

TELECOMPLUSPLC

Embargoed until 0700

24 November 2015

Telecom Plus PLC

Half-Year Results for the Six Months ended 30 September 2015

Telecom Plus PLC (trading as the Utility Warehouse), which supplies a wide range of utility services (gas, electricity, fixed line telephony, mobile telephony and broadband internet) to both residential and business customers, today announces its half-year results for the six months ended 30 September 2015.

Financial highlights (prior year numbers restated where applicable):

- Revenue up 10.8% to £294.0m (2014: £265.5m)
- Adjusted profit before tax up 10.1% to £22.5m (2014: £20.4m); statutory £15.2m (2014: £14.5m)
- Adjusted earnings per share up 11% to 23.2p (2014: 20.9p); statutory 14.3p (2014: 13.5p)
- Interim dividend increased by 15.8% to 22p per share (2014: 19p)

Operating highlights:

- Further organic growth in line with previous guidance
- Total services supplied up by 53,488 for the period to 2,146,935 (2014: 2,012,052)
- Customer ("Member") numbers for the period up by 13,585 to 595,098 (2014: 559,449)
- Recommended Provider and Best Buy Awards received from *Which?* and Moneywise

Commenting on today's results, Andrew Lindsay, Chief Executive, said:

"I am pleased with the profitable growth of the business during the first half of the year, in the face of continuing strong headwinds. We now supply over 2.1 million services to around 600,000 Members throughout the country."

"We continue to build market share in each of the services we supply through our unique combination of personal recommendation, the convenience of a genuine multi-utility proposition, consistently high standards of customer service, and a commitment to treating our Members fairly. As a result, we remain confident that we will achieve our target of supplying a million households over the medium term."

"We recently launched a new benefit for owner-occupiers who switch all their services to us, offering to supply and fit low energy LED light bulbs in their homes for free; this is expected to reduce their electricity consumption by over 10% into perpetuity, and has already resulted in a significant improvement in the quality of new Members joining us over the last six weeks."

"We remain on track to deliver record revenues, profits, and earnings per share for the current financial year. This is reflected in the 15.8% increase in our interim dividend, and our intention to pay a total dividend of 46p for the full year."

For more information please contact:

Telecom Plus PLC

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Analyst presentation

Telecom Plus will host an analyst presentation at 9.00 a.m. today. Please contact MHP Communications for details at telecomplus@mhpc.com

About Telecom Plus PLC ('Telecom Plus'):

Telecom Plus which owns and operates the Utility Warehouse brand, is the UK's only fully integrated provider of a wide range of competitively priced utility services spanning both the Communications and Energy markets.

Customers benefit from the convenience of a single monthly bill, consistently good value across all their utilities and exceptional levels of customer service. The Company does not advertise, relying instead on "word of mouth" recommendation by existing satisfied customers ("Members") and a network of over 45,000 part-time authorised distributors ("Partners") in order to grow its market share.

Telecom Plus holds a significant minority stake (20%) in Opus Energy Group Limited, the leading independent energy supplier to the SME and corporate business markets.

Telecom Plus is listed on the London Stock Exchange (Ticker: TEP LN). For further information please visit: www.utilitywarehouse.co.uk.

Interim Management Report

Financial and Operating Review

Results

Half year to 30 September	Adjusted			Statutory		
	2015	Restated 2014	Change	2015	Restated 2014	Change
Revenue	294,035	265,455	10.8%	294,035	265,455	10.8%
Profit before tax	22,495	20,439	10.1%	15,240	14,522	4.9%
Basic earnings (per share)	23.2p	20.9p	11.0%	14.3p	13.5p	5.9%
Interim dividend (per share)	22.0p	19.0p	15.8%	22.0p	19.0p	15.8%

In order to provide a clearer understanding of the underlying trading performance of the Group, adjusted profit before tax and adjusted basic EPS exclude: (i) share incentive scheme charges; and (ii) the amortisation of intangible assets arising on entering into the new energy supply arrangements with npower in December 2013. The amortisation of intangible assets has been excluded on the basis that it represents a non-cash accounting charge.

The performance of the business during the first half of the financial year was highly encouraging, considered against a background of continuing strong competitive pressures and low wholesale energy prices. Adjusted profit before tax increased by 10.1% to £22.5m (2014: £20.4m) on revenues ahead by 10.8% to £294.0m (2014: £265.5m), and adjusted earnings per share increased by 11.0% to 23.2p (2014: 20.9p). Statutory profit before tax, after intangible amortisation of £5.6m (2014: £5.6m) and share incentive scheme charges of £1.6m (2014: £0.3m), increased by 4.9% to £15.2m (2014: £14.5m).

The 10.8% increase in revenue reflects the growth we have seen in the size of our customer base over the last 12 months, and seasonally normal weather during the first half of this year compared with an unusually warm spring and summer last year, partially offset by the modest industry-wide reductions to domestic gas prices which took place earlier this year.

Gross margin for the period was broadly unchanged at 19.5% (2014: 19.6%), and remains in line with management expectations.

We maintained our unbroken track record for organic growth during the half-year, with the number of customers and services increasing by 13,585 (2014: 35,117) and 53,488 (2014: 127,358) respectively. This took our total membership base to 595,098 (31 March 2015: 581,513) and the number of services we are providing to 2,146,935 (31 March 2015: 2,093,447). We were pleased to see over 30% of new Members applying for all five of our core services (Gas, Electricity, Mobile, Landline and Broadband), and over 50% applying for at least four services, demonstrating the continuing attractiveness of our unique integrated multi-utility proposition.

This performance was achieved in the face of continuing highly competitive market conditions, with both smaller independent energy suppliers and (intermittently) various members of the 'Big 6' continuing to offer heavily discounted short-term fixed price tariffs to attract new customers through price comparison sites and via collective switching initiatives. In the broadband market, all the major telecoms companies continue to offer free and discounted broadband services for extended periods in order to attract new customers, together (in some cases) with other incentives such as shopping vouchers; these are largely funded by charging more to their loyal existing customers.

