Assura Group Limited

Unaudited interim results for the six months ended 30 September 2013

Assura announces 49% increase in dividend to 1.8 pence per share on an annual basis

26 November 2013

Increase in underlying profit[1] and net asset value

- Underlying profit from continuing operations up 10.2% to £5.4 million (2012: £4.9 million)
- 114% increase in profit before tax to £12.2 million (2012: £5.7 million), after charging £0.9m of exceptional items
- Adjusted EPRA NAV[2] per share up 4.4% to 40.3 pence (March 2013: 38.6 pence)
- Total rent roll of £40.7 million (March 2013: £35.9 million)
- Total property assets[3] of £651 million, up from £569 million
- Net rental income up 5.9% to £17.9 million (2012: £16.9 million)

Creating value through capital recycling

- Acquired £62.9 million Trinity[4] portfolio with annualised rent roll of £4.0 million
- Contracts exchanged for disposal of LIFT assets for £22.4m, £11.2m above book value worth 2.1 pence per share before costs

49% increase in dividend

- Increase in proposed dividend of 49% to 1.8 pence per share on an annual basis, 0.45 pence per quarter
- Dividend fully covered and progressive dividend policy maintained

Assura is a leading operator in a large, growing market

- Ever increasing demands on health service from ageing population, increasing expectations and medical advances
- New restructured NHS recognises primary care will need to play a key role in handling these increasing demands
- NHS is beginning to tackle issues of underinvestment in the primary care estate; two-thirds of GP premises are not suitable for future needs
- There continues to be a backlog in primary care investments; and this will remain a major driver of long-term growth

Assura is well positioned to continue outperforming the market

- Deep understanding of GP issues and specialist building requirements; strong relationships with key stakeholders including GPs and communities
- Strong in-house development capability; development is demand-led
- Four new developments completed for a 6.9% yield on cost. Eight developments on site and a further 31 potential schemes identified with an aggregate value exceeding £80 million
- Converted to REIT status from 1 April 2013, enabling the Group to compete with other tax efficient investors and access a global specialist investor base

Graham Roberts, Chief Executive, said:

"These results build on our achievements last year. Our performance has been driven by intensive management actions over the period as we continue to drive value from our core investments, grow our asset base, extract value from our non-core portfolio and add value through financial discipline. This together with our successful acquisition of the Trinity portfolio has allowed us to make a step change increase in our quarterly dividend of 49%, and retain our progressive dividend policy.

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[1] Stated before exceptional, capital and other items – see Interim Condensed Consolidated Income Statement
[2] Net Asset Value – note 9
[3] Investment property plus property assets held for sale
[4] Trinity Medical Developments Limited ("Trinity")

Demands on the NHS will continue increasing, and primary care must play a key and growing role in meeting the nation's future healthcare needs. Assura, through its expertise, development programme and low cost structure, is well placed to help deliver primary care space for the future."

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Presentation and Webcast:

A presentation will be held for analysts and investors on 26 November 2013 at 9am London time, with a webcast accessible via the following link live on demand and subsequently available from 2pm:

http://www.axisto-live.com/investis/clients/assura-group/presentations/528b3dfcd794e1f33e03d7e1/half-year-results

Alternatively to listen to the audio of the presentation live, dial: 0208 817 9301, using confirmation code: 10916050

Chief Executive's report

I am pleased to be reporting to you on a period of continued progress, where our focus has been on building the platform for future growth. We have made several pivotal investment decisions that have added significant value for shareholders. The most recent was announced yesterday. We have contracted to sell all of our LIFT assets for £22.4 million. This is because we believe we can deploy that capital and earn higher returns by investing in wholly owned properties. In September we completed the acquisition of the Trinity portfolio, which has added 11% to the rent roll and 10% to underlying profitability.

The disposals over the last 18 months have simplified our balance sheet and business. We are now exclusively focused on medical property investment having substantially divested our non-core and LIFT assets. Following the investment in the Trinity portfolio, our earnings and dividend capacity have been enhanced and as a result today we have announced an increase in dividend to 0.45 pence per quarter, up 49% on the current run rate and a 4.5% yield on EPRA net assets.

Highlights

In addition to these significant investment decisions, which will predominantly impact future reporting periods, we have continued to deliver growth with a 10.2% increase in underlying profits to £5.4 million and a 4.4% increase in EPRA net assets to 40.3 pence per share.

Our development pipeline continues to demonstrate the value of in-house development expertise, recording a profit on cost of £1.2 million. We completed four developments in the period, a further eight are on site and four more are in the immediate pipeline. As we forecast last year, the flow of new projects in the market has slowed, so this pipeline is a positive reflection on the Assura brand and a credit to our team.

Market opportunity

There remains considerable underinvestment in primary care infrastructure. There has been extensive recent media coverage of the need for extended opening hours and broader service delivery by GP's in the community. Our modern premises are the essential foundation to facilitate the necessary shift in the provision of medical care away from the acute hospital sector and into GP's surgeries.

Our leadership position in providing state of the art primary care premises, adapted to each local community that it serves, means we are ideally placed to exploit this growing demand. As we have previously reported, the recent NHS reorganisation has led to a temporary slowing of the development pipeline over the short term. Market fundamentals nonetheless indicate assets should continue to deliver robust risk-adjusted returns.

We are focused on communicating the crucial role that primary care property can play in improving efficiencies in medical care provision in the NHS. As a result we are engaging fully with the new commissioning bodies giving our input into the strategic thinking about estates planning. This was not adequately dealt with in the Health and Social Care Act 2012 and we have a contribution to make to ensure it gets the priority it deserves. It is clear from recent ministerial and NHS comments that the fundamental structural shift of service provision from hospitals into the community has to become a reality soon. The process of getting there is challenging, but the technical and financial wherewithal to provide the right premises exists. Well priced private sector capital is readily available for the NHS.

Outlook

We are looking to expand even faster. The recent acquisition of the Trinity portfolio highlights the benefits to shareholders from future growth, with only marginal additional costs from managing this portfolio. In addition, by developing properties ourselves we consistently achieve 7% yield on cost, earning a development profit. We also apply rigorous asset management discipline to ensure we are screening for value enhancing opportunities such as extensions and lease renewals.

The NHS restructuring has temporarily slowed new approvals and we expect this to improve in the near future. However, the long lead times from approvals to development starts, mean that there is likely to be modest addition to the pipeline in the current financial year.

