

# Group Income Statement

## For the year ended 31 December 2017

	Note	Normalised result 2017 £m	Separately disclosed items 2017 £m	Total 2017 £m	Normalised result (restated) 2016 £m	Separately disclosed items (restated) 2016 £m	Total (restated) 2016 £m
<b>Continuing operations</b>							
Revenue	3,5	<b>2,321.2</b>	–	<b>2,321.2</b>	2,093.7	–	2,093.7
Operating costs before UK restructuring		<b>(2,079.7)</b>	<b>(38.0)</b>	<b>(2,117.7)</b>	(1,876.2)	(33.8)	(1,910.0)
UK restructuring	5	–	<b>(5.6)</b>	<b>(5.6)</b>	–	–	–
Operating costs	6	<b>(2,079.7)</b>	<b>(43.6)</b>	<b>(2,123.3)</b>	(1,876.2)	(33.8)	(1,910.0)
<b>Group operating profit</b>	5	<b>241.5</b>	<b>(43.6)</b>	<b>197.9</b>	217.5	(33.8)	183.7
Share of results from associates and joint ventures	18	<b>(3.5)</b>	–	<b>(3.5)</b>	1.1	–	1.1
Finance income	3,9	<b>10.0</b>	–	<b>10.0</b>	7.5	–	7.5
Finance costs	9	<b>(48.0)</b>	–	<b>(48.0)</b>	(57.5)	–	(57.5)
<b>Profit before tax</b>		<b>200.0</b>	<b>(43.6)</b>	<b>156.4</b>	168.6	(33.8)	134.8
Tax charge	10	<b>(48.0)</b>	<b>20.0</b>	<b>(28.0)</b>	(31.4)	11.5	(19.9)
<b>Profit after tax for the year from continuing operations</b>		<b>152.0</b>	<b>(23.6)</b>	<b>128.4</b>	137.2	(22.3)	114.9
Profit for the year from discontinued operations	11	–	<b>5.9</b>	<b>5.9</b>	–	5.1	5.1
<b>Profit for the year</b>		<b>152.0</b>	<b>(17.7)</b>	<b>134.3</b>	137.2	(17.2)	120.0
Profit attributable to equity shareholders		<b>148.7</b>	<b>(17.7)</b>	<b>131.0</b>	134.4	(17.2)	117.2
Profit attributable to non-controlling interests		<b>3.3</b>	–	<b>3.3</b>	2.8	–	2.8
		<b>152.0</b>	<b>(17.7)</b>	<b>134.3</b>	137.2	(17.2)	120.0
<b>Earnings per share:</b>							
	13						
– basic earnings per share				<b>25.7p</b>			23.0p
– diluted earnings per share				<b>25.5p</b>			22.8p
Normalised earnings per share:							
– basic earnings per share		<b>29.1p</b>			26.3p		
– diluted earnings per share		<b>29.0p</b>			26.2p		
Earnings per share from continuing operations:							
– basic earnings per share				<b>24.5p</b>			22.0p
– diluted earnings per share				<b>24.4p</b>			21.8p

Separately disclosed items includes intangible amortisation for acquired businesses, US tax reform, profit for the year from discontinued operations and consequent UK restructuring. The Board believes that this gives a more comparable year-on-year indication of the operating performance of the Group and allows the users of the financial statements to understand management's key performance measures. Further details relating to separately disclosed items are provided in note 5.

Prior year comparatives have been restated in relation to the exit from UK rail, as described in note 11.

# Group Statement of Comprehensive Income

## For the year ended 31 December 2017

	Note	2017 £m	2016 £m
<b>Profit for the year</b>		<b>134.3</b>	120.0
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Actuarial losses on defined benefit pension plans	34	<b>(14.0)</b>	(45.6)
Deferred tax on actuarial losses	10(b)	<b>2.1</b>	8.0
		<b>(11.9)</b>	(37.6)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on retranslation of foreign operations (net of hedging)		<b>(15.2)</b>	189.6
Exchange differences on retranslation of non-controlling interests		<b>0.7</b>	2.5
(Loss)/gain on cash flow hedges		<b>(18.5)</b>	38.8
Less: reclassification adjustments for gains or losses included in profit		<b>23.6</b>	43.7
Tax on exchange differences	10(b)	<b>1.0</b>	14.3
Deferred tax on cash flow hedges	10(b)	<b>(3.4)</b>	(12.2)
		<b>(11.8)</b>	276.7
<b>Comprehensive (expenditure)/income for the year</b>		<b>(23.7)</b>	239.1
<b>Total comprehensive income for the year</b>		<b>110.6</b>	359.1
<b>Total comprehensive income attributable to:</b>			
Equity shareholders		<b>106.6</b>	353.8
Non-controlling interests		<b>4.0</b>	5.3
		<b>110.6</b>	359.1