As previously explained to shareholders, we decided from March 2015 to adopt a fairer approach, and ceased offering promotional incentives to new Members. Instead, both new and existing Members pay exactly the same prices for identical packages. We believe the resultant consistently good value we offer is appreciated by our Members, and will create significantly greater shareholder value over the medium term through lower churn and longer average customer lifetimes, even though growth rates are expected to be lower in the shorter term than if we had continued to offer introductory deals.

Our ongoing focus on the quality of our customer base and investment in providing best-in-class customer service from our UK-based call centre, mean that churn has remained low despite the competitive landscape, and both bad debt and delinquency levels have continued to fall.

We are delighted to have been recognised recently by both *Which?* and Moneywise for the quality of our customer service and the consistently good value we offer. We are also pleased that our Net Promoter Score remains consistently high, and that the latest report published by the energy industry ombudsman showed that the relative number of complaints received from our customers was amongst the lowest of all energy suppliers. These are valuable endorsements of the commitment and hard work of all our employees, and demonstrate the progress we continue to make towards our goal of being the Nation's most trusted utility supplier.

Costs

Distribution expenses fell by £0.5m to £9.9m (2014: £10.4m) reflecting both slower growth during the period and a reduction in promotional spend compared with the same period last year, partially offset by an increase in the amount of commission paid to our Partners resulting from a larger customer base.

Overall administrative expenses before amortisation rose by £3.6m to £25.9m, due to continuing growth in the number of services we are providing and higher occupancy costs following our move into larger premises in April. Within this total, our bad debt charge has fallen to around 1.5% of turnover (2014: 1.75%) as the quality of our customer base improves. We continue to invest in growing head count throughout the Company to ensure we maintain our current high standards of customer service as the business grows, and have also made a number of recent appointments to further strengthen our senior management team.

Route to market

Interest in the business opportunity remains at a healthy level, with around 600-800 new Partners joining each month, although these were outweighed by the number of inactive Partners (who had joined during previous periods of heavy promotional activity) allowing their positions to lapse; this resulted in a small reduction in the overall number of registered Partners.

On 12 and 13 September we held motivational sales conferences in Manchester and Cheltenham. Both venues were extremely well-attended, with around 5,000 Partners joining us across the two days. We took advantage of the occasion to announce a phased national roll-out of our new LED Light Bulb replacement service, for which we had conducted regional trials earlier in the year. This announcement was well received by those present, with significant numbers subsequently volunteering to provide the necessary logistical support for this initiative in their local area.

We believe our route to market continues to give us a significant competitive advantage, enabling us to target high quality customers who would not otherwise be engaged in the market, and to effectively communicate the savings, simplicity and service provided by our unique integrated multi-utility proposition (together with all the other benefits of being part of our discount club) to prospective new Members.

Our Car Plan remains extremely popular, with over 800 Partners having taken delivery of a subsidised Utility Warehouse branded BMW Mini, and we have recently introduced a new branding design that better reflects our core values.

Opus Energy Group Limited ("Opus")

Opus, the UK's leading independent supplier of energy to business users in which we hold a 20% shareholding, continues to make progress in building its market share, with the number of electricity and gas sites they supply growing to 206,679 (2014: 179,614) and 39,372 (2014: 25,832) respectively. This represents a combined increase of 19.7% on the previous year.

However in spite of this continuing strong organic growth, full year profits are expected to be slightly below the record results they reported for last year, due to the announcement in the Chancellor's July budget of the removal of the exemption from Climate Change Levy (CCL) of business customers supplied with European renewable power. In the meantime, our share of their profits for the first half has marginally reduced to £1,754,000 (2014: £1,816,000).

Partner, Customer and Service Numbers

	H1 FY 2016	FY2015	H1 FY 2015
Partners	46,542	49,539	46,570
Customers			
Residential Club	565,061	551,322	529,716
Business Club	30,037	30,191	29,733
Total	595,098	581,513	559,449
Services			
Electricity	539,070	525,024	508,202
Gas	440,548	430,517	419,614
Fixed Telephony (calls)	303,832	301,594	295,045
Fixed Telephony (line rental)	282,918	278,903	270,684
Broadband	251,120	245,625	236,124
Mobile	155,375	144,350	131,722
CashBack card	174,072	167,434	150,661
Total	2,146,935	2,093,447	2,012,052
Residential Club	2,061,369	2,008,241	1,929,164
Business Club	85,566	85,206	82,888
Total	2,146,935	2,093,447	2,012,052

The table above excludes the customer and service numbers of TML.

Cash Flow and Dividend

Our operating cash flow increased to £21.5m (2014: £13.6m), which contributed towards a £6.8m reduction in our net debt during the period to £67.2m (31 March 2015: £74.0m); this net debt figure includes the £21.5m of deferred consideration payable to Npower in December 2016.

The Board has resolved to increase the interim dividend by 15.8% to 22p per share (2014: 19p). This will be paid on 18 December 2015 to shareholders on the register on 4 December 2015, and the Company's shares will go ex-dividend on Thursday 3 December 2015.

In the absence of unforeseen circumstances, the Board confirms its intention to propose a final dividend of 24p (2015: 21p) making a total of 46p (2015: 40p) for the full year.

Tax

Our effective tax rate for the first half is 25.2% (2014: 25.7%); this remains higher than the underlying rate of corporation tax due to the ongoing amortisation charge on our intangible assets, which is not an allowable deduction for tax purposes. It also reflects the inclusion of our share of the profits of Opus (in which we have a 20% shareholding) which is shown on our Consolidated Statement of Comprehensive Income net of tax, partially offset during the current period by a deferred tax credit relating to share options.

Future Opportunities

We are actively exploring ways of extending our brand into insurance (e.g. household and motor policies). This offers a significant opportunity to build on our unique integrated multi-utility service proposition, and further increase the average number of services we provide to each member. Our current intention is that any such insurance products would form part of the single monthly bill we are already sending each Member, and that we would be acting as Broker rather than Principal in relation to these services.