In the medium term, the dynamics of the sector are that healthcare, delivered by primary carers, is both preferred by patients and cheaper for the NHS. This however requires better GP premises. We stand ready to provide expertise, capital and the necessary ambition to make this happen. We believe these strong market dynamics will deliver healthy growth opportunities for Assura.

Graham Roberts
Chief Executive
25 November 2013

Business Review

Core portfolio £604.8 million (March 2013: £524.4 million[5])

Our business is built on our core investment portfolio of 197 medical centres. This has a passing rent roll of £38.9 million (March 2013: £34.1 million), which provides an excellent base for future shareholder returns with 89.5% of its income underpinned by the NHS and a weighted average unexpired lease term ("WAULT") of 14.9 years (March 2013: 15.1 years). The portfolio is diversified both geographically and by size.

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[5] Calculated as investment property (£523.6 million), plus investment property held for sale (£0.8 million)

We have continued to deliver rental growth and have successfully concluded 55 rent reviews during the period to achieve a weighted average annual rent increase of 2.7% (Year to March 2013: 2.4%) on those properties. Our portfolio benefits from a 19% weighting in fixed and RPI uplifts which generated an average uplift of 6.2% during the period. The majority of our portfolio is subject to open market reviews and these have generated an average uplift of 0.6% during the period. In common with the wider primary healthcare property sector the recent reorganisation in the NHS has led to a delay in the settlement of rent reviews and so the number of reviews settled is significantly down on the prior year.

At 30 September 2013 our core portfolio of completed investment properties was valued at a total of £604.8 million (March 2013: £524.4 million), which produced a net initial yield of 5.94% (March 2013: 5.95%) and a net equivalent yield of 6.09% (March 2013: 6.15%). The portfolio valuations have increased by 1.0%, on a like for like basis.

We have completed four developments during the period with a valuation at completion of £11.5 million. This has added £0.7 million to our annual rent roll and generated a 6.9% yield on cost and a 9.6% return on cost. We are currently on site with a further eight developments with an estimated valuation on completion of £34.4 million.

Our asset management team is in constant contact with our GP tenants. This enables us to screen for opportunities to enhance our GP surgeries and facilitate the provision of additional services by doctors. This also leads to asset management opportunities such as lease extensions and redevelopment opportunities within our existing estate. In the period we have successfully secured new tenants for vacant space across four properties with an annual rent roll of £0.1 million, and we are currently on site with two extensions that deliver additional clinical space to existing surgeries and will increase rent roll by a further £0.1 million.

The core portfolio contributed to Total Property Return in the period as follows:

	6 months ended 30 September 2013 £m	6 months ended 30 September 2012 £m
Net rental income	17.3	16.0
Valuation movement	6.9	2.0
Total Property Return	**24.2**	18.0

LIFT £9.2 million loan notes and £2.2 million equity stakes in public-private consortia (£10.9 million held for sale, £0.5 million LIFT investments and associates)

We have investments in seven LIFT companies, comprising loan notes and equity.

Local Improvement Finance Trusts ("LIFTs") are companies held by the public and private sector to develop and own medical centres predominantly let on long term inflation linked leases to NHS Commissioning Boards. The carrying value of the LIFT loan notes and shares as at 30 September 2013 is £11.4 million, interest received was £0.6 million and our share of the profit in the consortia companies was £0.1 million contributing £0.7 million to profit in the period, which is included within discontinued operations.

Following an in-depth review, the Board has concluded that shareholder value would best be realised through the sale of these LIFT investments with proceeds re-invested in additional primary care property assets. On 25 November 2013, we announced that we had exchanged contracts for the sale of the assets. Gross proceeds are £22.4 million. The contracts are conditional on relevant third party consents from LIFT project counterparties and on equity fundraising by one of the potential acquirers. It is anticipated that completion will be before the financial year end.

N**on-core: £18.5 million (March 2013: £20.5 million) (comprising £9.4 million assets held for sale and £9.1 million of investment property)**

We have continued to make progress in disposing of our non-core assets and surplus development land. These have resulted in proceeds of £1.8 million during the period.

The valuation of our non-core portfolio produced a net initial yield of 13.91% (March 2013: 13.60%).

The non-core portfolio contributed to Total Property Return in the period as follows:

	6 months ended	6 months ended

	30 September 2013	30 September 2012
	£m	£m
Net rental income	0.6	0.9
Valuation movement	(0.2)	0.2
Total Property Return	**0.4**	1.1

The non-core portfolio includes three retail malls (valued at £4.9 million) in hospitals which are held on short leases which expire on average in 16 years.

Other properties within non-core comprise surplus land of £9.2 million (March 2013: £9.7 million). The largest asset available for sale is a plot of land in Scarborough, which is the subject of a conditional sale contract to a national supermarket chain. The development is subject to a Department of Transport enquiry, which we expect to be concluded shortly. The land is valued at £6.25 million.

Underlying profit

	6 months ended	6 months ended
Net rental income	**30 September 2013**	30 September 2012
- Core	17.3	16.0
- Non-Core	0.6	0.9
	17.9	16.9
Administration	(2.4)	(2.2)
Finance revenue	0.2	0.4
Finance costs	(10.3)	(10.2)
Underlying profit	**5.4**	4.9

The movement in underlying profit can be summarised as follows:

	£m
Period ended 30 September 2012	4.9
Net rental income	1.0
Administrative expenses	(0.2)
Finance revenue	(0.2)
Finance costs	(0.1)
Period ended 30 September 2013	**5.4**

Underlying profit has grown 10.2% to £5.4 million in the period to 30 September 2013. The result for the period to September 2012 includes £0.3 million of net underlying profit from rental income net of financing costs that relates to the former head office building in Daresbury, which was sold in December 2012.

Administrative costs

The Group measures its operating efficiency as the proportion of administrative costs to the average gross investment property value. This ratio during the period was 0.80% (2012: 0.81%) and administrative costs stood at £2.4 million (2012: £2.2 million).

The management structure of the Group means that it is able to manage increases in the number of properties under management with very modest increases in employee numbers. This enables the Group to reduce the cost ratio as the portfolio expands, with no leakage to third party managers, so that all benefit accrues to our shareholders. This is well illustrated by the recent acquisition of 32 properties from Trinity where there are no plans for any resulting increases in employee numbers and no employees transferred across from Trinity.

Exceptional items

The Group incurred exceptional items of £0.9 million (2012: £nil) during the period. These are outlined in Note 6 and relate to the acquisition of Trinity and consideration of a takeover approach from MedicX Fund Limited.

