For immediate release **29 July 2015**

Dignity plc

Interim results for the 26 week period ended 26 June 2015

Dignity plc (Dignity or the Group), the UK's only listed provider of funeral related services, announces its unaudited interim results for the 26 week period ended 26 June 2015.

	26 week period ended 26 June 2015	26 week period ended 27 June 2014	Increase per cent
Revenue (£million)	**158.7**	133.1	19.2
Underlying operating profit[a] (£million)	**59.7**	45.6	30.9
Underlying profit before tax[a] (£million)	**46.5**	32.3	44.0
Underlying earnings per share[b] (pence)	**74.0**	46.7	58.5
Cash generated from operations[c] (£million)	**71.0**	53.3	33.2
Operating profit (£million)	**58.2**	44.8	29.9
Profit before tax (£million)	**45.0**	31.5	42.9
Basic earnings per share (pence)	**71.0**	45.2	57.1
Interim dividend (pence)	**7.14**	6.49	10.0
Number of deaths	**317,000**	280,000	13.2

(a) Underlying profit is calculated as profit excluding profit (or loss) on sale of fixed assets and external transaction costs.

(b) Underlying earnings per share is calculated as profit on ordinary activities after taxation, before profit (or loss) on sale of fixed assets, external transaction costs and exceptional items (all net of tax), divided by the weighted average number of Ordinary Shares in issue in the period.

(c) Cash generated from operations excludes external transaction costs.

The number of deaths was 13 per cent higher in the first half of 2015 compared with the same period in 2014, maintaining the high level noted in the Group's Q1 trading update. As a direct consequence, underlying operating profits were very strong at £59.7 million (2014: £45.6 million), an increase of 31 per cent.

The Group has acquired 46 funeral locations and has opened one satellite location since the start of the year, representing an aggregate investment of £47.2 million. This includes the acquisition of 36 locations from Laurel Funerals for a consideration of £38 million, which completed on 13 July 2015.

As a result of the high number of deaths in the first half of 2015, the Board anticipates that results for the full year will be ahead of its expectations. Its expectations for 2016 and beyond remain positive but unchanged as there is a strong possibility that the number of deaths in 2016 may be significantly lower following the very high number of deaths in 2015.

Mike McCollum, Chief Executive of Dignity plc commented:

"This has been a very strong half year for the Group. Client service standards remain excellent and I am delighted with our performance. We have invested £47.2 million in acquisitions so far this year from cash on our balance sheet which should help to create further value for our shareholders in the future."

For more information

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Chairman's statement

Results

Principally as a result of the 13.2 per cent increase in the number of deaths, this has been a very strong period for the Group, with underlying operating profits increasing 30.9 per cent to £59.7 million. Each division has performed well, with good average incomes and cost control being maintained.

Underlying earnings per share increased 58.5 per cent to 74.0 pence per share (2014: 46.7 pence per share), reflecting the strong operating performance and the effect of the reduction in the number of shares in issue following the Group's Secured Note issue and return of value last year, further details of which are available in the 2014 Annual Report.

Basic earnings per share were 71.0 pence per share (2014: 45.2 pence per share), an increase of 57.1 per cent.

Dividends

The Group paid a final dividend of 13.01 pence per Ordinary Share on 26 June 2015.

The Group proposes to pay an interim dividend of 7.14 pence per Ordinary Share (2014: 6.49 pence) on 30 October 2015 to shareholders on the register at 25 September 2015. This is a 10 per cent increase on the previous year.

Our staff

The first half of the year has been very busy for all our staff. Despite this, they have sought to maintain our high standards across the entire business. This is demonstrated in our funeral services division, with our customer surveys continuing to show excellent feedback from our clients.

Outlook

As a result of the high number of deaths in the first half of 2015, the Board anticipates that results for the full year will be ahead of its expectations. Its expectations for 2016 and beyond remain positive but unchanged as there is a strong possibility that the number of deaths in 2016 may be significantly lower following the very high number of deaths in 2015.

Peter Hindley
Chairman
29 July 2015

Business and Financial Review

Introduction
The Group's operations are managed across three distinct divisions: funerals, crematoria and pre-arranged funeral plans. Funeral service revenues relate to the provision of funerals and ancillary items such as memorials and floral tributes. Crematoria revenues arise from cremation services and the sale of memorials and burial plots at the Group's crematoria and cemeteries. Pre-arranged funeral plan revenue represents amounts in respect of marketing and administering the sale of plans.

Office for National Statistics Data
Some of the Group's key performance indicators rely on the total number of estimated deaths for each period. This information is obtained from the Office for National Statistics ('ONS') and helps to provide good general background to the Group's performance. Historically, the ONS has updated these estimates from time to time. As in previous years, the Group does not restate any of its key performance indicators when these figures are restated in the following year.

Initial estimated deaths in Britain for the first half of 2015 were 317,000 (2014: 280,000), an increase of 13 per cent. This compares to the number of deaths in the first half of 2014 being approximately seven per cent lower than the same period in 2013. The Group's operating results should therefore be considered in that context.

Funeral services
At 26 June 2015, we operated a network of 729 (June 2014: 698; December 2014: 718) funeral locations throughout the UK generally trading under established local trading names. The change to the portfolio reflects the acquisition of 10 additional funeral locations and one new satellite location. An additional 36 locations were acquired on 13 July 2015 from Laurel Funerals ('Laurel').

In the first half of 2015, the Group conducted 39,500 funerals (2014: 33,800) in the United Kingdom. Approximately two per cent of these funerals were performed in Northern Ireland (2014: two per cent). Excluding Northern Ireland, these funerals represent approximately 12.3 per cent (June 2014: 11.9 per cent; December 2014: 11.7 per cent) of total estimated deaths in Great Britain. Whilst funerals divided by estimated deaths is a reasonable measure of our market share, the Group does not have a complete national presence and consequently, this calculation can only ever be an estimate.

Underlying operating profit was £46.6 million (2014: £34.3 million), 35.9 per cent ahead of last year. This strong operating performance is primarily a consequence of the number of deaths and therefore funerals performed. In addition, average incomes remain robust and costs continue to be well controlled.

Crematoria
The Group operated 39 crematoria (June 2014: 39; December 2014: 39) and is the largest single operator of crematoria in Great Britain. The Group performed 31,500 cremations (2014: 27,400) in the period.

These volumes represent approximately 9.9 per cent (June 2014: 9.8 per cent; December 2014: 9.7 per cent) of total estimated deaths in Great Britain.

Underlying operating profit was £19.5 million (2014: £15.2 million), an increase of 28.3 per cent. This is a strong performance, again primarily driven by the number of deaths in the period. Sales of memorials and other items equated to £261 per cremation (H1 2014: £261 per cremation; FY 14: £262 per cremation).

Pre-arranged funeral plans
Active pre-arranged funeral plans were approximately 354,000 at the end of the period (June 2014: 332,000; December 2014: 348,000). These plans continue to represent future potential incremental business for the funeral division.

Underlying operating profits were flat on the previous half year at £4.0 million, reflecting a similar number of plan sales in each period. The Group continues to seek additional partners and to increase funeral plan sales.

Central overheads
Central overheads relate to central services that are not specifically attributed to a particular operating division. These include the provision of IT, finance, personnel and Directors' emoluments. In addition and consistent with previous periods, the Group records centrally the costs of incentive bonus arrangements, such as Long-Term Incentive Plans ('LTIPs') and annual performance bonuses, which are provided to over 100 managers working across the business.

Costs were £10.4 million in the period (2014: £7.9 million). This includes an accrual of £2.8 million (2014: £1.2 million) in respect of annual performance bonuses for the middle and senior management within the business. Overall bonus arrangements are unchanged from the prior period. The increase in the accrual reflects the relative performance in the current period compared to the prior period.