Other major areas into which we have considered extending our brand include television and water. In relation to the television market, we have thus far been unable to identify a way of entering this space which combines the need to deliver a compelling customer proposition on the one hand, with a satisfactory return to shareholders on the other. In relation to the water supply market, we welcome the moves currently underway to open this up to greater competition in 2017 by requiring the existing regional monopoly providers to hive-off their supply businesses into separate companies. We will be investigating the feasibility of including the supply of water as an additional core service to members of our Business Club in due course, which would give us valuable experience within this industry, and help us take advantage of the much larger opportunity that will be created when policy makers decide to open up the domestic water market to competition in future.

Outlook

Although wholesale energy prices have fallen considerably over the last two years, little of this reduction has yet been reflected in the Standard Variable Tariffs paid by the vast majority of consumers. This is mainly because other suppliers are choosing to re-invest the benefit of these lower commodity costs in creating increasingly attractive short-term deals through price comparison websites and on collective switching initiatives, in order to both attract new customers and to retain those who are threatening to leave.

The CMA enquiry into the energy market published their provisional findings in July, which generated a higher level of responses from interested parties than had been anticipated; this has delayed the expected publication of their provisional decision on remedies until early 2016, with their final report not now expected until April 2016. They have announced they are considering a number of remedies, including (inter alia) relaxing the current rules which restrict each supplier to just four tariffs, the introduction of a new safeguard tariff, and possible changes to how customers are treated when they reach the end of a fixed term tariff. We hope their final report addresses the real challenge of protecting loyal customers who have failed to engage with the market, and as a result end up paying as much as £400 more for their energy than identical customers are paying simply by switching to that same supplier through a price comparison website; we believe this is not only fundamentally unfair, but is a prime driver of the widespread lack of trust in the energy industry.

On 12 October we launched Project Daffodil - an innovative new initiative aimed at helping our most valuable customers to reduce their energy bills, by supplying and fitting the latest technology LED light bulbs throughout their homes, entirely free of charge; this is expected to reduce their electricity consumption by over 10% into perpetuity, and makes switching all their services to the Utility Warehouse (in order to be eligible for this benefit) even more attractive. The initial feedback we have received has been extremely encouraging, with a significant improvement in the quality of new Members joining the business over the last 6 weeks; this has resulted in the proportion of new Members taking all five of our core services increasing from 30% to 45% over the last few weeks. We anticipate that as our Partners become more adept at identifying potential new Members able to take advantage of this benefit, and the number of households who have had their free LED light bulbs installed increases (which should act as a trigger for them to refer us to their friends), our annualised growth will start returning towards the rates we have historically achieved.

Although this initiative will lead to higher customer acquisition costs while we continue to offer this benefit, these will be partially offset by the higher quality and quantity of new Members we sign up. We remain confident that the revenue, profit and dividend outcome for the current year will be ahead of last

year in line with previous guidance, and that next year will see further positive progress on all these key metrics.

We remain well placed to benefit from the opportunities which lie ahead.

New Joint Corporate Broker

We are pleased to announce the appointment of JP Morgan Cazenove as joint brokers to the Company alongside Peel Hunt with immediate effect. The wealth of experience they bring will help us address the increasing levels of interest in the business that we are seeing from institutional investors of all sizes, and we believe they will complement our existing long-standing relationship with Peel Hunt.

To assist investor audiences in broadening their understanding of our business, we expect to have six analysts producing research on the company by the end of the financial year.

Principal Risks and Uncertainties

Background

The Group faces various risk factors, both internal and external, which could have a material impact on long-term performance. However, the Group's underlying business model is considered relatively low-risk, with no need for management to take any disproportionate risks in order to preserve or generate shareholder value.

The Group continues to develop and operate a consistent and systematic risk management process, which involves risk ranking, prioritisation and subsequent evaluation, with a view to ensuring all significant risks have been identified, prioritised and (where possible) eliminated, and that systems of control are in place to manage any remaining risks.

A formal document is prepared by the executive directors and senior management team on a regular basis detailing the key risks faced by the Group and the operational controls in place to mitigate those risks; this document is then reviewed by the Audit Committee.

Business model

The principal risks outlined below should be viewed in the context of the Group's business model as a reseller of utility services (gas, electricity, fixed line telephony, mobile telephony and broadband internet) under the Utility Warehouse and TML brands. As a reseller, the Group does not own any of the network infrastructure required to deliver its services to its membership base. This means that while the Group is heavily reliant on third party providers, it is insulated from all the direct risks associated with owning and/or operating such capital intensive infrastructure itself.

The Group's services are promoted using 'word of mouth' by a large network of independent Partners, who are paid solely on a commission basis. This means that the Group has minimal fixed costs associated with acquiring new Members.

The principal specific risks arising from the Group's business model, and the measures taken to mitigate those risks, are set out below:

Reputational risk

The Group's reputation amongst its Members, suppliers and Partners is believed to be fundamental to the future success of the Group. Failure to meet expectations in terms of the services provided by the Group, the way the Group does business or in the Group's financial performance could have a material negative impact on the Group's performance.

In relation to the service provided to its membership base, reputational risk is principally mitigated through the Group's recruitment processes, a focus on closely monitoring staff performance, including the use of direct feedback surveys from Members (Net Promoter Score), and through the provision of rigorous staff training.

Responsibility for maintaining effective relationships with suppliers and Partners rests primarily with the appropriate member of the Group's senior management team with responsibility for the relevant area. Any material changes to supplier agreements and Partner commission arrangements which could impact the Group's relationships are generally negotiated by the executive Directors and ultimately approved by the full Board.

Information technology risk

The Group is dependent on its proprietary billing and membership management software for the successful operation of its business model. This software is developed and maintained in accordance with the changing needs of the business by a team of highly skilled, long-standing, motivated and experienced individuals. The Group relies on this software and any failure in its operation could negatively impact service to Members and potentially be damaging to the Group's brand.

