeks ended 25.9.15 £000	26 weeks ended 26.9.14 £000	52 weeks ended 27.3.15 £000
Operating cash flows	**(6,390)**	(4,899)	4,339
Investing cash flows	**(1,268)**	(888)	(2,044)
Financing cash flow	**—**	3,525	37,517
Net cash outflow	**(7,658)**	(2,262)	39,812

Kleeneze Limited

The group completed the sale of its network marketing company, Kleeneze to Trillium Pond A.G. (a subsidiary of CVSL Inc.) on 24 March 2015 for gross consideration of £3.4m.

A profit on disposal of £0.6m, representing the difference between the proceeds received net of costs of disposal, and the assets disposed of, was recorded within exceptional items for 52 week period ended 27 March 2015.

Kleeneze's results for the period from 29 March 2014 to 24 March 2015 and for the 26 week period ended 26 September 2014 have been presented to show the discontinued operation separately from continuing operations and are summarised below:

	26 weeks ended 26.9.14 £000	Period ended 24.3.15 £000
Revenue	17,937	36,557
Expenses*	(37,367)	(55,826)
Loss before tax	(19,430)	(19,269)
Tax credit	6,732	140
Loss for the period	(12,698)	(19,129)

* The results for 26 week period ended 26 September 2014 include exceptional charges of £19,045,000 (period ended 24 March 2015: £19,768,000 less a profit on disposal (net of release of deferred tax liabilities of £2,404,000) of £641,000).

The major classes of assets and liabilities of Kleeneze Limited at disposal on 24 March 2015 and at 26 September 2014 were as follows:

	26.9.14 £000	24.3.15 £000
Assets		
Property, plant and equipment	508	414
Deferred tax asset	4,353	—
Inventory	6,307	4,371
Trade and other receivables	2,968	2,793
Cash	7,685	1,316
	21,821	8,894
Liabilities		
Deferred tax liability	—	(2,404)
Trade and other payables	(10,232)	(4,097)
	(10,232)	(6,501)
Net assets of disposal group	11,589	2,393

The net cash flows generated from/(used in) Kleeneze Limited were as follows:

	26 weeks ended 26.9.14 £000	Period ended 24.3.15 £000
Operating cash flows	(1,038)	2,115
Investing cash flows*	1,230	3,433
Financing cash flow	—	(10,005)
Net cash outflow	192	(4,457)

*The figure for the period ended 24 March 2015 includes proceeds (net of cash of cash held in subsidiary) of £1,720,000.

7. Taxation

Income tax for the 26 week period ended 25 September 2015 for continuing operations is based on an estimated effective tax rate for the full year of 20.9% (26 week period ended 26 September 2014: 34.7%), giving rise to a tax credit of £116,000 in the period (26 week period ended 26 September 2014: £346,000). The estimated effective tax rate for continuing operations for the full year, excluding the impact of exceptional items is 20.8% (26 week period ended 26 September 2014: 22.8%).

8. Earnings/(loss) per share

Earnings/loss per share figures for the 26 week period ended 26 September 2014 have been restated to reflect the presentation of the results of Kitbag Limited and Kleeneze Limited as discontinued operations as defined by IFRS 5 *Non-current assets held for sale and discontinued operations.*

Earnings/loss per share figures for the 52 week period ended 27 March 2015 have been restated to reflect the presentation of the results of Kitbag Limited as a discontinued operation defined by IFRS 5 *Non-current assets held for sale and discontinued operations.*

From continuing operations

(Loss)/profit attributable to ordinary shareholders

	26 weeks to 25.9.2015 £000	26 weeks to 26.9.2014 £000	52 weeks to 27.3.2015 £000
Net loss attributable to equity holders for the purposes of basic earnings per share	**(437)**	(652)	(4,796)
Other exceptional items (net of tax)	**(3,050)**	(3,183)	(25,793)
Exceptional finance costs (net of tax)	**(68)**	(68)	(136)
Net profit attributable to equity holders for the purpose of adjusted earnings per share	**2,681**	2,599	21,133

Weighted average number of shares

Ordinary shares in issue at the start and end of the period	**86,442,534**	86,442,534	85,942,534
Effect of share issue	**—**	—	359,890
Effect of own shares held	**(581,878)**	(1,190,286)	(1,130,487)
Weighted average number of shares – basic	**85,860,656**	85,252,248	85,171,937
Effect of outstanding share options	**4,922,422**	5,739,717	5,425,216
Effect of convertible shares	**8,343,935**	8,343,935	8,343,935
Weighted average number of shares – diluted	**99,127,013**	99,335,900	98,941,088

(Loss)/earnings per share

Loss per share – basic	**(0.51)p**	(0.76)p	(5.63)p
Earnings per share – adjusted* basic	**3.12p**	3.05p	24.81p
Loss per share – diluted	**(0.51)p**	(0.76)p	(5.63)p
Earnings per share – adjusted* diluted	**3.12p**	3.05p	24.81p

* Adjusted to remove the impact of exceptional items.