Corporate development activity
The Group has invested £9.2 million in acquiring 10 established funeral locations during the period. Following the period end, on 13 July, the Group completed the acquisition of 36 funeral locations from Laurel, expanding the Group's geographical footprint into new areas not previously served. Total consideration for the Laurel locations was £38 million, satisfied in cash on completion, and the Group anticipates investing capital expenditure of £2.0 million in the first two years of ownership to upgrade the acquired locations. The Group is also actively seeking additional satellite funeral locations and expects investment to be made in the second half of 2015 and beyond as part of this ongoing plan.

£0.1 million has been invested on completing existing crematoria and cemetery developments with a further £0.8 million committed to be spent across this year and 2016 in order to complete the projects.

The Group is also actively seeking planning permission to develop crematoria at four locations in the United Kingdom. The initial planning application at one of these locations has been denied and the Group has amended and re-submitted this application. Another of the applications has been refused and is being appealed by the Group.

Earnings per share
Underlying earnings per share increased 58.5 per cent to 74.0 pence per Ordinary Share. This increase reflects the strong operating performance and the effect of the reduction in the number of shares in issue following the Group's Secured Note issue and return of value last year, further details of which are available in the 2014 Annual Report.

Cash flow and cash balances
The Group continues to be strongly cash generative. Cash generated from operations, before external transaction costs, was £71.0 million (2014: £53.3 million), reflecting the increased operating performance.

During the period, the Group spent £8.8 million (2014: £7.2 million) on purchases of property, plant and equipment.

This is analysed as:

	26 June 2015 £m	27 June 2014 £m
Vehicle replacement programme and improvements to locations	**5.6**	5.5
Branch relocations	**3.1**	0.5
Development of new crematoria and cemeteries	**0.1**	1.2
Total property, plant and equipment	**8.8**	7.2
Partly funded by:		
Disposal proceeds	**(0.5)**	(0.3)
Net capital expenditure	**8.3**	6.9

Capital spend on branch relocations includes the purchase of the freehold interest of one of the Group's main service centres in London, which became available during the period. This secures a key support facility for the local businesses in the area, where suitable alternative premises were scarce.

Cash balances at the end of the period were £123.1 million. This includes £16.9 million relating to debt service payments made on 30 June 2015.

The Group therefore continues to have sufficient cash set aside to cover twelve months dividends and Corporation Tax payments (amounting to approximately £20 million) as well as approximately £77 million set aside for acquisitions of which £38 million was used to fund the Laurel acquisition on 13 July 2015. The remaining cash (approximately £9 million) held by the Group at the balance sheet date is principally held for operating purposes.

Taxation

The Group's effective tax rate for 2015 is expected to be 21.5 per cent before exceptional items. The effective rate for 2016 and beyond is expected to be approximately one per cent higher than the headline rate of Corporation Tax for the period.

Capital structure and financing

The Group's principal source of long-term debt financing continues to be the New Class A and B Secured Notes issued in 2014. They are rated A and BBB respectively by both Standard & Poor's and Fitch. The New Notes and the extinguishment of the previous Secured Notes are described in detail in the 2014 Annual Report.

The Board considers that maintaining a leveraged balance sheet is appropriate for the Group, given the relatively stable and predictable nature of its cash flows. This predictability is reflected in the Secured Notes. The principal amortises fully over their life and is scheduled to be repaid by 2049. The interest rate is fixed for the life of the Secured Notes and interest is calculated on the outstanding principal.

This has the benefit of enhancing shareholder returns, whilst leaving sufficient flexibility to invest in the growth of the business.

The Group's primary financial covenant under the Secured Notes requires EBITDA to total debt service to be above 1.5 times. The ratio at 26 June 2015 was 4.37 times (June 2014: 2.29 times; December 2014: 10.69 times). Further details may be found in note 8.

As described in the Group's 2014 Annual Report, the Group is also fully drawn on a £15.8 million Crematoria Acquisition Facility, which is repayable in 2018, with interest fixed at approximately 3.3 per cent pre tax.

On 16 June 2015, the Group arranged a £26.25 million debt facility with the Royal Bank of Scotland. Whilst not needed for the Laurel acquisition given the Group's strong cash balances, it is capable of being drawn in up to six tranches with interest payable at between 125 and 165 basis points above LIBOR (depending on the ratio of EBITDA to gross debt). Amounts drawn under the facility may be used by the entire Group as management sees fit. When drawn, it will be secured against the Laurel assets and certain other funeral assets operated outside of the Group's securitisation structure. Any element of the facility not drawn by 16 June 2016 will be cancelled. The facility is repayable in four years' time. Whilst undrawn, the facility will incur a non utilisation fee of circa £150,000 per annum. This facility therefore provides the Group with an efficient and flexible source of additional funding if required.

As set out in note 8, the Group's gross amounts owing were £607.1 million (June 2014: £427.5 million; December 2014: £611.1 million). Net debt was £496.9 million (June 2014: £355.6 million; December 2014: £530.3 million).

The balance sheet includes £591.3 million of gross amounts owing on all Secured Notes. At the balance sheet date, the market value of the Secured Notes was £614.9 million.

Post balance sheet events

Please see note 13 for further details.

Forward-looking statements

Certain statements in this Interim Report are forward-looking. Although the Board believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

Going concern

The Directors receive and review regularly management accounts, cash balances, forecasts and the annual budget together, with covenant reporting. After careful consideration and mindful of the current market conditions, the Directors confirm they are satisfied that the Group has adequate resources to continue operating for the foreseeable future. The Directors formally considered this matter at the Board meeting held on 22 July 2015. For this reason, they continue to adopt the going concern basis for preparing the Interim Report.

Our key performance indicators

The Group uses the following key performance indicators both to manage the business and monitor the Group's delivery against its strategy and objectives. We monitor our performance by measuring and tracking KPIs that we believe are important to our longer-term success.

Group Performance

KPI	KPI definitions	26 week period ended 26 June 2015	Developments in 2015
Total estimated number of deaths in Britain (number)	This is as reported by the Office of National Statistics.	317,000 (H1 2014: 280,000) [(a)] (FY 2014: 550,000)[(b)]	The number of deaths was significantly higher than the same period in 2014.
Funeral market share excluding Northern Ireland (per cent)	This is the number of funerals performed by the Group in Britain divided by the total estimated number of deaths in Britain.	12.3% (H1 2014: 11.9%)[(a)] (FY 2014: 11.7%)[(b)]	Acquisition activity has broadly offset reductions in core market share resulting from increased competition. This has been a feature of Dignity's business model for many years.
Number of funerals performed (number)	This is the number of funerals performed according to our operational data.	39,500 (H1 2014: 33,800)[(a)] (FY 2014: 65,600)[(b)]	Changes are a consequence of the total number of deaths and the Group's market share.
Crematoria market share (per cent)	This is the number of cremations performed by the Group divided by the total estimated number of deaths in Britain.	9.9% (H1 2014: 9.8%)[(a)] (FY 2014: 9.7%)[(b)]	No change to the portfolio in the period.
Number of cremations performed (number)	This is the number of cremations performed according to our operational data.	31,500 (H1 2014: 27,400)[(a)] (FY 2014: 53,400)[(b)]	Changes are a consequence of the total number of deaths and the Group's market share.
Active pre-arranged funeral plans (number)	This is the number of pre-arranged funeral plans where the Group has an obligation to provide a funeral in the future.	354,000 (H1 2014: 332,000)[(a)] (FY 2014: 348,000)[(b)]	This increase reflects continued sales activity offset by the crystallisation of plans sold in previous years.
Underlying earnings per share (pence)	This is underlying profit after tax divided by the weighted average number of Ordinary Shares in issue in the period.	74.0 pence (H1 2014: 46.7 pence)[(a)] (FY 2014: 85.8 pence)[(b)]	This increase demonstrates the beneficial effect of the Group's further debt issue and return of value to shareholders, together with increased operating profits and a reduction in the headline Corporation Tax rate.
Underlying operating profit (£ million)	This is the statutory operating profit (or loss) of the Group excluding profit (or loss) on sale of fixed assets and external transaction costs.	£59.7 million (H1 2014: £45.6 million)[(a)] (FY 2014: £84.9 million)[(b)]	The high number of deaths is a key driver of this operating performance.
Cash generated from operations (£ million)	This is the statutory cash generated from operations excluding external transaction costs and exceptional pension contributions.	£71.0 million (H1 2014: £53.3 million)[(a)] (FY 2014: £104.4 million)[(b)]	The Group continues to convert operating profit into cash efficiently, with the high number of deaths being a key driver for the increase.