# Group Balance Sheet

## At 31 December 2017

	Note	2017 £m	2016 £m
<b>Non-current assets</b>			
Intangible assets	14	1,633.4	1,548.6
Property, plant and equipment	15	968.2	983.6
Available-for-sale investments	17	8.1	7.8
Derivative financial instruments	17	13.4	31.1
Deferred tax assets	27	41.4	48.3
Investments accounted for using the equity method	18	11.3	13.7
Trade and other receivables	20	20.1	18.2
Defined benefit pension assets	34	43.2	44.5
		<b>2,739.1</b>	<b>2,695.8</b>
<b>Current assets</b>			
Inventories	21	24.9	25.0
Trade and other receivables	22	356.3	302.7
Derivative financial instruments	17	15.4	13.0
Current tax assets		1.5	2.3
Cash and cash equivalents	23	314.3	318.1
Assets classified as held for sale	11	–	78.0
		<b>712.4</b>	<b>739.1</b>
<b>Total assets</b>		<b>3,451.5</b>	<b>3,434.9</b>
<b>Non-current liabilities</b>			
Borrowings	28	(1,058.0)	(816.7)
Derivative financial instruments	28	(1.3)	(4.2)
Deferred tax liability	27	(60.0)	(82.9)
Other non-current liabilities	25	(36.0)	(21.2)
Defined benefit pension liabilities	34	(137.7)	(132.7)
Provisions	26	(65.4)	(57.2)
		<b>(1,358.4)</b>	<b>(1,114.9)</b>
<b>Current liabilities</b>			
Trade and other payables	24	(672.4)	(600.7)
Borrowings	28	(167.4)	(443.8)
Derivative financial instruments	28	(9.8)	(26.0)
Current tax liabilities		(11.6)	(6.7)
Provisions	26	(65.5)	(57.2)
Liabilities directly associated with assets classified as held for sale	11	–	(60.1)
		<b>(926.7)</b>	<b>(1,194.5)</b>
<b>Total liabilities</b>		<b>(2,285.1)</b>	<b>(2,309.4)</b>
<b>Net assets</b>		<b>1,166.4</b>	<b>1,125.5</b>
<b>Shareholders' equity</b>			
Called-up share capital	32	25.6	25.6
Share premium account		532.7	532.7
Capital redemption reserve		0.2	0.2
Own shares		(6.0)	(7.8)
Other reserves	33	181.6	194.1
Retained earnings		410.9	362.0
Total shareholders' equity		<b>1,145.0</b>	<b>1,106.8</b>
Non-controlling interests in equity		21.4	18.7
<b>Total equity</b>		<b>1,166.4</b>	<b>1,125.5</b>

**D Finch**  
Group Chief Executive

**C Davies**  
Group Finance Director

1 March 2018

# Group Statement of Changes in Equity

## For the year ended 31 December 2017

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares (note 32) £m	Other reserves (note 33) £m	Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
At 1 January 2017	25.6	532.7	0.2	(7.8)	194.1	362.0	1,106.8	18.7	1,125.5
Profit for the year	-	-	-	-	-	131.0	131.0	3.3	134.3
Comprehensive income for the year	-	-	-	-	(12.5)	(11.9)	(24.4)	0.7	(23.7)
Total comprehensive income	-	-	-	-	(12.5)	119.1	106.6	4.0	110.6
Shares purchased	-	-	-	(8.1)	-	-	(8.1)	-	(8.1)
Own shares released to satisfy employee share schemes	-	-	-	9.9	-	(9.9)	-	-	-
Share-based payments	-	-	-	-	-	6.3	6.3	-	6.3
Tax on share-based payments	-	-	-	-	-	(1.6)	(1.6)	-	(1.6)
Dividends	-	-	-	-	-	(64.7)	(64.7)	-	(64.7)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1.1)	(1.1)
Other movements with non-controlling interests	-	-	-	-	-	(0.3)	(0.3)	(0.2)	(0.5)
<b>At 31 December 2017</b>	<b>25.6</b>	<b>532.7</b>	<b>0.2</b>	<b>(6.0)</b>	<b>181.6</b>	<b>410.9</b>	<b>1,145.0</b>	<b>21.4</b>	<b>1,166.4</b>