All significant changes which are made to the billing and membership management software are tested as extensively as reasonably practicable before launch and are ultimately approved by the heads of the IT and Billing departments in consultation with the Chief Executive as appropriate.

Back-ups of both the software and underlying billing and membership data are made on a regular basis and securely stored off-site. The Group also has extensive back-up information technology infrastructure in the event of a failure of the main system, designed to ensure that a near-seamless service to Members can be maintained.

In March 2015 the Group acquired the underlying source code behind its billing and membership management system which had previously been used under licence. As a result of the acquisition the Group has full strategic control over the source code and has therefore removed any risk of future software development not being able to meet the precise requirements of the Group.

Legislative and regulatory risk

The Group is subject to varying laws and regulations, including possible adverse effects from European regulatory intervention. The energy markets in the UK and Continental Europe are subject to comprehensive operating requirements as defined by the relevant sector regulators and/or government departments. Amendments to the regulatory regime could have an impact on the Group's ability to achieve its financial goals and any failure to comply may result in the Group being fined and lead to reputational damage which could impact the Group's brand. Furthermore, the Group is obliged to comply with retail supply procedures, amendments to which could have an impact on operating costs.

The Group is a licenced gas and electricity supplier, and therefore has a direct regulatory relationship with Ofgem. If the Group fails to maintain an effective relationship with Ofgem and comply with its licence obligations, it could be subject to fines or to the removal of its respective licences.

Proposed regulatory changes such as the new requirements in relation to smart energy meters (with the potential for additional costs if existing meters must be replaced prior to the end of their planned lives) and social tariffs, and changes to the current decommissioning regime could all have a potentially significant impact on the sector, although any additional costs associated with smart metering are not expected to affect the net margins earned by energy suppliers in the longer term (as any such extra costs are likely to be reflected in higher retail charges).

In general, the majority of the Group's services are supplied into highly regulated markets, and this could restrict the operational flexibility of the Group's business. In order to mitigate this risk, the Group

maintains an appropriate relationship with both Ofgem and Ofcom (the UK regulators for the energy and communications markets respectively) and the Department for Energy and Climate Change (“DECC”). The Group engages with officials from all these organisations on a periodic basis to ensure they are aware of the Group’s views when they are consulting on proposed regulatory changes or if there are competition issues the Group needs to raise with them.

However, it should be noted that the regulatory environment for the various markets in which the Group operates is generally focussed on promoting competition. As one of the new entrants, it seems reasonable to expect that most potential changes will broadly be beneficial to the Group, given the Group’s relatively small size compared to the former monopoly incumbents with whom it competes, although these changes, and their actual impact, remain uncertain at present. It currently remains unclear how the governmental focus on reform of the energy market and the current investigation by the Competition and Markets Authority will impact the operations of the Group.

Political and consumer concern over energy prices and fuel poverty may lead to further reviews of the energy market which could result in further consumer protection legislation being introduced through energy supply licences. The Government could also choose to introduce adverse measures such as a windfall tax on the Group or price controls for certain customer segments. In addition, political and regulatory developments affecting the energy markets within which the Group operates may have a material adverse effect on the Group’s business, results of operations and overall financial condition.

Financing risk

As a result of the transaction with Npower in December 2013, the Group entered into new debt facilities leading to increased debt service obligations which may place operating and financial restrictions on the Group. This debt could have adverse consequences insofar as it: (a) requires the Group to dedicate a material proportion of its cash flows from operations to fund payments in respect of the debt, thereby reducing the flexibility of the Group to utilise its cash to invest in and/or grow the business; (b) increases the Group’s vulnerability to adverse general economic and/or industry conditions; (c) may limit the Group’s flexibility in planning for, or reacting to, changes in its business or the industry in which it operates; (d) may limit the Group’s ability to raise additional debt in the long term; and (e) could restrict the Group from making larger strategic acquisitions or exploiting business opportunities.

Each of these prospective adverse consequences (or a combination of some or all of them) could result in the potential growth of the Group being at a slower rate than may otherwise be achieved.

Fraud and bad debt risk

The Group has a universal supply obligation in relation to the provision of energy to domestic customers. This means that although the Group is entitled to request a reasonable deposit from potential new Members who are not considered creditworthy, the Group is obliged to supply domestic energy to everyone who submits a properly completed application form. Where Members subsequently fail to pay for the energy they have used (“Delinquent Members”), there is likely to be a considerable delay before the Group is able to control its exposure to future bad debt from them by either installing a pre-payment meter or disconnecting their supply, and the costs associated with preventing such Delinquent Members from increasing their indebtedness are not always fully recovered.

Fraud within the telephony industry may arise from Members using the services without intending to pay their supplier. The amounts involved are generally relatively small as the Group has sophisticated call traffic monitoring systems to identify material occurrences of fraud. The Group is able to immediately eliminate any further bad debt exposure by disconnecting any telephony service that demonstrates a suspicious usage profile, or falls into arrears on payments.

More generally, the Group is also exposed to payment card fraud, where Members use stolen cards to obtain credit (e.g. on their CashBack card) or goods (e.g. Smartphones and Tablets) from the Group; the

Group regularly reviews and refines its fraud protection systems to reduce its potential exposure to such risks.

Data security risk

The Group processes sensitive personal and commercial data during the course of its business. The Group looks to protect customer and corporate information and data and to keep its infrastructure secure. A significant breach of cyber security could result in the Group facing regulatory fines, loss of commercially sensitive information and damage to its brand. The Group continually reviews its approach to cyber security and adopts a multi-layered approach to defence including, inter alia, high specification firewalling; anti-viral management systems; vulnerability scanning; and third party penetration testing on the Group's IT infrastructure.

Wholesale prices risk

The Group does not own or operate any utility network infrastructure itself, choosing instead to purchase the capacity needed from third parties. The advantage of this approach is that the Group is protected from technological risk, capacity risk or the risk of obsolescence, as it can purchase the amount of each service required to meet its Members' needs.