Dividends

Total dividends paid in the period to 30 September 2013 were £3.2 million or 0.605 pence per share (six months to 30 September 2012: 0.285 pence per share). The Board has today announced an increase in the next quarterly dividend for the period to 31 December 2013 of 49% to 0.45 pence per share or 1.8 pence per share calculated on an annualised basis.

The Company retains its progressive dividend policy and future rental growth, acquisitions and developments will continue to support returns to shareholders.

Cash flow	**2013**	2012
	£m	£m
Opening cash	35.7	21.4
Net cash from operations	1.6	4.1
Cash flows from investing activities:		
Business and investment acquisitions	(7.8)	(3.5)
Development expenditure	(12.9)	(9.2)
Sale of properties	2.8	1.6
Sale of businesses	3.0	2.0
Other	-	(0.1)
Cash flows from financing activities:		
Dividend paid	(3.2)	(1.5)
Net borrowings movement	3.3	7.1
Closing cash	**22.5**	21.9

Net cash inflow from operating activities was £1.6 million (2012: £4.1 million), which represents a reduction from the prior period as a result of movements in balance sheet accruals increasing amounts paid to suppliers. Investment acquisitions in the period primarily relate to the acquisition of Trinity for £6.9 million excluding cash acquired. Development expenditure was £12.9 million (2012: £9.2 million) which was largely debt financed with facilities from both Aviva and Santander. Proceeds from the sale of properties were £2.8 million (2012: £1.6 million), following the sale of a small number of properties. Dividends paid were £3.2 million. The closing cash balance was £22.5 million (2012: £21.9 million).

Balance sheet

At 30 September 2013 the EPRA NAV per share was 40.3 pence per share, an increase of 4.4% compared with 31 March 2013. The growth has been achieved from attractively priced acquisitions, valuation gains and the activities and expertise of our development and asset management teams.

EPRA NAV movement:

	£m	**Pence per share**
EPRA NAV at 31 March 2013 (note 9)	204.4	38.6
Underlying profit	5.4	1.0
Capital (revaluations and capital gains)	6.9	1.3
Dividend	(3.2)	(0.6)
Other	(0.1)	-
EPRA NAV at 30 September 2013	**213.4**	**40.3**

Our Total Accounting Return for the period ended 30 September 2013 of 6.0% comprises an income return of 0.605 pence per share (1.6%) that has been distributed to shareholders and a movement on EPRA NAV of 1.7 pence per share (4.4%).

The reconciliation between EPRA NAV and EPRA NNNAV is as follows:

	Adjusted basic & diluted NAV per ordinary share	Adjusted basic & diluted NAV per ordinary share
	30/09/13	31/03/13
	£m	£m
EPRA NAV	213.4	204.4
Mark to market of:		
LIFT investments	11.2	6.8
Derivative financial instruments	(4.5)	(5.5)
Fixed rate debt	(15.3)	(48.2)

EPRA NNNAV	**204.8**	157.5
EPRA NNNAV per ordinary share	**38.7p**	29.7p

The movement in NNNAV largely reflects the increase in long-term interest rates in the period to 30 September 2013.

Mark to market adjustments have been estimated by management with reference to external sources, such as interest rates and reports from external advisors, where available. The derivative financial instruments represent those held directly by the Group as well as those held indirectly through LIFT companies.

Finance

Financing statistics

	30/09/2013	31/03/2013
Net debt	£430.0m	£359.5m
Weighted average debt maturity	11.3 years	11.3 years
Weighted average interest rate	5.28%	5.25%
% of debt at fixed/capped rates	98%	99%
Interest cover[6]	153%	154%
Loan to value	65%	62%

The weighted average debt maturity of 11.3 years compares to a weighted average lease length over the whole portfolio of 14.6 years, which highlights the security of the cash flows of the business. Following the successful completion of the Trinity acquisition the LTV has increased to 65% and this is estimated to be 63% following the recently announced disposal of our LIFT Investments.

Net finance costs in the period amounted to £10.1 million (2012: £9.8 million). The increase reflects the drawdown of new facilities to fund the on-going development pipeline, as well as the assumption of debt associated with the Trinity acquisition and reduced finance income reflecting the scheduled repayment of deferred consideration from the sale of the former Pharmacy division in 2012.

		Six months ended 30 September 2013 Unaudited			Six months ended 30 September 2012 Unaudited & re-presented[7]		
		Underlying	**Capital and other**	**Total**	Underlying	Capital and other	Total
	Note	**£m**	**£m**	**£m**	£m	£m	£m
Continuing operations							
Gross rental and related income		**19.0**	**-**	**19.0**	18.3	-	18.3
Property operating expenses		**(1.1)**	**-**	**(1.1)**	(1.4)	-	(1.4)
Net rental income		**17.9**	**-**	**17.9**	16.9	-	16.9
Administrative expenses		**(2.4)**	**-**	**(2.4)**	(2.2)	-	(2.2)

[6] Interest cover is the number of times net interest payable is covered by underlying profit before net interest

Interim Condensed Consolidated Income Statement

For the six months ended 30 September 2013

[7] The Consolidated Income Statement has been re-presented for the six months to 30 September 2012 to transfer profits and losses from the LIFT segment to profit for the period from discontinued operations.

Revaluation gains	10	**-**	**6.7**	**6.7**	-	2.2	2.2
Gain on sale of property		**-**	**0.2**	**0.2**	-	0.1	0.1
Share-based payment charge		**-**	**(0.4)**	**(0.4)**	-	(0.1)	(0.1)
Exceptional items	6	**-**	**(0.9)**	**(0.9)**	-	-	-
Finance revenue		**0.2**	**-**	**0.2**	0.4	-	0.4
Finance costs		**(10.3)**	**-**	**(10.3)**	(10.2)	-	(10.2)
Revaluation of derivative financial instruments	18	**-**	**1.2**	**1.2**	-	(1.4)	(1.4)
Profit before taxation		**5.4**	**6.8**	**12.2**	4.9	0.8	5.7
Taxation	7			**(0.4)**			(0.3)
Profit for the period from continuing operations				**11.8**			5.4
Discontinued operations							
Profit for the period from discontinued operations	11			**0.7**			0.8
Profit for the period attributable to equity holders of the parent				**12.5**			6.2
Earnings per share – basic and diluted							
from underlying profit	8	**1.0p**			0.9p		
from continuing operations	8			**2.2p**			1.0p
from continuing operations – adjusted (EPRA)	8			**2.1p**			1.3p
on profit for period	8			**2.3p**			1.2p
on profit for period – adjusted (EPRA)	8			**2.2p**			1.5p

There were no items of other comprehensive income or expense and therefore the profit for the period also represents the Group's total comprehensive income.