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares (note 32) £m	Other reserves (note 33) £m	Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
At 1 January 2016	25.6	532.7	0.2	(7.8)	(80.1)	345.6	816.2	14.9	831.1
Profit for the year	-	-	-	-	-	117.2	117.2	2.8	120.0
Comprehensive income for the year	-	-	-	-	274.2	(37.6)	236.6	2.5	239.1
Total comprehensive income	-	-	-	-	274.2	79.6	353.8	5.3	359.1
Shares purchased	-	-	-	(7.7)	-	-	(7.7)	-	(7.7)
Own shares released to satisfy employee share schemes	-	-	-	7.7	-	(7.7)	-	-	-
Share-based payments	-	-	-	-	-	4.1	4.1	-	4.1
Tax on share-based payments	-	-	-	-	-	(0.7)	(0.7)	-	(0.7)
Dividends	-	-	-	-	-	(58.9)	(58.9)	-	(58.9)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(0.9)	(0.9)
Payments for equity in non-controlling interests	-	-	-	-	-	-	-	(0.6)	(0.6)
<b>At 31 December 2016</b>	<b>25.6</b>	<b>532.7</b>	<b>0.2</b>	<b>(7.8)</b>	<b>194.1</b>	<b>362.0</b>	<b>1,106.8</b>	<b>18.7</b>	<b>1,125.5</b>

# Group Statement of Cash Flows

## For the year ended 31 December 2017

	Note	2017 £m	2016 (restated) £m
<b>Cash generated from operations</b>	37	<b>359.0</b>	330.2
Tax paid		(14.1)	(13.6)
Interest paid		(62.5)	(51.8)
Interest received		13.1	7.1
<b>Net cash flow from operating activities</b>		<b>295.5</b>	271.9
<b>Cash flows from investing activities</b>			
Payments to acquire businesses, net of cash acquired	19	(48.2)	(58.9)
Deferred consideration for businesses acquired	19	(49.0)	(24.4)
Proceeds from the disposal of business, net of cash disposed	19	42.8	0.9
Purchase of property, plant and equipment		(124.6)	(130.3)
Proceeds from disposal of property, plant and equipment		17.9	14.4
Payments to acquire intangible assets		(11.9)	(6.3)
Payments to acquire investments		–	(0.2)
<b>Net cash flow from investing activities</b>		<b>(173.0)</b>	(204.8)
<b>Cash flows from financing activities</b>			
Finance lease principal payments		(34.4)	(37.9)
Increase in borrowings		328.1	393.3
Repayment of borrowings		(356.7)	(50.3)
Receipts/(payments) for the maturity of foreign currency contracts		5.7	(46.3)
Purchase of own shares		(8.1)	(7.7)
Dividends paid to non-controlling interests		(1.1)	(0.9)
Payments for equity in non-controlling interests		(0.2)	(0.6)
Dividends paid to shareholders of the Company	12	(64.7)	(58.9)
<b>Net cash flow from financing activities</b>		<b>(131.4)</b>	190.7
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(8.9)</b>	257.8
Opening cash and cash equivalents		324.4	60.4
(Decrease)/increase in cash and cash equivalents		(8.9)	257.8
Foreign exchange		(1.2)	6.2
<b>Closing cash and cash equivalents</b>		<b>314.3</b>	324.4
Cash and cash equivalents in continuing operations	23	314.3	318.1
Cash and cash equivalents classified in assets held for sale		–	6.3
<b>Closing cash and cash equivalents</b>		<b>314.3</b>	324.4

Certain prior year comparatives have been recategorised following an amendment to IAS 7 'Changes in liabilities arising from financing activities', as described further in note 2.