Whilst there is a theoretical risk that in some of the areas in which the Group operates it may be unable to secure access to the necessary infrastructure on commercially attractive terms, in practice the pricing of access to such infrastructure is either regulated (as in the energy market) or subject to significant competitive pressures (as in telephony and broadband). The profile of the Group's Members, the significant quantities of each service they consume in aggregate, and its clearly differentiated route to market has historically proven attractive to infrastructure owners, who compete aggressively to secure a share of the Group's growing business.

The supply of energy has different risks associated with it. The wholesale price can be extremely volatile, and Member demand can be subject to considerable short term fluctuations depending on the weather. The Group has a long-standing supply relationship with Npower under which the latter assumes the substantive risks and rewards of hedging and buying energy for the Group's Members, and where the price paid by the Group is set by reference to the average of the standard variable tariffs charged by the 'Big 6' to their domestic customers less an agreed discount; this may not be competitive against the wholesale prices available to new and/or other independent suppliers. If the Group did not have the benefit of this long term supply agreement it would be exposed to the pricing risk of securing access to the necessary energy on the open market.

Competitive risk

The Group operates in highly competitive markets and significant service innovations or increased price competition could impact future profit margins. In order to maintain its competitive position, there is a consistent focus on ways of improving operational efficiency and keeping the cost base as low as possible. New service innovations are monitored closely by senior management and the Group is typically able to respond rapidly by offering any new services using the infrastructure of its existing suppliers. The Group offers a unique multi-utility proposition. The increasing proportion of Members who are benefiting from a genuine multi-utility solution, that is unavailable from any other known supplier, materially reduces any competitive threat.

The Directors anticipate that the Group will face continued competition in the future as the market grows, new companies enter the market and alternative technologies and services become available. The Group's services and expertise may be rendered obsolete or uneconomic by technological advances or novel approaches developed by one or more of the Group's competitors. The existing approaches of the Group's competitors or new approaches or technologies developed by such competitors may be more effective or affordable than those supplied to the Group. There can be no assurance that the Group's competitors will not develop more effective or more affordable technologies or services, thus rendering

the Group's technologies and/or services obsolete, uncompetitive or uneconomical. There can be no assurance that the Group will be able to compete successfully with existing or potential competitors or that competitive factors will not have a material adverse effect on the Group's business, financial condition or results of operations. However, as the Group's membership base continues to rise, competition amongst suppliers of services to the Group is expected to increase. This has already been evidenced by various volume-related growth incentives which have been agreed with the Group's three largest wholesale suppliers. This should ensure that the Group has direct access to new technologies and services available to the market.

Infrastructure risk

The provision of services to the Group's Members is reliant on the efficient operation of third party physical infrastructure. There is a risk of disruption to the supply of services to Members through any failure in the infrastructure e.g. gas shortages, power cuts or damage to communications networks. However, as the infrastructure is generally shared with other suppliers, any material disruption to the supply of services is likely to impact a large part of the market as a whole and it is unlikely that the Group would be disproportionately affected. In the event of any prolonged disruption isolated to the Group's principal supplier within a particular market, services required by Members could be sourced from another provider.

Energy industry estimation risk

A significant degree of judgement and estimation is required in order to determine the actual level of energy used by Members and hence that should be recognised by the Group as sales. There is an inherent risk that the estimation routines used by the Group do not in all instances fully reflect the actual usage of Members.

Gas Leakage within the national gas distribution network

The operational management of the national gas distribution network is outside the control of the Group. There is a risk that the level of leakage in future could be higher than those historically experienced, and above those currently expected.

Key man risk

The Group is dependent on its key management for the successful development and operation of its business. In the event that any or all of the members of the key management team were to leave the business, it could have a material adverse effect on the Group's operations.

Single site risk

The Group operates from one principal site and, in the event of significant damage to that site through fire or other issues, the operations of the Group could be adversely affected.

Going concern

Recent developments in the Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out above.

Under the revised energy supply arrangements which were effective from 1 December 2013, Npower continues to be responsible for funding the principal working capital requirements relating to the supply of energy to the Group's Members. This includes funding the Budget Plans of Members who pay for their energy in equal monthly installments and pre-funding the payment of certain energy network charges.

The Group has from Barclays Bank PLC total working capital credit facilities of £35 million for the period to 20 December 2017. In addition the Group has a transaction loan facility of £70 million with Barclays which was fully drawn down at the period end.

The Group has considerable financial resources together with a large and diverse retail and small business membership base and long term contracts with a number of key suppliers. As a consequence, the directors believe that the Group is well placed to manage its business risks.

On this basis the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The interim financial statements have therefore been prepared on a going concern basis in accordance with the FRC's Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009 issued in October 2009.

Directors' responsibilities

The Directors are responsible for the preparation of the condensed set of financial statements and interim management report comprising this set of Half-Yearly Results for the six months ended 30 September 2015, each of whom accordingly confirms that to the best of his knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" and provides a true and fair view of the assets, liabilities, financial position and profit of the Group as a whole;
- the interim management report includes a fair review of the information required by the Financial Statements Disclosure and Transparency Rules (DTR) 4.2.7R (indication of important events during the first six months and their impact on the financial statements and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosures of related party transactions and changes therein).

The Directors of Telecom Plus PLC are:

Charles Wigoder	Executive Chairman
Julian Schild	Non-Executive Deputy Chairman
Andrew Lindsay	Chief Executive
Nick Schoenfeld	Chief Financial Officer
Melvin Lawson	Non-Executive Director
Michael Pavia	Non-Executive Director

Given on behalf of the Board

ANDREW LINDSAY

Chief Executive

NICK SCHOENFELD

Chief Financial Officer

23 November 2015

Independent Review Report to Telecom Plus 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 six months ended 30 September 2015 which comprises the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows, the condensed consolidated interim statement of changes in shareholders' 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.

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 six months ended 30 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.