Interim Condensed Consolidated Balance Sheet

As at 30 September 2013

	Notes	**30 September 2013 Unaudited £m**	31 March 2013 Audited £m
Non-current assets			
Investment property	10	**641.6**	557.3
LIFT investments and associates	11	**0.5**	11.2
Property, plant and equipment		**0.1**	0.1
Deferred tax asset		**0.7**	1.1
		642.9	569.7
Current assets			
Cash, cash equivalents and restricted cash	12	**22.5**	35.7
Trade and other receivables	13	**7.8**	9.6
LIFT investments held for sale	11	**10.9**	-
Property assets held for sale	10	**9.4**	12.0
		50.6	57.3
Total assets		**693.5**	627.0
Current liabilities			
Trade and other payables	14	**13.8**	14.3

	Note		
Borrowings	17	**5.0**	3.9
Deferred revenue	15	**9.2**	8.2
Provisions	16	**0.1**	0.1
		28.1	26.5
Non-current liabilities			
Borrowings	17	**444.4**	388.2
Obligations due under finance leases		**3.1**	3.1
Derivative financial instruments at fair value	18	**2.4**	3.6
Deferred revenue	15	**6.9**	6.6
Provisions	16	**0.9**	0.9
		457.7	402.4
Total liabilities		**485.8**	428.9
Net assets		**207.7**	198.1
Capital and reserves			
Share capital		**53.0**	53.0
Own shares held		**(1.9)**	(1.9)
Share premium		**77.1**	77.1
Reserves		**79.5**	69.9
Total equity		**207.7**	198.1
Basic and diluted net asset value per Ordinary Share	9	**39.2p**	37.4p
Adjusted (EPRA) basic and diluted net asset value per Ordinary Share	9	**40.3p**	38.6p

The interim condensed consolidated financial statements were approved at a meeting of the Board of Directors held on 25 November 2013 and signed on its behalf by:

Graham Roberts — Chief Executive
Jonathan Murphy — Finance Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2013

	Share Capital	**Own Shares Held**	**Share Premium**	Distributable Reserve	Revaluation Reserve	Retained Earnings	**Reserves**	**Total Equity**
	£m	**£m**	**£m**	£m	£m	£m	**£m**	**£m**
1 April 2012	**53.0**	**(1.9)**	**77.1**	205.5	3.9	(149.7)	**59.7**	**187.9**
Profit attributable to equity holders	-	-	-	-	-	6.2	**6.2**	**6.2**
Total comprehensive income	-	-	-	-	-	6.2	**6.2**	**6.2**
Transfer/realisation of reserves	-	-	-	(205.5)	(3.9)	209.4	-	-
Dividend	-	-	-	-	-	(1.5)	**(1.5)**	**(1.5)**
Cost of employee share-based incentives		-	-	-	-	0.1	**0.1**	**0.1**
30 September 2012 (Unaudited)	**53.0**	**(1.9)**	**77.1**	-	-	64.5	**64.5**	**192.7**
Profit attributable to equity holders	-	-	-	-	-	7.9	**7.9**	**7.9**

Total comprehensive income	**-**	**-**	**-**	-	-	7.9	**7.9**	**7.9**
Dividend	**-**	**-**	**-**	-	-	(3.0)	**(3.0)**	**(3.0)**
Cost of employee share-based incentives	**-**	**-**	**-**	-	-	0.5	**0.5**	**0.5**
31 March 2013 (Audited)	**53.0**	**(1.9)**	**77.1**	-	-	69.9	**69.9**	**198.1**
Profit attributable to equity holders	**-**	**-**	**-**	-	-	12.5	**12.5**	**12.5**
Total comprehensive income	**-**	**-**	**-**	-	-	12.5	**12.5**	**12.5**
Dividend (Note 21)	**-**	**-**	**-**	-	-	(3.2)	**(3.2)**	**(3.2)**
Cost of employee share-based incentives	**-**	**-**	**-**	-	-	0.3	**0.3**	**0.3**
30 September 2013 (Unaudited)	**53.0**	**(1.9)**	**77.1**	-	-	79.5	**79.5**	**207.7**

Interim Condensed Consolidated Statement of Cash Flow

For the six months ended 30 September 2013

	Six months ended 30 September 2013 Unaudited £m	Six months ended 30 September 2012 Unaudited £m
Operating activities		
Rent received	**18.5**	17.0
Interest paid and similar charges	**(10.3)**	(10.3)
Fees received	**0.4**	0.4
LIFT and other interest received	**0.8**	1.0
Cash paid to suppliers and employees	**(7.8)**	(4.0)
Net cash inflow from operating activities	**1.6**	4.1
Investing activities		
Purchase of investment property	**(1.2)**	(3.5)
Development spend	**(12.9)**	(9.2)
Proceeds from sale of property	**2.8**	1.6
Proceeds from sale of businesses	**3.0**	2.0
Acquisition of subsidiaries, net of cash acquired	**(6.6)**	-
Loans advanced to associated companies	**-**	(0.1)
Net cash outflow from investing activities	**(14.9)**	(9.2)
Financing activities		
Dividends paid	**(3.2)**	(1.5)
Repayment of loan	**(2.1)**	(1.9)
Long-term loans drawn down	**5.5**	9.1
Loan issue costs	**(0.1)**	(0.1)
Net cash inflow from financing activities	**0.1**	5.6
(Decrease)/increase in cash and cash equivalents	**(13.2)**	0.5
Opening cash and cash equivalents	**35.7**	21.4

Closing cash and cash equivalents	**22.5**	21.9

Notes to the Interim Condensed Consolidated Accounts

For the six months ended 30 September 2013

1. Corporate information

The interim condensed consolidated accounts of the Group for the six months ended 30 September 2013 were authorised for issue in accordance with a resolution of the directors on 25 November 2013.

Assura Group Limited ("Assura") is incorporated in Guernsey with its investment objective to achieve capital growth and rising rental income from the ownership and development of a diversified portfolio of primary health care properties. The Company's Ordinary Shares are traded on the London Stock Exchange. The Company is domiciled in England & Wales for taxation purposes. As of 1 April 2013, the Company elected to be treated as a UK REIT.