In addition to these key performance indicators, the Group closely monitors the results of its client surveys. Highlights of these results can be found on page 8.

(a) H1 2014 relates to the 26 weeks ended 27 June 2014.

(b) FY 2014 relates to the 52 weeks ended 26 December 2014.

The Dignity client survey

In addition to these key performance indicators, we also closely monitor the results of our client surveys to ensure we continue to maintain the highest levels of excellent client service.

In the last five years, we have received over 161,000 responses.

The Client Survey Performance

Why it is important
Ensuring the highest levels of client service is one of our key strategic objectives and is fundamental to our continued success.

How we have performed
The results of the client survey clearly demonstrate client service is at the heart of everything we do and the quality of our service remains at consistently high levels.

Reputation and recommendation

99.2% (December 2014: 99.2%)
99.2 per cent of respondents said that we met or exceeded their expectations.

98.1% (December 2014: 98.1%)
98.1 per cent of respondents would recommend us.

Quality of service and care

99.9% (December 2014: 99.9%)
99.9 per cent thought our staff were respectful.

99.7% (December 2014: 99.7%)
99.7 per cent thought our staff listened to their needs and wishes.

99.3% (December 2014: 99.2%)
99.3 per cent agreed that our staff were compassionate and caring.

High standards of facilities and fleet

99.8% (December 2014: 99.8%)
99.8 per cent thought our premises were clean and tidy.

99.8% (December 2014: 99.8%)
99.8 per cent thought our vehicles were clean and comfortable.

In the detail

99.3% (December 2014: 99.4%)
99.3 per cent of clients agreed that our staff had fully explained what would happen before and during the funeral.

98.9% (December 2014: 99.0%)
98.9 per cent said that the funeral service took place on time.

98.8% (December 2014: 98.7%)
98.8 per cent said that the final invoice matched the estimate provided.

Mike McCollum
Chief Executive
29 July 2015

Principal risks and uncertainties

How we manage risk
This section highlights the principal risks affecting the Group, together with the key mitigating activities in place to manage those risks.

Our approach to risk management
The Board recognises it is responsible for the Group's system of internal control and risk management, which is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss. A formal ongoing process of identifying, evaluating and managing the significant risks faced by the Group was in place for the period and in place up to the date of approval of the Interim Report and is in accordance with the UK Corporate Governance Code.

The Group manages the operational and financial risks described through a combination of regular Board reports and also monthly and weekly management information that is reviewed by the Executive Directors.

Risk process
Our risk process is designed to identify, evaluate and manage both our operational and financial risks.

Risk Governance
The full risk register is considered and readopted every six months by the Audit Committee, who in turn recommend it to the Board for adoption.

The principal risks and how they are managed have not changed since the year end. These principal risks and uncertainties will continue to affect the Group in the second half of the year.

Strategic and operational risk management

Risk and impact	Mitigating activities	2015 commentary	Change
Significant reduction in the death rate There is a risk that the number of deaths in any year significantly reduces. This would have a direct result on the financial performance of both the funeral and crematoria divisions.	The profile of deaths has historically followed a similar profile to that predicted by the ONS, giving the Group the ability to plan its business accordingly.	The number of deaths is unusually high but is expected to normalise over the remainder of the year and then follow the ONS' medium term expectations. However, there is a reasonable chance that 2016 may see a significant reduction, offsetting the high number of deaths in 2015.	No significant change
Nationwide adverse publicity Nationwide adverse publicity for Dignity could result in a significant reduction in the number of funerals or cremations performed in any financial period. This would have a direct result on the financial performance of that division.	This risk is addressed by ensuring appropriate policies and procedures are in place, which are designed to ensure excellent client service. These policies and procedures retain flexibility for the business to serve families in accordance with local traditions.	There have been no such events in the period.	No significant change
Ability to increase average revenues per funeral or cremation Operating profit growth is in part attributable to increases in the average revenue per funeral or cremation. There can be no guarantee that future average revenues per funeral or cremation will be maintained or increased.	The Group believes that its focus on excellent client service helps to mitigate this risk.	Average revenues increased in line with the Board's expectations.	No significant change
Significant reduction in market share It is possible that other external factors, such as new competitors, could result in a significant reduction in market share within funeral or crematoria operations. This would have a direct result on the financial performance of those divisions.	The Group believes that this risk is mitigated for funeral operations by reputation and recommendation being a key driver to the choice of funeral director being used and for crematoria operations is mitigated by difficulties associated with building new crematoria.	Changes in market share were in line with the Board's expectations.	No significant change
Demographic shifts in population There can be no assurance that demographic shifts in population will not lead to a reduced demand for funeral services in areas where Dignity operates.	In such situations, Dignity would seek to follow the population shift.	There have been no material changes, with satellites being opened and businesses acquired in appropriate areas.	No significant change

Risk and impact	Mitigating activities	2015 commentary	Change
Competition The UK funeral services market and crematoria market is currently very fragmented. There can be no assurance that there will not be further consolidation in the industry or that increased competition in the industry, whether in the form of intensified price competition, service competition, over capacity or otherwise, would not lead to an erosion of the Group's market share, average revenues or costs and consequently a reduction in its profitability. The retention of affinity partners who sell the Group's pre-arranged funeral plans is essential to the long-term development of the pre-arranged funeral plan division. The loss of an affinity partner could lead to a reduction in the amount of profit recognised in that division at the time of sale. Failure to replenish or increase the bank of pre-arranged funeral plans could affect market share of the funeral division in the longer-term.	There are barriers to entry in the funerals services market due to the importance of established local reputation and in the crematoria market due to the need to obtain planning approval for new crematoria and the cost of developing new crematoria. There are a number of potential affinity partners who could replace existing ones or add to existing relationships. Evidence suggests that such partnerships can and are being developed.	No major changes noted. Denials of planning applications for crematoria in the period demonstrate the barriers to entry.	No significant change
Taxes There can be no assurance that changes will not be made to UK taxes, such as VAT. VAT is not currently chargeable on the majority of the Group's services. The introduction of such a tax could therefore significantly increase the cost to clients of the Group's services.	There are currently specific exemptions under European legislation for the UK on the VAT treatment of funerals. Any change would apply to the industry as a whole and not just the Group.	No significant changes noted in the period.	No significant change
Regulation of pre-arranged funeral plans Pre-arranged funeral plans are not a regulated product, but are subject to a specific financial services exemption. Changes to the basis of any regulation could affect the Group's opportunity to sell pre-arranged funeral plans in the future or could result in the Group not being able to draw down the current level of marketing allowances, which would have a direct impact on the profitability of the pre-arranged funeral plan division.	Any changes would apply to the industry as a whole and not just the Group.	No significant changes noted in the period.	No significant change
Changes in the funding of the pre-arranged funeral plan business The Group has given commitments to pre-arranged funeral plan members to provide certain funeral services in the future. Funding for these plans is reliant on either insurance companies paying the amounts owed or the pre-arranged funeral plan Trusts having sufficient assets to meet their liabilities in the future. If this is not the case, then the Group may receive a lower amount per funeral than expected and thus generate lower profits.	There is considerable regulation around insurance companies which is designed, amongst other things, to ensure that the insurance companies meet their obligations. The Trusts hold assets with the objective of achieving returns slightly in excess of inflation. Historically, these assets have been heavily weighted towards gilts and corporate bonds. The Trustees, who operate independently of the Group, have advised that they are implementing a new investment strategy covering a wider range of assets classes. The new strategy is intended to enhance investment returns for a similar level of risk, albeit with greater volatility.	The latest actuarial valuation of the pre-arranged funeral plan trusts confirmed that the Trusts continue to have sufficient assets to meet their liabilities.	No significant change