David Neale
for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

Canary Wharf

London EC14 5GL

United Kingdom

23 November 2015

Condensed Consolidated Interim Statement of Comprehensive Income

	Note	6 months ended 30 September 2015 (unaudited) £'000	<i>Restated</i> 6 months ended 30 September 2014 (unaudited) £'000	Year ended 31 March 2015 (audited) £'000
Revenue		294,035	265,455	729,178
Cost of sales		(236,813)	(213,378)	(612,969)
Gross profit		<u>57,222</u>	<u>52,077</u>	<u>116,209</u>
Distribution expenses		(9,923)	(10,338)	(21,876)
Share incentive scheme (charges) / credits		20	(74)	(151)
Total distribution expenses		(9,903)	(10,412)	(22,027)
Administrative expenses		(25,882)	(22,261)	(46,544)
Share incentive scheme (charges) / credits		(1,661)	(240)	1,173
Amortisation of intangible assets	5	(5,614)	(5,603)	(11,186)
Total administrative expenses		(33,157)	(28,104)	(56,557)
Other income		201	206	361
Operating profit		<u>14,363</u>	<u>13,767</u>	<u>37,986</u>
Financial income		54	78	133
Financial expense		(931)	(1,139)	(2,066)
Net financial expense		<u>(877)</u>	<u>(1,061)</u>	<u>(1,933)</u>
Share of profit of associate		1,754	1,816	6,006
Profit before taxation		<u>15,240</u>	<u>14,522</u>	<u>42,059</u>
Taxation		(3,838)	(3,733)	(9,758)
Profit and total comprehensive income for the period attributable to owners of the parent		<u>11,402</u>	<u>10,789</u>	<u>32,301</u>
Basic earnings per share	9	14.3p	13.5p	40.6p
Diluted earnings per share	9	14.2p	13.4p	40.2p
Interim dividend per share		22.0p	19.0p	

Condensed Consolidated Interim Balance Sheet

	Note	As at 30 September 2015 (unaudited) £'000	Restated As at 30 September 2014 (unaudited) £'000	As at 31 March 2015 (audited) £'000
Assets				
Non-current assets				
Property, plant and equipment		32,870	32,880	41,800
Investment property	4	9,401	-	-
Intangible assets	5	203,978	215,175	209,592
Goodwill		3,742	3,742	3,742
Investment in associate		7,160	6,653	10,843
Deferred tax		-	985	-
Other non-current receivables		14,027	14,351	13,929
Total non-current assets		271,178	273,786	279,906
Current assets				
Inventories		1,266	874	893
Trade and other receivables		24,240	21,533	28,128
Prepayments and accrued income		64,811	64,266	104,931
Cash		23,520	5,568	16,536
Total current assets		113,837	92,241	150,488
Total assets		385,015	366,027	430,394
Current liabilities				
Short term borrowings	6	(9,895)	-	(4,934)
Trade and other payables		(22,028)	(8,079)	(24,885)
Current tax payable		(1,456)	(620)	(1,086)
Deferred tax		(289)	-	(551)
Accrued expenses and deferred income		(76,028)	(74,113)	(115,472)
Total current liabilities		(109,696)	(82,812)	(146,928)
Non-current liabilities				
Long term borrowings	6	(59,369)	(68,877)	(64,139)
Deferred consideration		(21,500)	(21,500)	(21,500)
JSOP creditor		(2,476)	(3,757)	(1,507)
Total non-current liabilities		(83,345)	(94,134)	(87,146)
Total assets less total liabilities		191,974	189,081	196,320
Equity				
Share capital		4,014	4,008	4,011
Share premium		137,550	136,967	137,238
Treasury shares		(760)	(760)	(760)
JSOP reserve		(2,275)	(2,275)	(2,275)
Retained earnings		53,445	51,141	58,106
Total equity		191,974	189,081	196,320

Condensed Consolidated Interim Cash Flow Statement

	Note	6 months ended 30 September 2015 (unaudited) £'000	Restated 6 months ended 30 September 2014 (unaudited) £'000	Year ended 31 March 2015 (audited) £'000
Operating activities				
Profit before taxation		15,240	14,522	42,059
Adjustments for:				
Share of profit of associate		(1,754)	(1,816)	(6,006)
Net financial expense		877	1,061	1,933
Depreciation of property, plant and equipment		1,712	892	1,834
Amortisation of intangible assets		5,614	5,603	11,186
Amortisation of debt arrangement fees		191	172	367
(Increase) / decrease in inventories		(373)	897	878
Decrease in trade and other receivables		43,907	61,751	14,914
Decrease in trade and other payables		(41,810)	(65,086)	(7,427)
Share incentive scheme charges / (credits)		1,641	314	(1,022)
Corporation tax paid		(3,732)	(4,719)	(9,058)
Net cash flow from operating activities		21,513	13,591	49,658
Investing activities				
Purchase of property, plant and equipment		(2,183)	(10,444)	(20,306)
Disposal of property, plant and equipment		-	46	47
Distribution from associated company		5,474	4,148	4,148
Purchase of shares in associate		(36)	(171)	(171)
Interest received		57	92	130
Cash flow from investing activities		3,312	(6,329)	(16,152)
Financing activities				
Dividends paid	7	(16,734)	(15,105)	(30,230)
Interest paid		(1,422)	(1,226)	(1,652)
Repayment of borrowing facilities		-	(30,000)	(30,000)
Fees associated with borrowing facilities		-	(315)	(315)
Issue of new ordinary shares	8	315	323	598
Purchase of own shares		-	(760)	(760)
Cash flow from financing activities		(17,841)	(47,083)	(62,359)
Increase/(decrease) in cash and cash equivalents		6,984	(39,821)	(28,853)
Net cash and cash equivalents at the beginning of the period		16,536	45,389	45,389
Net cash and cash equivalents at the end of the period		23,520	5,568	16,536