2. Basis of preparation

The interim condensed consolidated accounts for the six months ended 30 September 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting. These accounts cover the six month accounting period from 1 April 2013 to 30 September 2013 with comparatives for the six month accounting period from 1 April 2012 to 30 September 2012.

The interim condensed consolidated accounts do not include all the information and disclosures required in the annual accounts, and should be read in conjunction with the Group's annual accounts as at 31 March 2013 which are prepared in accordance with IFRS as adopted by the European Union.

The accounts are presented in pounds sterling rounded to the nearest 0.1 million unless specified otherwise.

The accounts are prepared on a going concern basis.

3. Accounts

The results for the six months to 30 September 2013 and to 30 September 2012 are unaudited. The interim accounts do not constitute statutory accounts. The balance sheet as at 31 March 2013 has been extracted from the Group's 2013 annual report and accounts, on which the auditor has reported and the report was unqualified.

4. New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated accounts are consistent with those followed in the preparation of the Group's annual accounts for the year ended 31 March 2013, except for the adoption of new standards and interpretations as of 1 April 2013, noted below, none of which have a material impact on the financial position or performance of the Group:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 28 Investments in Associates and Joint Ventures (2011)
- Amendments to IAS 1 Presentation of Other Items of Comprehensive Income

5. Segmental information

The Group's operating segments are Core and Non-Core, which are both located in the UK.

The Core segment invests in, manages and develops primary care premises.

The Non-Core segment actively manages the assets to realise maximum value through both income and capital receipts from sales.

In addition, the Group previously had a third operating segment; the LIFT segment, which holds investments in LIFT companies through investments in associated companies. The decision has been taken to dispose of the Group's investment in LIFT companies. Consequently, the assets and liabilities are classified as held for sale and the results for the period have been presented as discontinued operations.

The following tables present revenue, profit and certain assets and liabilities information regarding the Group's business segments:

Six months ended 30 September 2013:

	Core	**Non-Core**	**Total**
	£m	£m	**£m**
Gross rental income	17.8	0.8	**18.6**
Other rental income	0.4	-	**0.4**
Property operating expenses	(0.9)	(0.2)	**(1.1)**
Net rental income	17.3	0.6	**17.9**
Administration costs	(2.4)	-	**(2.4)**
Underlying operating profit	14.9	0.6	**15.5**
Net finance cost	(9.8)	(0.3)	**(10.1)**
Underlying profit	**5.1**	**0.3**	5.4
Revaluation gains/(losses)	6.9	(0.2)	**6.7**
Gain on sale of property	0.2	-	**0.2**
Exceptional items	(0.9)	-	**(0.9)**
Share based payment charge	(0.4)	-	**(0.4)**
Segmental result	10.9	0.1	**11.0**
Revaluation of derivative financial instrument			**1.2**
Taxation			**(0.4)**
Profit for the period from discontinued operations			**0.7**
Profit for the period			**12.5**

Six months ended 30 September 2012 (re-presented)[8]

	Core	Non-Core	Total
	£m	£m	£m
Gross rental income	16.7	1.2	17.9
Other rental income	0.4	-	0.4
Property operating expenses	(1.1)	(0.3)	(1.4)
Net rental income	16.0	0.9	16.9
Administration costs	(2.2)	-	(2.2)
Underlying operating profit	13.8	0.9	14.7
Net finance cost	(9.3)	(0.5)	(9.8)
Underlying profit	**4.5**	**0.4**	**4.9**
Revaluation gains	2.0	0.2	2.2
Gain on sale of property	-	0.1	0.1
Share based payment charge	(0.1)	-	(0.1)

[8] The Consolidated Income Statement has been re-presented for the six months to 30 September 2012 to transfer profits and losses from the LIFT segment to profit for the period from discontinued operations.

Segmental result	6.4	0.7	7.1
Revaluation of derivative financial instrument			(1.4)
Taxation			(0.3)
Profit for the period from discontinued operations			0.8
Profit for the period			6.2

Assets and Liabilities at 30 September 2013

	Core	**Non-Core**	**LIFT**	**Total**
	£m	**£m**	**£m**	**£m**
Property assets	630.4	20.6	-	**651.0**
Current assets	30.3	0.1	-	**30.4**
LIFT investments and associates	-	-	11.4	**11.4**
Segment assets	660.7	20.7	11.4	**692.8**
Deferred tax asset				**0.7**
Total assets				**693.5**
Segment liabilities				
Current liabilities	(27.9)	(0.2)	-	**(28.1)**
Derivative financial instruments				**(2.4)**
Non-current liabilities				**(455.3)**
Total liabilities				**(485.8)**

Assets and Liabilities at 31 March 2013

	Core	Non-Core	LIFT	Total
	£m	£m	£m	£m
Property assets	546.7	22.6	-	569.3
Current assets	45.1	0.3	-	45.4
LIFT investments and associates	-	-	11.2	11.2
Segment assets	591.8	22.9	11.2	625.9
Deferred tax asset				1.1
Total assets				627.0
Segment liabilities				
Current liabilities	(26.3)	-	(0.2)	(26.5)
Derivative financial instruments				(3.6)
Non-current liabilities				(398.8)
Total liabilities				(428.9)

6. Exceptional items

	30 September 2013	30 September 2012
	£m	£m
Negative goodwill on acquisition of Trinity	**0.6**	-
Acquisition costs	**(0.4)**	-
Corporate finance fees	**(1.1)**	-
Total	**(0.9)**	-

Acquisition costs and negative goodwill relate to the acquisition of the Trinity portfolio. For further details see Note 19.

£1.1 million of corporate finance fees were incurred in considering a takeover approach from MedicX Fund Limited earlier in the year.

7. Taxation on profit on ordinary activities

	30 September 2013	30 September 2012
	£m	£m
Tax charged in the income statement		

Current income tax:		
UK corporation tax	**-**	-
Deferred tax:		
Origination and reversal of temporary differences	**0.4**	0.3
Total tax charge	**0.4**	0.3

The Group elected to be treated as a UK REIT with effect from 1 April 2013. The UK REIT rules exempt the profits of the Group's property rental business from corporation tax. Gains on properties are also exempt from tax, provided they are not held for trading or sold in the three years post completion of development. The Group will otherwise be subject to corporation tax at 23% (2013: 24%).

The Group tax charge relates to its non-property income. As the Group has sufficient brought forward losses no tax is due and so the charge represents the movement in deferred tax.