Financial risk management

Risk and impact	Mitigating activities	2015 commentary	Change
Financial Covenant under the Secured Notes The Group's Secured Notes requires EBITDA to total debt service to be above 1.5 times. If this financial covenant is not achieved, then this may lead to an Event of Default under the terms of the Secured Notes, which could result in the Security Trustee taking control of the securitisation group on behalf of the Secured Noteholders. In addition, the Group is required to achieve a more stringent ratio of 1.85 times for the same test in order to be permitted to transfer excess cash from the securitisation group to Dignity plc. If this stricter test is not achieved, then the Group's ability to pay dividends would be impacted.	The nature of the Group's debt means that the denominator is now fixed unless further Secured Notes are issued in the future. This means that the covenant headroom will change proportionately with changes in EBITDA.	The restructuring of the Group's debt obligations provides greater headroom against the financial covenant as the annual debt service obligation is approximately 15 per cent lower.	No significant change

Consolidated income statement (unaudited)
for the 26 week period ended 26 June 2015

	Note	26 week period ended 26 Jun 2015 £m	26 week period ended 27 Jun 2014 £m	52 week period ended 26 Dec 2014 (audited) £m
Revenue	2	**158.7**	133.1	268.9
Cost of sales		**(61.0)**	(53.6)	(109.0)
Gross profit		**97.7**	79.5	159.9
Administrative expenses		**(39.5)**	(34.7)	(77.0)
Operating profit	2	**58.2**	44.8	82.9
Analysed as:				
Underlying operating profit	2	**59.7**	45.6	84.9
Loss on sale of fixed assets		**-**	(0.1)	(0.3)
External transaction costs		**(1.5)**	(0.7)	(1.7)
Operating profit		**58.2**	44.8	82.9
Finance costs	3	**(13.4)**	(15.8)	(154.8)
Analysed as:				
Underlying finance costs		**(13.4)**	(15.8)	(30.6)
Loss on extinguishment of Old Notes – exceptional		**-**	-	(123.2)
Elimination of swap - exceptional		**-**	-	(1.0)
Finance costs		**(13.4)**	(15.8)	(154.8)
Finance income	3	**0.2**	2.5	4.2
Profit/ (loss) before tax	2	**45.0**	31.5	(67.7)
Taxation - before exceptional items	4	**(10.0)**	(7.3)	(13.1)
Taxation - exceptional	4	**-**	-	25.8
Taxation	4	**(10.0)**	(7.3)	12.7
Profit/ (loss) for the period attributable to equity shareholders		**35.0**	24.2	(55.0)
Earnings per share for profit/ (loss) attributable to equity shareholders				
– Basic (pence)	5	**71.0p**	45.2p	(104.0)p
– Diluted (pence)	5	**70.9p**	45.1p	(104.0)p
Underlying earnings per share (pence)	5	**74.0p**	46.7p	85.8p

Consolidated statement of comprehensive income (unaudited)
for the 26 week period ended 26 June 2015

	26 week period ended 26 Jun 2015 £m	26 week period ended 27 Jun 2014 £m	52 week period ended 26 Dec 2014 (audited) £m
Profit/ (loss) for the period	**35.0**	24.2	(55.0)
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on retirement benefit obligations	**1.8**	(2.4)	(10.8)
Tax (charge)/ credit on remeasurement of retirement benefit obligations	**(0.4)**	0.5	2.2
Other comprehensive gain/ (loss)	**1.4**	(1.9)	(8.6)
Comprehensive income/ (loss) for the period	**36.4**	22.3	(63.6)
Attributable to:			
Equity shareholders of the parent	**36.4**	22.3	(63.6)

Consolidated balance sheet (unaudited)
as at 26 June 2015

	Note	**26 Jun 2015**	27 Jun 2014	26 Dec 2014 (audited)
		£m	£m	£m
Assets				
Non-current assets				
Goodwill		**185.0**	175.1	182.3
Intangible assets		**99.1**	79.6	94.2
Property, plant and equipment		**194.7**	187.4	192.3
Financial and other assets		**10.2**	10.6	10.4
		489.0	452.7	479.2
Current assets				
Inventories		**6.2**	6.6	6.5
Trade and other receivables		**32.0**	26.5	30.0
Cash and cash equivalents – excluding collateralisation of Liquidity Facility		**123.1**	86.3	86.5
Cash and cash equivalents – collateralisation of Liquidity Facility[1]		**-**	63.2	-
Cash and cash equivalents	7	**123.1**	149.5	86.5
		161.3	182.6	123.0
Total assets		**650.3**	635.3	602.2
Liabilities				
Current liabilities				
Financial liabilities – excluding collateralisation of Liquidity Facility		**8.1**	21.4	8.0
Financial liabilities – collateralisation of Liquidity Facility[1]		**-**	63.2	-
Financial liabilities		**8.1**	84.6	8.0
Trade and other payables		**62.0**	51.5	51.2
Current tax liabilities		**7.3**	6.8	-
Provisions for liabilities and charges		**1.2**	1.2	1.4
		78.6	144.1	60.6
Non-current liabilities				
Financial liabilities		**598.7**	395.5	602.9
Deferred tax liabilities		**17.0**	26.4	13.6
Other non-current liabilities		**2.9**	2.7	2.6
Provisions for liabilities and charges		**5.1**	3.8	4.5
Retirement benefit obligation		**9.0**	3.3	10.5
		632.7	431.7	634.1
Total liabilities		**711.3**	575.8	694.7
Shareholders' equity				
Ordinary share capital		**6.1**	6.0	6.1
Share premium account		**4.8**	22.9	2.8
Capital redemption reserve		**141.7**	121.6	141.7
Other reserves		**(6.0)**	(7.2)	(5.5)
Retained earnings		**(207.6)**	(83.8)	(237.6)
Total equity		**(61.0)**	59.5	(92.5)
Total equity and liabilities		**650.3**	635.3	602.2

(1) In 2013, the Group forced the cash collateralisation of the Liquidity Facility, which supports the repayment of Secured Notes in the event of default. This followed the downgrade of RBS by S&P. Following the Group's refinancing in October 2014 this collateralisation is no longer required. Further information can be found in the 2014 Annual Report.