Condensed Consolidated Interim Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	JSOP Shares £'000	Retained Earnings £'000	Total £'000
Previous balance at 1 April 2014	4,001	136,651	-	(2,275)	67,589	205,966
Adjustments	-	-	-	-	(11,245)	(11,245)
Restated balance at 1 April 2014	4,001	136,651	-	(2,275)	56,344	194,721
Profit and total comprehensive income for the period	-	-	-	-	10,789	10,789
Deferred tax on share options	-	-	-	-	(1,524)	(1,524)
Dividends	-	-	-	-	(15,105)	(15,105)
Purchase of treasury shares	-	-	(760)	-	-	(760)
Credit arising on share options	-	-	-	-	637	637
Issue of new ordinary shares	7	316	-	-	-	323
Balance at 30 September 2014	4,008	136,967	(760)	(2,275)	51,141	189,081
Balance at 1 October 2014	4,008	136,967	(760)	(2,275)	51,141	189,081
Profit and total comprehensive income for the period	-	-	-	-	21,512	21,512
Deferred tax on share options	-	-	-	-	(337)	(337)
Dividends	-	-	-	-	(15,125)	(15,125)
Credit arising on share options	-	-	-	-	915	915
Issue of new ordinary shares	3	271	-	-	-	274
Balance at 31 March 2015	4,011	137,238	(760)	(2,275)	58,106	196,320
Balance at 1 April 2015	4,011	137,238	(760)	(2,275)	58,106	196,320
Profit and total comprehensive income for the period	-	-	-	-	11,402	11,402
Deferred tax on share options	-	-	-	-	-	-
Dividends	-	-	-	-	(16,734)	(16,734)
Credit arising on share options	-	-	-	-	671	671
Issue of new ordinary shares	3	312	-	-	-	315
Balance at 30 September 2015	4,014	137,550	(760)	(2,275)	53,445	191,974

Notes to the condensed interim financial statements

1. General information

The condensed consolidated interim financial statements presented in this half-year report (“the Half-Year Results”) have been prepared in accordance with IAS 34. The principal accounting policies adopted in the preparation of the condensed consolidated financial statements are unchanged from those used in the annual report for the year ended 31 March 2015 and are consistent with those that the company expects to apply in its financial statements for the year ended 31 March 2016.

There are no new standards or amendments to standards that are mandatory for the first time for the financial year beginning 1 April 2015 that have an impact on the Group financial statements.

The condensed consolidated financial statements for the year ended 31 March 2015 presented in this half-year report do not constitute the company’s statutory accounts for that period. The condensed consolidated financial statements for that period have been derived from the Annual Report and Accounts of Telecom Plus Plc. The Annual Report and Accounts of Telecom Plus Plc for the year ended 31 March 2015 were audited and have been filed with the Registrar of Companies.

The Independent Auditors' Report on the Annual Report and Accounts of Telecom Plus Plc for the year ended 31 March 2015 was unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006. The financial information for the periods ended 30 September 2015 and 30 September 2014 is unaudited but has been subject to a review by the company’s auditors.

Seasonality of business: in respect of the energy supplied by the Group, approximately two thirds is consumed by customers in the second half of the financial year.

The Half-Year Results were approved for issue by the Board of Directors on 23 November 2015.

2. Judgements and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if applicable.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2015.

3. Operating segments

For management reporting purposes, the Group is currently organised into two operating divisions: Customer Management and Customer Acquisition. These divisions form the basis on which the Group reports its segment information.

	6 months ended 30 September 2015 (unaudited)		<i>Restated</i> 6 months ended 30 September 2013 (unaudited)		Year ended 31 March 2015 (audited)	
	Revenue £'000	Segment Result £'000	Revenue £'000	Segment Result £'000	Revenue £'000	Segment Result £'000
Customer Management	286,262	20,080	257,571	20,165	712,652	53,451
Customer Acquisition	7,773	(5,717)	7,884	(6,398)	16,526	(15,465)
Total	294,035	14,363	265,455	13,767	729,178	37,986

	As at 30 September 2015 (unaudited) £'000		<i>Restated</i> As at 30 September 2014 (unaudited) £'000		As at 31 March 2015 (audited) £'000	
	Customer Management	377,310		358,303		421,685
Customer Acquisition	7,705		7,724		8,709	
Total Assets	385,015		366,027		430,394	
Customer Management	(190,551)		(174,469)		(231,048)	
Customer Acquisition	(2,490)		(2,477)		(3,026)	
Total Liabilities	(193,041)		(176,946)		(234,074)	

4. Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation. Rental income from investment properties is accounted for on an accruals basis.

During the period the operations of the Company were transferred into newly refurbished head offices at Merit House and the former head office building, Southon House, was vacated. Southon House is therefore now held as an investment property and separately disclosed on the balance sheet of the Company.

An independent valuation of Southon House was conducted at 30 September 2015 in accordance with RICS Valuation – Professional Standards UK January 2014 (revised April 2015) guidelines. The independent market value of Southon House was determined to be £10.2 million.

5. Intangible assets

	6 months ended 30 September 2015 (unaudited) £'000	6 months ended 30 September 2014 (unaudited) £'000	Year ended 31 March 2015 (audited) £'000
Cost			
Amount brought forward	224,563	224,563	224,563
Additions	-	-	-
Amount carried forward	<u>224,563</u>	<u>224,563</u>	<u>224,563</u>
Amortisation			
Amount brought forward	(14,971)	(3,785)	(3,785)
Charge for the period	(5,614)	(5,603)	(11,186)
Amount carried forward	<u>(20,585)</u>	<u>(9,388)</u>	<u>(14,971)</u>
Carrying amount	<u>203,978</u>	<u>215,175</u>	<u>209,592</u>

The intangible asset relates to the entering into of the energy supply arrangements with npower on improved commercial terms through the acquisition of Electricity Plus Supply Limited and Gas Plus Supply Limited from Npower Limited having effect from 1 December 2013. The intangible asset is being amortised evenly over the 20 year life of the energy supply agreement.