As a REIT, the Group is required to pay Property Income Distributions equal to at least 90% of the Group's exempted net income. To remain as a UK REIT there are a number of conditions to be met in respect of the principal company of the Group, the Group's qualifying activities and the balance of business.

8. Earnings per ordinary share

	EPS per ordinary share	**Adjusted (EPRA) EPS per ordinary share**	EPS per ordinary share *(re-presented)*	Adjusted (EPRA) EPS per ordinary share *(re-presented)*
	Six months ended 30 September 2013 £m	**Six months ended 30 September 2013 £m**	Six months ended 30 September 2012 £m	Six months ended 30 September 2012 £m
Profit for the period from continuing operations	**11.8**	**11.8**	5.4	5.4
Acquisition costs and negative goodwill		**(0.2)**		-
Revaluation of derivative financial instruments of:				
Parent		**(1.2)**		1.4
Deferred tax		**0.4**		0.3
Adjusted (EPRA) earnings		**10.8**		7.1
Weighted average number of shares in issue	**529,548,924**	**529,548,924**	529,548,924	529,548,924
Earnings per ordinary share from continuing operations	**2.2p**	**2.1p**	1.0p	1.3p
Earnings per ordinary share from discontinued operations	**0.1p**	**0.1p**	0.2p	0.2p
Earnings per ordinary share	**2.3p**	**2.2p**	1.2p	1.5p

Underlying profit per share of 1.0 pence (2012: 0.9 pence) has been calculated as underlying profit for the period as presented on the income statement of £5.4 million (2012: £4.9 million) divided by the weighted average number of shares in issue of 529,548,924 (2012: 529,548,924).

There is no difference between basic and diluted earnings and net asset values per ordinary share as share option schemes in operation were not considered dilutive as at the balance sheet dates based on calculations completed in accordance with IAS 33 Earnings Per Share.

9. Net asset values

	NAV per ordinary share	**Adjusted (EPRA) NAV per ordinary share**	NAV per ordinary share	Adjusted (EPRA) NAV per ordinary share
	30/09/13	**30/09/13**	31/03/13	31/03/13
	£m	**£m**	£m	£m
Net assets	**207.7**	**207.7**	198.1	198.1
Own shares held		**1.9**		1.9
Derivative financial instruments of:				
Parent		**2.4**		3.6
Associates		**2.1**		1.9
Deferred tax		**(0.7)**		(1.1)
EPRA NAV		**213.4**		204.4
Number of shares in issue	**529,548,924**	**529,548,924**	529,548,924	529,548,924
Net asset value per ordinary share	**39.2p**	**40.3p**	37.4p	38.6p

	Adjusted basic & diluted NAV per ordinary share	Adjusted basic & diluted NAV per ordinary share
	30/09/13	31/03/13
	£m	£m
EPRA NAV	**213.4**	204.4
Mark to market of:		
LIFT investments	**11.2**	6.8
Derivative financial instruments	**(4.5)**	(5.5)
Fixed rate debt	**(15.3)**	(48.2)
EPRA NNNAV	**204.8**	157.5
EPRA NNNAV per ordinary share	**38.7p**	29.7p

The EPRA measures set out above are in accordance with the guidance of the European Property Real Estate Association dated August 2011.

10. Property assets

Investment property and investment property under construction (IPUC)

Investment properties are stated at fair value, as determined for the Company by Savills Commercial Limited and Jones Lang LaSalle as at 30 September 2013. The properties have been valued individually and on the basis of open market value in accordance with RICS valuation - Professional Standards 2012 (the "Red Book").

Initial yields mainly range from 5.60% to 5.80% (March 2013: 5.70% and 6.00%) for prime units. For properties with weaker tenants and poorer units, the yields range between 6.50% and 18.00% (March 2013: 6.50% and 17.00%). The higher yields are in the non-core portfolio.

	Investment 30/09/13 £m	**IPUC 30/09/13 £m**	**Total 30/09/13 £m**	Investment 31/03/13 £m	IPUC 31/03/13 £m	Total 31/03/13 £m
At 1 April	**539.9**	**14.3**	**554.2**	526.3	8.4	534.7

Additions:						
- directly acquired	-	-	-	2.8	-	2.8
- business combination	**62.9**	**-**	**62.9**	-	-	-
- improvements	**1.2**	**-**	**1.2**	0.8	-	0.8
	64.1	**-**	**64.1**	3.6	-	3.6
Development costs	**-**	**13.1**	**13.1**	-	18.6	18.6
Transfers	**11.8**	**(11.8)**	**-**	15.6	(15.6)	-
Transfer from/(to) assets held for sale	**2.1**	**0.5**	**2.6**	-	(0.6)	(0.6)
Capitalised interest	**-**	**0.4**	**0.4**	-	0.4	0.4
Disposals	**(2.1)**	**(0.5)**	**(2.6)**	(8.1)	(0.4)	(8.5)
Unrealised surplus on revaluation	**5.5**	**1.2**	**6.7**	2.5	3.5	6.0
Closing market value	**621.3**	**17.2**	**638.5**	539.9	14.3	554.2
Add finance lease obligations recognised separately	**3.1**	**-**	**3.1**	3.1	-	3.1
Closing fair value of investment property	**624.4**	**17.2**	**641.6**	543.0	14.3	557.3

		30/09/13			31/03/13	
	Core	**Non-Core**	**Total**	Core	Non-core	Total
	£m	**£m**	**£m**	£m	£m	£m
Market value as estimated by external valuer	**604.8**	**9.1**	**613.9**	523.6	9.3	532.9
Add IPUC	**17.2**	**-**	**17.2**	14.3	-	14.3
Add pharmacy lease premiums	**7.4**	**-**	**7.4**	7.0	-	7.0
Add finance lease obligations recognised separately	**1.0**	**2.1**	**3.1**	1.0	2.1	3.1
Fair value for financial reporting purposes	**630.4**	**11.2**	**641.6**	545.9	11.4	557.3
Investment property held for sale	**-**	**-**	**-**	0.8	1.3	2.1
Vacant property held for sale	**-**	**0.2**	**0.2**	-	0.2	0.2
Land held for sale	**-**	**9.2**	**9.2**	-	9.7	9.7
Total property assets held for sale	**-**	**9.4**	**9.4**	0.8	11.2	12.0
Total property assets	**630.4**	**20.6**	**651.0**	546.7	22.6	569.3

One non-core property investment and nine land sites are held as available for sale (31 March 2013: one core and three non-core property investments and 10 land sites).