Consolidated statement of changes in equity (unaudited)
as at 26 June 2015

	Ordinary share capital £m	Share premium account £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total £m
Shareholders' equity as at 27 December 2013	6.0	20.8	121.6	(6.4)	(99.8)	42.2
Profit for the 26 weeks ended 27 June 2014	-	-	-	-	24.2	24.2
Remeasurement loss on defined benefit obligations	-	-	-	-	(2.4)	(2.4)
Tax on pensions	-	-	-	-	0.5	0.5
Total comprehensive income	-	-	-	-	22.3	22.3
Effects of employee share options	-	-	-	0.8	-	0.8
Tax on employee share options	-	-	-	0.4	-	0.4
Proceeds from share issue(1)	-	2.1	-	-	-	2.1
Gift to Employee Benefit Trust	-	-	-	(2.0)	-	(2.0)
Dividends (note 6)	-	-	-	-	(6.3)	(6.3)
Shareholders' equity as at 27 June 2014	6.0	22.9	121.6	(7.2)	(83.8)	59.5
Loss for the 26 weeks ended 26 December 2014	-	-	-	-	(79.2)	(79.2)
Remeasurement loss on defined benefit obligations	-	-	-	-	(8.4)	(8.4)
Tax on pensions	-	-	-	-	1.7	1.7
Total comprehensive income	-	-	-	-	(85.9)	(85.9)
Effects of employee share options	-	-	-	1.2	-	1.2
Tax on employee share options	-	-	-	0.5	-	0.5
Proceeds from share issue(1)	0.1	-	-	-	-	0.1
Issue and redemption of B Shares in respect of Capital Option	-	(20.1)	20.1	-	(20.1)	(20.1)
Dividend in respect of Special Dividend Option	-	-	-	-	(44.3)	(44.3)
Dividends (note 6)	-	-	-	-	(3.5)	(3.5)
Shareholders' equity as at 26 December 2014	6.1	2.8	141.7	(5.5)	(237.6)	(92.5)
Profit for the 26 weeks ended 26 June 2015	-	-	-	-	35.0	**35.0**
Remeasurement gain on defined benefit obligations	-	-	-	-	1.8	**1.8**
Tax on pensions	-	-	-	-	(0.4)	**(0.4)**
Total comprehensive income	-	-	-	-	36.4	**36.4**
Effects of employee share options	-	-	-	1.0	-	**1.0**
Tax on employee share options	-	-	-	0.5	-	**0.5**
Proceeds from share issue(2)	-	2.0	-	-	-	**2.0**
Gift to Employee Benefit Trust	-	-	-	(2.0)	-	**(2.0)**
Dividends (note 6)	-	-	-	-	(6.4)	**(6.4)**
Shareholders' equity as at 26 June 2015	**6.1**	**4.8**	**141.7**	**(6.0)**	**(207.6)**	**(61.0)**

(1) Relating to issue of 281,430 shares under 2011 LTIP scheme and 14,896 shares under 2010 SAYE scheme.
(2) Relating to issue of 249,067 shares under 2012 LTIP scheme and 330 shares under 2013 SAYE scheme

The above amounts relate to transactions with owners of the Company except for the items reported within total comprehensive income.

Capital redemption reserve
The capital redemption reserve represents £80,002,465 B Shares that were issued on 2 August 2006 and redeemed for cash on the same day and £19,274,610 B Shares that were issued on 10 October 2010 and redeemed for cash on 11 October 2010, £22,263,112 B Shares that were issued on 12 August 2013 and redeemed for cash on 20 August 2013 and £20,154,070 B Shares that were issued and redeemed for cash in November 2014.

Other reserves
Other reserves includes movements relating to the Group's SAYE and LTIP schemes and associated deferred tax, together with a £12.3 million merger reserve.

Consolidated statement of cash flows (unaudited)
for the 26 week period ended 26 June 2015

		26 week period ended		52 week period ended
		26 Jun 2015	27 Jun 2014	26 Dec 2014 (audited)
	Note	**£m**	£m	£m
Cash flows from operating activities				
Cash generated from operations before external transaction costs and exceptional pension contribution	9	**71.0**	53.3	104.4
Exceptional contribution to pension scheme		**-**	-	(1.0)
External transaction costs in respect of acquisitions		**(0.6)**	(0.5)	(1.1)
Cash generated from operations		**70.4**	52.8	102.3
Finance income received		**0.3**	0.3	0.6
Finance costs paid		**(5.9)**	(15.0)	(38.0)
Transfer from restricted bank accounts for finance costs		**5.6**	14.6	14.6
Payments to restricted bank accounts for finance costs		**(12.8)**	(14.7)	(5.6)
Total payments in respect of finance costs		**(13.1)**	(15.1)	(29.0)
Tax refund/ (paid)		**0.8**	(6.9)	(6.9)
Net cash generated from operating activities		**58.4**	31.1	67.0
Cash flows from investing activities				
Acquisition of subsidiaries and businesses (net of cash acquired)	11	**(10.1)**	(5.2)	(24.7)
Proceeds from sale of property, plant and equipment		**0.5**	0.3	0.5
Vehicle replacement programme and improvements to locations		**(5.6)**	(5.5)	(14.1)
Branch relocations		**(3.1)**	(0.5)	(1.4)
Satellite locations		**-**	-	(0.1)
Development of new crematoria and cemeteries		**(0.1)**	(1.2)	(1.6)
Purchase of property, plant and equipment		**(8.8)**	(7.2)	(17.2)
Net cash used in investing activities		**(18.4)**	(12.1)	(41.4)
Cash flows from financing activities				
Proceeds from issue of New Notes		**-**	-	94.0
Cash settlement of Old Notes		**-**	-	(5.9)
External transaction costs relating to extinguishment of Old Notes		**-**	-	(5.8)
Net Proceeds from issue of New Notes		**-**	-	82.3
Issue costs in respect of borrowings and Secured Notes		**(0.1)**	-	(0.9)
Issue costs in respect of debt facility		**(0.1)**	-	-
Proceeds from share issue		**-**	0.1	0.1
Repayment of swaps		**-**	-	(5.1)
Repayment of borrowings		**(4.0)**	(5.9)	(11.6)
Transfer from restricted bank accounts for repayment of borrowings		**4.0**	5.7	5.7
Payments to restricted bank accounts for repayment of borrowings		**(4.1)**	(5.9)	(4.0)
Total payments in respect of borrowings		**(4.1)**	(6.1)	(9.9)
Dividends paid to shareholders on Ordinary Shares	6	**(6.4)**	(6.3)	(9.8)
Redemption of B Shares in respect of Capital Option		**-**	-	(20.1)
Redemption of C Shares in respect of Special Dividend Option		**-**	-	(44.3)
Net cash used in financing activities		**(10.7)**	(12.3)	(7.7)
Net increase in cash and cash equivalents		**29.3**	6.7	17.9
Cash and cash equivalents at the beginning of the period		**76.9**	59.0	59.0
Cash and cash equivalents at the end of the period	7	**106.2**	65.7	76.9
Restricted cash	7	**16.9**	20.6	9.6
Collateralisation of Liquidity Facility (restricted)	7	**-**	63.2	-
Cash and cash equivalents at the end of the period as reported in the consolidated balance sheet	7	**123.1**	149.5	86.5

Notes to the interim financial information 2015 (unaudited)
for the 26 week period ended 26 June 2015

1 Accounting policies

The principal accounting policies adopted in the preparation of this interim condensed consolidated financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The interim condensed consolidated financial information of Dignity plc (the 'Company') is for the 26 week period ended 26 June 2015 and comprises the results, assets and liabilities of the Company and its subsidiaries (the 'Group').

The interim condensed consolidated financial information has been reviewed, not audited and does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. This interim condensed consolidated financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 'interim financial reporting' as adopted by the European Union.

The interim condensed consolidated financial information has been prepared in accordance with all applicable International Financial Reporting Standards ('IFRSs'), as adopted by the European Union, that are expected to apply to the Group's Financial Report for the 52 week period ended 25 December 2015. This does not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the 52 week period ended 26 December 2014. The Directors approved this interim condensed consolidated financial information on 29 July 2015.

The accounting policies applied by the Group in this interim condensed consolidated financial information are the same as those applied by the Group in its audited consolidated financial statements as at and for the 52 week period ended 26 December 2014, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The basis of consolidation is set out in the Group's accounting policies in those financial statements.

The Group has applied IFRS 10, Consolidated financial statements, in preparing the interim financial information. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor on whether an entity should be included within the consolidated financial statements of the parent company. In order to have control, IFRS 10 requires a parent company to have power over the investee, an exposure to variable returns because of its involvement in the investee and the ability to use its power over the investee to affect the amount of the variable returns. The Group has specifically considered IFRS 10 in light of the Group's non consolidation of its pre-arranged funeral plan trusts.