6. Interest bearing loans and borrowings

	6 months ended 30 September 2015 (unaudited) £'000	6 months ended 30 September 2014 (unaudited) £'000	Year ended 31 March 2015 (audited) £'000
Bank loans	70,000	70,000	70,000
Unamortised loan arrangement fees	(736)	(1,123)	(927)
Working capital facilities	-	-	-
	<u>69,264</u>	<u>68,877</u>	<u>69,073</u>
Due within one year	10,000	-	5,000
Due after one year	<u>60,000</u>	<u>70,000</u>	<u>65,000</u>
	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>

7. Dividends

	6 months ended 30 September 2015 (unaudited) £'000	6 months ended 30 September 2014 (unaudited) £'000	Year ended 31 March 2015 (audited) £'000
Final dividend for the year ended 31 March 2015 of 21p per share	16,734	-	-
Final dividend for the year ended 31 March 2014 of 19p per share	-	15,105	15,105
Interim dividend for the year ended 31 March 2015 of 19p per share (2014: 16p)	-	-	15,125

An interim dividend of 22.0p per share will be paid on 18 December 2015 to shareholders on the register at close of business on 4 December 2015. The estimated amount of this dividend to be paid is approximately £17.5 million and, in accordance with IFRS accounting requirements, has not been recognised in these accounts.

8. Share capital

During the period the Company issued 57,233 new ordinary shares to satisfy the exercise of employee and distributor share options.

9. Earnings per share

	6 months ended 30 September 2015 (unaudited)	<i>Restated</i> 6 months ended 30 September 2014 (unaudited)	Year ended 31 March 2015 (audited)
The calculation of the basic and diluted earnings per share is based on the following data:	£'000	£'000	£'000
Earnings for the purpose of basic and diluted earnings per share	11,402	10,789	32,301
Share incentive scheme charges / (credits) (net of tax)	1,502	248	(1,316)
Amortisation of intangible assets	<u>5,614</u>	<u>5,603</u>	<u>11,186</u>
Earnings excluding share incentive scheme charges for the purpose of adjusted basic and diluted earnings per share	<u>18,518</u>	<u>16,640</u>	<u>42,171</u>
	Number (‘000)	Number (‘000)	Number (‘000)
Weighted average number of ordinary shares for the purpose of basic earnings per share	79,679	79,538	79,581
Effect of dilutive potential ordinary shares (share options)	619	1,038	783
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>80,298</u>	<u>80,576</u>	<u>80,364</u>
Adjusted basic earnings per share ¹	<u>23.2p</u>	<u>20.9p</u>	<u>53.0p</u>
Basic earnings per share	<u>14.3p</u>	<u>13.5p</u>	<u>40.6p</u>
Adjusted diluted earnings per share ¹	<u>23.1p</u>	<u>20.7p</u>	<u>52.5p</u>
Diluted earnings per share	<u>14.2p</u>	<u>13.4p</u>	<u>40.2p</u>

¹ In order to provide a clearer understanding of the underlying trading performance of the Group, adjusted basic EPS excludes: (i) share incentive scheme charges; and (ii) the amortisation of intangible assets arising on entering into the new energy supply arrangements with npower in December 2013. The amortisation of intangible assets has been excluded on the basis that it represents a non-cash accounting charge.

10. Prior period restatement

A detailed review was conducted during the previous financial year of the unbilled energy debtor previously carried on the Group's balance sheet and which had accumulated over the seven years between April 2007 and March 2014. As a result of this review it was concluded that a total of approximately £11 million (net of an anticipated tax credit), was not likely to be recoverable. This primarily related to higher levels of industry-wide leakage within the gas distribution network than had previously been anticipated.

Background

In common with other domestic energy suppliers, the majority of the Group's customer energy invoices are prepared using estimated meter readings, as actual meter readings are rarely available on the date that bills are produced. This gives rise to timing differences between the estimated volumes of energy invoiced to customers, and the actual volume of energy invoiced to the Group by energy industry system operators, which contribute to the unbilled energy debtor carried forward on the Group balance sheet.

A detailed assessment was undertaken of the accuracy of the estimates created by the Group's billing system and the recoverability of the unbilled energy debtor. This review of current and historic meter reading data that existed at each balance sheet date provided a strong endorsement of the accuracy of the Group's billing system in calculating customer usage, but showed that overall leakage within the gas industry (which is ultimately not billable to customers) had been running at a higher rate than previously expected.

It was therefore decided to write down the unbilled gas energy debtor to bring its value in line with the amount expected to be recoverable.

Restatement

The Board has decided to restate the Group's accounts to reflect the impact of this write-down on previous periods in order to provide stakeholders with an accurate reflection of the historic underlying trend in the performance of the business.

The tables below set out the impact of the restatement on each line item affected in the prior period comparative financial statements presented in these interim financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income

	6 months ended 30 September 2014	Restatement adjustment	6 months ended 30 September 2014
	<i>Reported</i>		<i>Restated</i>
	£'000	£'000	£'000
Revenue	267,296	(1,841)	265,455
Cost of sales	(214,351)	973	(213,378)
Taxation	(3,915)	182	(3,733)
Net impact to profit after tax		(686)	
Adjusted basic earnings per share	21.8p	(0.9)p	20.9p
Basic earnings per share	14.4p	(0.9)p	13.5p
Adjusted diluted earnings per share	21.5p	(0.8)p	20.7p
Diluted earnings per share	14.2p	(0.8)p	13.4p

Condensed Consolidated Interim Balance Sheet

	As at 30 September 2014	Restatement adjustment	As at 30 September 2014
	<i>Reported</i>		<i>Restated</i>
	£'000	£'000	£'000
Trade and other receivables	21,738	(205)	21,533
Prepayments and accrued income	77,170	(12,904)	64,266
Current tax payable	(2,667)	2,047	(620)
Accrued expenses and deferred income	(73,244)	(869)	(74,113)
Retained earnings	63,072	(11,931)	51,141