11. LIFT investments and associates

In the six months to 30 September 2013, the board resolved to dispose of the Group's investments in LIFT companies. Subsequent to the balance sheet date, on 25 November 2013 it was announced that contracts had been exchanged for their sale. The investments are classified as held for sale at 30 September 2013, separately presented in the balance sheet and as discontinued operations in the income statement. The sale is expected to be completed prior to 31 March 2014. The proceeds of disposal are expected to exceed the book value of the investments and therefore no impairment has been recorded on the classification of these investments as held for sale.

The Group retains its 15% equity investment in GB Partnerships Investments Limited. At 30 September 2013, the book value of the investment was £0.5 million (31 March 2013: £0.3 million), and is classified as a non-current asset.

The results of the LIFT segment for the period are presented below:

	Six months ended 30 September 2013	Six months ended 30 September 2012
	£m	£m

Share of profits of associates and joint ventures	**0.1**	0.2
Finance revenue	**0.6**	0.6
Profit for the period from discontinued operations	**0.7**	0.8

The net cash flows attributable to the LIFT segment were as follows:

	Six months ended 30 September 2013	Six months ended 30 September 2012
	£m	£m
Operating activities	**0.6**	0.6
Investing activities	**-**	(0.1)
Net cash inflow	**0.6**	0.5

The major classes of assets and liabilities classified as held for sale are analysed as follows:

	As at 30 September 2013
	£m
LIFT investments	**10.9**
LIFT investments held for sale	**10.9**

12. Cash, cash equivalents and restricted cash

	30/09/13	31/03/13
	£m	£m
Cash held in current account	**7.5**	15.6
Restricted cash	**15.0**	20.1
	22.5	35.7

Restricted cash arises where there are interest payment guarantees, cash is ring-fenced for committed property development expenditure, which is released to pay contractors invoices directly, or under the terms of security arrangements under the Group's banking facilities or its bond.

13. Trade and other receivables

	30/09/13	31/03/13
	£m	£m
Trade receivables	**3.1**	2.3
Prepayments and accrued income	**0.7**	1.1
Loan note	**3.0**	3.0
Other debtors	**1.0**	0.2
Total due within one year	**7.8**	6.6
Loan note due after more than one year	**-**	3.0
	7.8	9.6

The loan note is an interest bearing loan of £3.0 million (March 2013: £6.0 million) granted to the purchaser of the pharmacy business upon completion of the sale. Interest is charged on the loan at a rate of 6.5% and is payable quarterly. The loan is repayable in three stage payments. £1.0 million was repaid in June 2012, with a further £3.0 million repaid by 30 June 2013, £1.0 million by 31 October 2013 and the balance of £2.0 million settled during November 2013.

14. Trade and other payables

	30/09/13	31/03/13
	£m	£m
Trade creditors	**2.2**	2.4
Other creditors and accruals	**11.1**	11.1
VAT creditor	**0.5**	0.8

	30/09/13	31/03/13
	13.8	14.3

15. Deferred revenue

	30/09/13	31/03/13
	£m	£m
Arising from rental received in advance	**8.7**	7.8
Arising from pharmacy lease premiums received in advance	**7.4**	7.0
	16.1	14.8
Current	**9.2**	8.2
Non-current	**6.9**	6.6
	16.1	14.8

16. Provisions

	30/09/13
	£m
At 1 April 2013	**1.0**
Utilisation of provision	**-**
At 30 September 2013	**1.0**
Analysed as:	
Current	**0.1**
Non-current	**0.9**
	1.0

Provisions relate to the onerous property lease on the former Pall Mall office and represents management's best estimate of the Group's liability.

17. Borrowings

	30/09/13	31/03/13
Secured bank loans	**£m**	£m
At 1 April	**392.1**	375.6
Amount issued or drawn down in period/year	**5.5**	23.2
Amount repaid in period/year	**(2.1)**	(7.0)
Acquired with acquisition	**53.7**	-
Loan issue costs	**(0.1)**	(0.2)
Amortisation of loan issue costs	**0.3**	0.5
At the end of the period/year	**449.4**	392.1
Due within one year	**5.0**	3.9
Due after more than one year	**444.4**	388.2
At the end of the period/year	**449.4**	392.1

The Group has the following bank facilities:

1. 10 year senior secured bond for £110 million at a fixed interest rate of 4.75% maturing in December 2021. The secured bond carries an LTV covenant of 75% and an interest cover requirement of 1.15 times.

2. Loans from Aviva with an aggregate balance of £283.5 million at 30 September 2013 (31 March 2013: £230.5 million), including £53.7 million of loans following the acquisition of Trinity Medical Developments Limited. The Aviva loans are partially amortised by way of quarterly instalments and partially repaid by way of bullet repayments falling due between 2021 and 2041 with a weighted average term of 14.2 years to maturity, £5.0 million is due within a year. These loans are secured by way of charges over specific medical centre investment properties with cross collateralisation between the loans and security. The loans are subject to fixed all in interest rates ranging between 4.11% and 6.66%, and a weighted average of 5.66% and do not have loan to value covenants. Debt service cover required varies between 0.90 times to 1.03 times.

The principal amount of the debt assumed with the acquisition of Trinity was £52.0 million. The debt has been recorded on the balance sheet at £53.7 million, which represents the fair value as determined by the Group. This fair value adjustment will be amortised over the remaining term of the debt.

3. Loans from Santander with an aggregate balance of £57.6 million at 30 September 2013 (31 March 2013: £55.2 million). This comprises a £57.4 million Investment facility available until November 2016 which carries interest at 1.95% above LIBOR and a £2.6 million Development facility available until November 2014 which carries interest at 2.75% above LIBOR. On practical completion of the development property, the development facility is converted and added to the investment facility. A £50 million interest rate swap at a rate of 2.575% has been taken out to hedge the interest on the existing investment facility. The loan must not exceed 75% of the value of the security, interest cover must be above 1.7 times and debt service cover must be above 1.05 times.

The Group has been in compliance with all financial covenants on all of the above loans as applicable through the period.

18. Derivative financial instruments at fair value

	Interest rate swap (Santander) £m
Liability at 1 April 2013	3.6
Movement in period	(1.2)
Liability at 30 September 2013	2.4

19. Business combinations

On 10 September 2013, the Group acquired 100% of the ordinary share capital of Trinity Medical Developments Limited and its wholly owned subsidiary Trinity Medical Properties Limited ("Trinity"). The companies are involved in property investment and development and the acquisition has enlarged the existing investment portfolio of the Group. The consideration of £6.9 million was wholly satisfied by cash as shown below.