IFRS 10 consideration	Analysis
Power over the investee. Power arises when the investor has existing rights that gives them the ability to direct the relevant activities of the investee, being those activities which influence the returns achieved by the investee.	Dignity has no voting rights over the Trusts or any rights to direct the activities of the Trusts. Whilst Dignity has the power to appoint or remove trustees, legislation requires the majority of trustees to be independent of Dignity. Whilst Dignity controls the charge levied to the Trusts for the provision of funeral services, it does not have the power to direct the investment decisions of the Trusts.
The investor is exposed, or has rights, to variable returns from its involvement with the investee.	Dignity receives an allowance for the marketing of the plans and for the performance of a funeral. From time to time Dignity may receive a surplus from the Trusts. Ultimately Dignity's return is wholly dependent on the investment performance of the Trusts.
The investor has the ability to use its power over the investee to affect the amount of the investor's returns.	A majority of the Trustees are required, by legislation, to be independent of Dignity and therefore Dignity does not, and cannot, control the actions of the Trustees. The investment strategy is set, implemented and monitored by the Trustees. Consequently, Dignity does not have the power to affect the amount of its returns.

The Group does not believe that, given the above conditions required for consolidation in the new standard, a change in accounting policy is required.

1 Accounting policies (continued)

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. In preparing this interim condensed consolidated financial information, the significant judgments made by the management in applying the Group's accounting policies and key source of estimation uncertainty were the same (except for the judgments applied in the assessment of IFRS 10 as detailed above) as those applied to the audited consolidated financial statements as at and for the 52 week period ended 26 December 2014.

Comparative information has been presented as at and for the 26 week period ended 27 June 2014 and as at and for the 52 week period ended 26 December 2014.

The comparative figures for the 52 week period ended 26 December 2014 do not constitute statutory accounts for the purposes of s434 of the Companies Act 2006. A copy of the Group's statutory accounts for the 52 week period ended 26 December 2014 have been delivered to the Registrar of Companies and contained an unqualified auditors' report in accordance with s498 of the Companies Act 2006.

2 Revenue and segmental analysis

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker of the Group has been identified as the four Executive Directors. The Group has three reporting segments, funeral services, crematoria and pre-arranged funeral plans. The Group also reports central overheads, which comprise unallocated central expenses.

Funeral services relate to the provision of funerals and ancillary items, such as memorials and floral tributes.

Crematoria services relate to cremation services and the sale of memorials and burial plots at the Dignity operated crematoria and cemeteries.

Pre-arranged funeral plans represent the sale of funerals in advance to customers wishing to make their own funeral arrangements, and the marketing and administration costs associated with making such sales.

Substantially all Group revenue is derived from, and substantially all of the Group's assets and liabilities are located in, the United Kingdom and Channel Islands and relates to services provided. Overseas transactions are not material.

Underlying profit is stated before profit or loss on sale of fixed assets, external transaction costs and exceptional items. Underlying operating profit is included as it is felt that adjusting operating profit/ (loss) for these items provides a useful indication of the Group's performance.

The revenue and operating profit/ (loss), by segment, was as follows:

26 week period ended 26 June 2015

	Revenue £m	Underlying operating profit/ (loss) before depreciation and amortisation £m	Depreciation and amortisation £m	Underlying operating profit/ (loss) £m	External transaction costs £m	Operating profit/ (loss) £m
Funeral services	**112.5**	**51.7**	**(5.1)**	**46.6**	**(1.5)**	**45.1**
Crematoria	**33.7**	**21.1**	**(1.6)**	**19.5**	**-**	**19.5**
Pre-arranged funeral plans	**12.5**	**4.1**	**(0.1)**	**4.0**	**-**	**4.0**
Central overheads	**-**	**(10.1)**	**(0.3)**	**(10.4)**	**-**	**(10.4)**
Group	**158.7**	**66.8**	**(7.1)**	**59.7**	**(1.5)**	**58.2**
Finance costs				**(13.4)**	**-**	**(13.4)**
Finance income				**0.2**	**-**	**0.2**
Profit before tax				**46.5**	**(1.5)**	**45.0**
Taxation – continuing activities				**(10.0)**	**-**	**(10.0)**
Underlying earnings for the period				**36.5**		
Total other items					**(1.5)**	
Profit after taxation						**35.0**
Earnings per share for profit attributable to equity shareholders (pence)						
– Basic				**74.0p**		**71.0p**

2 Revenue and segmental analysis (continued)

26 week period ended 27 June 2014

	Revenue	Underlying operating profit/ (loss) before depreciation and amortisation	Depreciation and amortisation	Underlying operating profit/ (loss)	Loss on sale of fixed assets and external transaction costs	Operating profit/ (loss)
	£m	£m	£m	£m	£m	£m
Funeral services	92.4	39.0	(4.7)	34.3	(0.4)	33.9
Crematoria	28.1	16.7	(1.5)	15.2	-	15.2
Pre-arranged funeral plans	12.6	4.1	(0.1)	4.0	-	4.0
Central overheads	-	(7.6)	(0.3)	(7.9)	(0.4)	(8.3)
Group	133.1	52.2	(6.6)	45.6	(0.8)	44.8
Finance costs				(15.8)	-	(15.8)
Finance income				2.5	-	2.5
Profit before tax				32.3	(0.8)	31.5
Taxation – continuing activities				(7.3)	-	(7.3)
Underlying earnings for the period				25.0		
Total other items					(0.8)	
Profit after taxation						24.2
Earnings per share for profit attributable to equity shareholders (pence)						
– Basic				46.7p		45.2p

52 week period ended 26 December 2014

	Revenue	Underlying operating profit/ (loss) before depreciation and amortisation	Depreciation and amortisation	Underlying operating profit/ (loss)	Loss on sale of fixed assets, external transaction costs and exceptional items	Operating profit/ (loss)
	£m	£m	£m	£m	£m	£m
Funeral services	184.4	75.9	(9.6)	66.3	(1.5)	64.8
Crematoria	55.2	32.3	(3.2)	29.1	(0.2)	28.9
Pre-arranged funeral plans	29.3	7.6	(0.2)	7.4	-	7.4
Central overheads	-	(17.4)	(0.5)	(17.9)	(0.3)	(18.2)
Group	268.9	98.4	(13.5)	84.9	(2.0)	82.9
Finance costs				(30.6)	(124.2)	(154.8)
Finance income				4.2	-	4.2
(Loss)/ profit before tax				58.5	(126.2)	(67.7)
Taxation - continuing activities				(13.1)	-	(13.1)
Taxation - exceptional				-	25.8	25.8
Taxation				(13.1)	25.8	12.7
Underlying earnings for the period				45.4		
Total other items					(100.4)	
Loss after taxation						(55.0)
Earnings per share for (loss)/ profit attributable to equity shareholders (pence)						
– Basic				85.8p		(104.0)p

3 Net finance costs

	26 week period ended		52 week period ended
	26 Jun 2015	27 Jun 2014	26 Dec 2014
	£m	£m	£m
Finance costs			
Old Notes	**-**	13.7	21.8
New Notes	**12.5**	-	5.1
Amortisation of issue costs	**-**	0.9	1.5
Crematoria Acquisition Facility	**0.3**	0.3	0.6
Other loans	**0.5**	0.7	1.3
Unwinding of discounts	**0.1**	0.2	0.3
Underlying finance costs	**13.4**	15.8	30.6
Extinguishment of Old Notes – exceptional	**-**	-	123.2
Elimination of swap - exceptional	**-**	-	1.0
Finance costs	**13.4**	15.8	154.8
Finance income			
Bank deposits	**(0.2)**	(0.5)	(1.0)
Amortisation of premium on Old Notes	**-**	(2.0)	(3.2)
Finance income	**(0.2)**	(2.5)	(4.2)
Net finance costs	**13.2**	13.3	150.6

4 Taxation

The taxation charge on continuing operations in the period is based on a full year estimated effective tax rate, before exceptional items, of 21.5 per cent (2014: 22.5 per cent) on profit before tax for the 26 week period ended 26 June 2015.