From discontinued operation(s)

Loss attributable to ordinary shareholders

	26 weeks to 25.9.2015 £000	26 weeks to 26.9.2014 £000	52 weeks to 27.3.2015 £000
Net loss attributable to equity holders for the purposes of basic earnings per share	**(3,721)**	(13,731)	(20,465)
Other exceptional items (net of tax)	**(243)**	(12,262)	(19,802)
Exceptional finance costs (net of tax)	**—**	—	—
Net loss attributable to equity holders for the purpose of adjusted earnings per share	**(3,478)**	(1,469)	(663)

Weighted average number of shares

Ordinary shares in issue at the start and end of the period	**86,442,534**	86,442,534	85,942,534
Effect of share issue	**—**	—	359,890
Effect of own shares held	**(581,878)**	(1,190,286)	(1,130,487)
Weighted average number of shares – basic	**85,860,656**	85,252,248	85,171,937
Effect of outstanding share options	**4,922,422**	5,739,717	5,425,216
Effect of convertible shares	**8,343,935**	8,343,935	8,343,935
Weighted average number of shares – diluted	**99,127,013**	99,335,900	98,941,088

Loss per share

Loss per share – basic	**(4.33)p**	(16.11)p	(24.03)p
Loss per share – adjusted* basic	**(4.05)p**	(1.72)p	(0.78)p
Loss per share – diluted	**(4.33)p**	(16.11)p	(24.03)p
Loss per share – adjusted* diluted	**(4.05)p**	(1.72)p	(0.78)p

* Adjusted to remove the impact of exceptional items

Total attributable to ordinary shareholders

(Loss)/profit attributable to ordinary shareholders

	26 weeks to 25.9.2015 £000	26 weeks to 26.9.2014 £000	52 weeks to 27.3.2015 £000
Net loss attributable to equity holders for the purposes of basic earnings per share	**(4,158)**	(14,383)	(25,261)
Other exceptional items (net of tax)	**(3,293)**	(15,445)	(45,595)
Exceptional finance costs (net of tax)	**(68)**	(68)	(136)
Net (loss)/profit attributable to equity holders for the purpose of adjusted earnings per share	**(797)**	1,130	20,470

Weighted average number of shares

Ordinary shares in issue at the start and end of the period	**86,442,534**	86,442,534	85,942,534
Effect of share issue	**—**	—	359,890
Effect of own shares held	**(581,878)**	(1,190,286)	(1,130,487)
Weighted average number of shares – basic	**85,860,656**	85,252,248	85,171,937
Effect of outstanding share options	**4,922,422**	5,739,717	5,425,216
Effect of convertible shares	**8,343,935**	8,343,935	8,343,935
Weighted average number of shares – diluted	**99,127,013**	99,335,900	98,941,088

(Loss)/earnings per share

Loss per share – basic	**(4.84)p**	(16.87)p	(29.66)p
(Loss)/earnings per share – adjusted* basic	**(0.93)p**	1.33p	24.03p
Loss per share – diluted	**(4.84)p**	(16.87)p	(29.66)p
(Loss)/earnings per share – adjusted* diluted	**(0.93)p**	1.33p	24.03p

* Adjusted to remove the impact of exceptional items.

The 500,000 shares issued in the 52 week period ended 27 March 2015 were to the Employee Benefit Trust. These are regarded as treasury shares and so are not treated as outstanding ordinary shares.

The earnings per share attributable to convertible ordinary shareholders is £nil.

9. Post balance sheet events

As announced on 29 September 2015, the group received an approach to purchase Kitbag and terms for that transaction have been agreed subject to contract. Discussions are ongoing.

On 24 November 2015, the group agreed a new four-year revolving bank facility to replace the two existing facilities that were due to expire in December 2016. The securitisation facility has also been extended to the same new maturity date of November 2019 and has been increased from £130m to £145m. The bank facility has been set at £120m plus a £25m accordion feature, with a variable borrowing margin linked to the group's gearing level and starting at 275bp (current facilities: 300bp).

10. Related parties

During the 26 week period ended 25 September 2015, the group made payments to a company under the common control of one of the group's major shareholders, Toscafund Asset Management LLP ("Toscafund"), in respect one of the buildings leased by the group. Operating lease rentals and associated costs of £135,000 (26 weeks ended 26 September 2014: £nil; 52 weeks ended 27 March 2015: £194,000) were paid to the associate of Toscafund during the current period. In addition a premium of £947,000 was paid to surrender the lease. This resulted in the group realising a profit of £37,000 compared to the amount provided in the balance sheet at surrender. No amounts were accrued at 25 September 2015 (26 September 2014: £nil; 27 March 2015: £97,000).

Responsibility Statement

We confirm that to the best of our knowledge:

(a) the condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union;

(b) the interim management report and condensed consolidated financial statements include a fair review of the information required by:

(i) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being 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 a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being 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 performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

D A Sugden Executive Chairman	T J Kowalski Group Finance Director
24 November 2015	24 November 2015

This document may contain forward looking statements. In particular, but without limitation, nothing contained in this document should be relied upon or construed as a promise or a forecast, including any projection or management estimate, any statements which contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect”, “forecast” and words of a similar meaning, reflect the management of the company’s current beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on such statements. Any forward looking statements speak only as at the date of this document, and except as required by applicable law, Findel plc undertakes no obligation to update or revise publicly any forward looking statements, whether as a result of new information or otherwise.

Independent Review Report to Findel plc

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 26 week period ended 25 September 2015 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related explanatory notes. 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 the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 reached.

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 DTR of the UK FCA.

As disclosed in note 1 the, annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

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 UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and 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 26 week period ended 25 September 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Nicola Quayle for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE
24 November 2015