The fair values of identifiable assets and liabilities of Trinity as at the date of acquisition were:

	Fair value £m
Investment properties	62.9
Cash, cash equivalents and restricted cash	0.3
Trade and other receivables	1.1
Trade and other payables	(1.7)
Deferred revenue	(1.4)
Long term loans	(53.7)
Total identifiable net assets	7.5
Cash consideration transferred	(6.9)
Negative goodwill arising	0.6
Analysis of cash flows on acquisition:	
Cash paid as consideration (included within cash flows from investing activities)	(6.9)
Cash acquired (included within cash flows from investing activities)	0.3
Transaction costs (included within cash flows from operating activities)	(0.4)
Net cash flow on acquisition	(7.0)

The gross value and fair value of the trade receivables acquired was £0.9 million. It is expected that the full contractual amount can be collected and therefore no provision for doubtful debt has been recorded.

The principal amount of the debt assumed with the acquisition of Trinity was £52.0 million. The debt has been recorded on the balance sheet at £53.7 million, which represents the fair value as determined by the Group. This fair value adjustment will be amortised over the remaining term of the debt.

Total transaction costs of £0.4 million have been expensed and are included within exceptional items.

Negative goodwill of £0.6 million arising from the transaction has been taken to the Consolidated Income Statement and is shown within exceptional items. Negative goodwill has arisen as a result of movements in the fair value of the assets and liabilities between negotiation of the transaction and the completion date.

From the date of acquisition to 30 September 2013, Trinity has contributed £0.2 million to consolidated gross rental and related income and £0.1 million to consolidated profit for the period. If the acquisition had occurred at the start of the financial period, the consolidated gross rental and related income would have been £20.8 million and the consolidated profit for the period would have been £12.9 million.

20. Commitments

At the period end the Group had eight developments and two extensions on-site (31 March 2013: nine) with a contracted total expenditure of £34.1 million (31 March 2013: £33.1 million) of which £17.2 million (31 March 2013: £13.9 million) had been expended.

21. Dividends paid on Ordinary Shares

Payment date	Pence per share	Number of ordinary shares	**Six months ended 30 September 2013 £m**	Year ended 31 March 2013 £m
24/07/2013	0.3025	529,548,924	**1.6**	-
24/04/2013	0.3025	529,548,924	**1.6**	-
23/01/2013	0.285	529,548,924	**-**	1.5
24/10/2012	0.285	529,548,924	**-**	1.5
25/07/2012	0.285	529,548,924	**-**	1.5
			3.2	4.5

A dividend of 0.3025 pence per share was paid to shareholders on 23 October 2013.

22. Related parties

Details of transactions during the period in respect of associates and joint ventures are detailed in note 11.

23. Interim report

Copies of this statement are available from the website www.assuragroup.co.uk

24. Post balance sheet events

On 25 November 2013, we announced that we had exchanged contracts with two parties to acquire the loan notes and shares in our seven LIFT investments. Gross consideration is £22.4 million and the contracts are conditional on relevant third party (including shareholder) consents from project counterparties. The proceeds are expected to be received before year end.

Interim report for the six months ended 30 September 2013

Principal risks and uncertainties

The factors identified by the Board as having the potential to affect the Group's operating results, financial control and/or the trading price of its shares were set out in detail in the Annual Report and Accounts for the year ended 31 March 2013.

An update on certain key risks as they relate to the second half of the year is set out below:

Availability and cost of finance; in the period under review there has been an increase in long-term interest rates, which is likely to increase our cost of finance over the medium term. However, in the same period we have continued to see an increasing appetite from both banks and insurers to provide facilities into the sector, which should improve the availability of finance over time. Indicative pricing received from these potential lenders is indicative of healthy level of competition.

Government policy; there has been no change in policy during the period. However, following the NHS restructuring completed in April 2013 there has been a lack of clarity on the future approval mechanism for new developments. We continue to monitor this closely and are actively engaged with both the commissioning bodies and the policy influencers in the NHS to try to minimise any risks from any potential future changes.

Going concern

The directors continue to adopt the going concern basis of accounting in preparing the financial statements. The Group's properties are substantially let with the majority of rent paid or reimbursed by the NHS and they benefit from a weighted average lease length on the core portfolio of 14.9 years. The Group has facilities from two banks with modest annual amortisation, in addition to the secured bond, and has remained in compliance with all covenants throughout the period. In making the assessment, and having considered the continuing economic uncertainty, the directors have reviewed the Group's financial forecasts which cover a period of 18 months beyond the balance sheet date, showing that borrowing facilities are adequate and the business can operate within these facilities and meet its obligations when they fall due for the foreseeable future. There have been no material changes in assumptions in the forecast from the basis adopted in making the assessment at the previous year end.

Directors' responsibilities statement

The Board confirms to the best of their knowledge:

- that the condensed consolidated half year financial statements for the six months to 30 September 2013 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union; and

- that the Half Year Management Report comprising the Half Year Management Report and the principal risks and uncertainties includes a fair review of the information required by sections 4.2.7R and 4.2.8R of the Disclosure and Transparency Rules.

The above Directors' Responsibilities Statement was approved by the Board on 25 November 2013.

Graham Roberts	Jonathan Murphy
Chief Executive	Finance Director
25 November 2013	

Independent Review Report to Assura Group Limited

For the six months ended 30 September 2013

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 2013 which comprise the Interim Condensed Consolidated Income Statement, the Interim Condensed Consolidated Balance Sheet, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flow and the related notes 1 to 24. 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 guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making 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 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP - Chartered Accountants and Statutory Auditor
Manchester, UK
25 November 2013

Corporate Information

Head Office and Principal Place of Business:	The Brew House Greenalls Avenue Warrington Cheshire WA4 6HL
Company Secretary:	Jonathan Murphy
Registered Office:	Old Bank Chambers La Grande Rue St Martin's

	Guernsey GY4 6RT
Auditor:	Deloitte LLP 2 Hardman Street Manchester M3 3HF
Legal Adviser:	Addleshaw Goddard LLP 100 Barbirolli Square Manchester M2 3AB
Stockbrokers:	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9AR
	Oriel Securities Limited 150 Cheapside London EC2V 6ET
Bankers:	Aviva plc Santander UK plc The Royal Bank of Scotland plc