	26 week period ended		52 week period ended
	26 Jun 2015	27 Jun 2014	26 Dec 2014
	£m	£m	£m
Taxation	**10.0**	7.3	(12.7)

The main rate of Corporation Tax in the UK changed from 21 per cent to 20 per cent from 1 April 2015. Further rate changes are anticipated, if these are subsequently enacted in the form expected then the corporation tax rate will reduce by 1 per cent in 2017 and then by a further 1 per cent in 2020. The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements.

Each percentage point reduction in Corporation Tax rate is expected to reduce the deferred tax liability by approximately £0.8 million. These impacts will be recognised in the period in which substantive enactment occurs.

5 Earnings per share (EPS)
The calculation of basic earnings per Ordinary Share has been based on the profit attributable to equity share holders for the relevant period.

For diluted earnings per Ordinary Share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of any dilutive potential Ordinary Shares.

The Group has two classes of potentially dilutive Ordinary Shares being those share options granted to employees under the Group's SAYE Scheme and the contingently issuable shares under the Group's LTIP Schemes. At the balance sheet date, the performance criteria for the vesting of the awards under the LTIP Schemes are assessed, as required by IAS 33, and to the extent that the performance criteria have been met those contingently issuable shares are included within the diluted EPS calculations. In December 2014, the potential issue of new shares pursuant to the Group's share option plans had no impact on the calculation of earnings per share.

The Board believes that profit on ordinary activities before profit (or loss) on sale of fixed assets, external transaction costs, exceptional items and after taxation is a useful indication of the Group's performance, as it excludes significant non-recurring items. This reporting measure is defined as 'Underlying profit after taxation'.

Accordingly, the Board believes that earnings per share calculated by reference to this underlying profit after taxation is also a useful indicator of financial performance.

Reconciliations of the earnings and the weighted average number of shares used in the calculations are set out below:

	Earnings £m	Weighted average number of shares millions	Per share amount pence
26 week period ended 26 June 2015			
Underlying profit after taxation and EPS	**36.5**	**49.3**	**74.0**
Add: External transaction costs (net of taxation of £nil million)	**(1.5)**		
Profit attributable to shareholders – Basic EPS	**35.0**	**49.3**	**71.0**
Profit attributable to shareholders – Diluted EPS	35.0	49.4	70.9
26 week period ended 27 June 2014			
Underlying profit after taxation and EPS	25.0	53.5	46.7
Add: Loss on sale of fixed assets and external transaction costs (net of taxation of £nil million)	(0.8)		
Profit attributable to shareholders – Basic EPS	24.2	53.5	45.2
Profit attributable to shareholders – Diluted EPS	24.2	53.7	45.1
52 week period ended 26 December 2014			
Underlying profit after taxation and EPS	45.4	52.9	85.8
Add: Exceptional items, loss on sale of fixed assets and external transaction costs (net of taxation of £25.8 million)	(100.4)		
Loss attributable to shareholders – Basic and diluted EPS	(55.0)	52.9	(104.0)

6 Dividends
On 26 June 2015, the Group paid a final dividend, in respect of 2014, of 13.01 pence per share (2014: 11.83 pence per share) totalling £6.4 million (2014: £6.3 million).

On 29 July 2015, the Directors declared an interim dividend, in respect of 2015, of 7.14 pence per share (2014: 6.49 pence per share) totalling £3.5 million (2014: £3.5 million), which will be paid on 30 October 2015 to those shareholders on the register at the close of business on 25 September 2015.

7 Cash and cash equivalents

	Note	**26 Jun 2015 £m**	27 Jun 2014 £m	26 Dec 2014 £m
Operating cash as reported in the consolidated statement of cash flows as cash and cash equivalents		**106.2**	65.7	76.9
Amounts set aside for debt service payments	(a)	**16.9**	20.6	9.6
Collateralisation of Liquidity Facility	(b)	**-**	63.2	-
Cash and cash equivalents as reported in the balance sheet		**123.1**	149.5	86.5

(a) This amount was transferred to restricted bank accounts which could only be used for the payment of the interest and principal on the Secured Notes, the repayment of liabilities due on the Group's interest rate swaps and commitment fees due on its undrawn borrowing facilities and for no other purpose. Consequently, this amount does not meet the definition of cash and cash equivalents in IAS 7, Statement of Cash Flows. In June 2015 this amount was used to pay these respective parties on 30 June 2015 and in December 2014 this amount was used to pay these respective parties on 31 December 2014. Of this amount £12.8 million (December 2014: £5.6 million) is shown within the Statement of Cash Flows as 'Payments to restricted bank accounts for finance costs' and £4.1 million (December 2014: £4.0 million) is shown within 'Financing activities' as 'Payments to restricted bank accounts for repayment of borrowings'.

(b) As described in the 2014 Annual Report, this amount represents the cash collateralisation of the Liquidity Facility which does not meet the definition of cash and cash equivalents in IAS 7.

8 Net debt

	26 Jun 2015 £m	27 Jun 2014 £m	26 Dec 2014 £m
Net amounts owing on Old Notes	-	(396.3)	-
Net amounts owing on New Notes	**(590.6)**	-	(594.6)
Add: unamortised issue costs – issued 2014	**(0.7)**	(15.4)	(0.7)
Gross amounts owing on Secured Notes per financial statements	**(591.3)**	(411.7)	(595.3)
Net amounts owing on Crematoria Acquisition Facility per financial statements	**(15.6)**	(15.6)	(15.6)
Add: unamortised issue costs on Crematoria Acquisition Facility	**(0.2)**	(0.2)	(0.2)
Gross amounts owing	**(607.1)**	(427.5)	(611.1)
Accrued interest on Secured Notes	**(12.9)**	(14.4)	(5.7)
Cash and cash equivalents[(1)]	**123.1**	86.3	86.5
Net debt	**(496.9)**	(355.6)	(530.3)

(1) In June 2014, cash held as collateral for the Liquidity Facility was excluded as it did not meet the definition of cash and cash equivalents in IAS7.

In addition to the above, the consolidated balance sheet also includes finance lease obligations and other financial liabilities which totalled £0.7 million (June 2014: £5.0 million; December 2014: £0.7 million). These amounts do not represent sources of funding for the Group and are therefore excluded from the calculation of net debt.

The Group's primary financial covenant in respect of the New Notes requires EBITDA to total debt service ('EBITDA DSCR') to be at least 1.5 times. At 26 June 2015, the actual ratio was 4.37 times (December 2014: 10.69 times). The New Notes were issued on 17 October 2014. Consequently, Senior Interest only accrues from this date for the Relevant Period. Debt Service, assuming a full year Senior Interest would have been approximately £33.7 million. On this basis, the EBITDA DSCR would have been 3.38 times (December 2014: 2.95 times) and the Free Cashflow to total debt service would have been 3.11 times (December 2014: 2.47 times). June 2014 comparatives are not provided as the New Notes were not tested at that time.

These ratios are calculated for EBITDA and total debt service on a 12 month rolling basis and reported quarterly. In addition, both terms are specifically defined in the legal agreement relating to the Secured Notes. As such, they cannot be accurately calculated from the contents of this Report.

9 Reconciliation of cash generated from operations

	26 week period ended		52 week period ended
	26 Jun 2015	27 Jun 2014	26 Dec 2014
	£m	£m	£m
Net profit/ (loss) for the period	**35.0**	24.2	(55.0)
Adjustments for:			
Taxation	**10.0**	7.3	(12.7)
Net finance costs	**13.2**	13.3	26.4
Loss on disposal of fixed assets	**-**	0.1	0.3
Depreciation charges	**7.0**	6.5	13.3
Amortisation of intangibles	**0.1**	0.1	0.2
Movement in inventories	**0.3**	-	0.2
Movement in trade receivables	**(1.6)**	1.2	0.3
Movement in trade payables	**0.9**	(0.8)	(0.6)
External transaction costs	**1.5**	0.7	1.7
Loss on extinguishment of Old Notes - exceptional	**-**	-	123.2
Elimination of swap - exceptional	**-**	-	1.0
Difference in pension charge and cash contribution	**0.1**	(0.2)	-
Changes in other working capital (excluding acquisitions)	**3.5**	0.1	4.1
Employee share option charges	**1.0**	0.8	2.0
Cash generated from operations before external transaction costs and exceptional pension contributions	**71.0**	53.3	104.4

10 Financial risk management and financial instruments

(a) Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 26 December 2014. There have been no changes in the approach to risk management or in any risk management policies since the year end.

(b) Liquidity risk
Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

(c) Fair value estimation
All financial assets and liabilities are carried at amortised cost. The fair value and book value of the borrowings, which are level 1 (other than in respect of the Crematoria Acquisition Facility which is level 2), are set out below. With the exception of long-term and short-term borrowings (excluding finance lease obligations) the fair value and the book value are the same.

	26 Jun 2015 £m	26 Dec 2014 £m
Long-term borrowings (excluding finance lease obligations)	**621.4**	649.6

Long-term borrowings (excluding finance lease obligations) has a book value of £598.0 million (December 2014: £602.2 million) and short-term borrowings (excluding finance lease obligations) has a book value of £8.1 million (December 2014: £8.0 million).

11 Acquisitions and disposals

(a) Acquisition of subsidiary and other businesses

	Provisional fair value £m
Property, plant and equipment	**1.2**
Intangible assets: trade names	**4.9**
Cash acquired	**1.0**
Receivables	**0.2**
Provisions	**(0.1)**
Deferred taxation	**(0.7)**
Net assets acquired	**6.5**
Goodwill arising	**2.7**
	9.2
Satisfied by:	
Cash paid on completion	**8.4**
Accrued consideration	**0.8**
Total consideration	**9.2**

During 2015, the Group acquired the operational interest of 10 funeral locations.

All assets and liabilities are recorded at their provisional fair values. The residual excess of the consideration paid over the net assets acquired is recognised as goodwill, of which £0.8 million is tax deductible. This goodwill represents future benefits to the Group in terms of revenue, market share and delivering the Group's strategy.

The fair value adjustments contain provisional amounts, which will be finalised in the 2015 full year results. These adjustments reflect the recognition of trade names and associated deferred taxation, and adjustments to reflect the fair value of other working capital movements such as receivables, inventories and accruals which are immaterial.

All acquisitions have been accounted for under the acquisition method. None were individually material and consequently have been aggregated. The aggregated impact of the acquisitions on the Income Statement for the period is not material.

(b) Reconciliation to cash flow statement

	£m
Cash paid on completion	8.4
Cash paid in respect of prior year acquisitions	2.7
Cash acquired on acquisition	(1.0)
Acquisition of subsidiaries and businesses as reported in the Cash flow statement	10.1

(c) Acquisition and disposals of property, plant and equipment

In addition to the above, there were additions in relation to crematoria developments totalling £0.1 million (June 2014: £1.2 million; December 2014: £1.6 million) and £8.7 million (June 2014: £6.0 million; December 2014: £15.6 million) of other additions to property, plant and equipment in the period. The Group also received proceeds of £0.5 million (June 2014: £0.3 million; December 2014: £0.5 million) from disposals of property, plant and equipment, which had a net book value of £0.5 million (June 2014: £0.4 million; December 2014: £0.7 million).

The Group had capital expenditure authorised by the Board and contracted for at the balance sheet date of £13.7 million (June 2014: £10.0 million; December 2014: £2.0 million) in respect of property, plant and equipment.

12 Pre-arranged funeral plan trust

During the period, the Group entered into transactions with the Trusts associated with the pre-arranged funeral plan businesses. The nature of the relationship with the Trusts is set out in the accounting policies, which can be found in the Group's 2014 Annual Report. Amounts may only be paid out of the Trusts in accordance with the relevant Trust Deeds.

Transactions principally comprise:
- The recovery of marketing and administration allowances in relation to plans sold net of cancellations; and
- Receipts from the Trusts in respect funerals provided.

Transactions also include:
- Receipts from the Trusts in respect of cancellations by existing members;
- Reimbursement by the Trusts of expenses paid by the Group on behalf of the respective Trusts; and
- The payment of realised surpluses generated by the Trust funds as and when the trustees sanction such payments.

Transactions are summarised below:

	Transactions during the period			**Amounts due to the Group within one year at the period end**		
	26 week period ended		52 week period ended	**26 week period ended**		52 week period ended
	26 Jun 2015 £m	27 Jun 2014 £m	26 Dec 2014 £m	**26 Jun 2015 £m**	27 Jun 2014 £m	26 Dec 2014 £m
Dignity Limited Trust Fund	**0.2**	0.2	0.3	**-**	-	-
National Funeral Trust	**20.9**	16.7	34.8	**2.0**	1.6	2.4
Trust for Age UK Funeral Plans	**19.9**	16.8	35.1	**1.7**	1.8	2.8
Peace of Mind Trusts	**1.1**	0.6	1.5	**-**	0.2	0.3

A further £3.2 million (June 2014: £3.0 million; December 2014: £3.7 million) is due after more than one year.

13 Post balance sheet events

On 13 July 2015, the Group completed the acquisition of 36 funeral locations from Laurel Funerals for consideration of £38 million. The Group has not, at the point of authorisation for issue of this interim report, completed its assessment of the fair values of assets and liabilities acquired and the intangible assets arising in respect of this acquisition and therefore no further disclosure is provided.

There were no other significant post balance sheet events.

14 Interim Report

Copies of this Interim Report are available at the Group's website www.dignityfuneralsplc.co.uk.

15 Securitisation

In accordance with the terms of the securitisation carried out in April 2003, Dignity (2002) Limited (the holding company of those companies subject to the securitisation) has today issued reports to the Rating Agencies (Fitch Ratings and Standard & Poor's), the Security Trustee and the holders of the notes issued in connection with the securitisation confirming compliance with the covenants established under the securitisation.

16 Seasonality

The Group's financial results and cash flows have historically been subject to seasonal trends between the first half and second half of the financial year. Traditionally, the first half of the financial year sees slightly higher revenue and profitability. There is no assurance that this trend will continue in the future.

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that:

(a) The interim condensed consolidated financial information has been prepared in accordance with IAS 34 as adopted by the European Union; and

(b) The Interim Report includes a fair review of the information as required by:

- DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first half of 2015 and their impact on the interim condensed consolidated financial information; and a description of the principal risks and uncertainties for the remaining second half of the year; and

- DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first half of 2015 and any material changes in the related party transactions described in the last annual report.

The Directors of Dignity plc and their functions are listed below:

Peter Hindley - Non-Executive Chairman
Mike McCollum - Chief Executive
Steve Whittern - Finance Director
Andrew Davies - Operations Director
Richard Portman - Corporate Services Director
Alan McWalter – Senior Independent Director
Ishbel Macpherson - Non-Executive Director
Jane Ashcroft - Non-Executive Director
Martin Pexton - Non-Executive Director

By order of the Board

Steve Whittern
Finance Director
29 July 2015

Independent review report to Dignity plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Interim Report for the 26 week period ended 26 June 2015 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes 1 to 16. We have read the other information contained in the Interim 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. 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 Interim Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, 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 Interim 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 Interim 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 Interim Report for 26 week period ended 26 June 2015 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.

Ernst & Young LLP
Birmingham
29 July 2015