

Notes to the Financial Statements

5. Non-recurring Items

For the period	52 weeks to 30 March 2018 £m	52 weeks to 31 March 2017 £m
Non-recurring operating expenses:		
Organisational Restructure Costs (a)	4.3	0.6
Autocentres operational review (b)	0.6	—
Acquisition and investment related fees (c)	0.2	1.7
Operating lease obligation (d)	(0.3)	0.3
Costs in relation to a historic legal case (e)	—	0.8
Non-recurring operating expenditure	4.8	3.4
Acquisition related interest charge (f)	(0.3)	0.6
Non-recurring items before tax	4.5	4.0
Tax on non-recurring items (g)	(0.8)	(0.9)
Non-recurring items after tax	3.7	3.1

- a. In the current and prior year separate and unrelated organisational restructuring activities were undertaken. These comprised:
- Redundancy costs of £0.7m (FY17: £0.6m);
 - £1.0m provision for compensation to the new CEO on joining for foregoing entitlements from a previous employer, as outlined at the time of announcement of his appointment;
 - £1.5m in relation to a restructure of the Boardman business. Boardman has stopped selling directly to customers through the Boardman website. The website will be maintained as a 'brand' website, with customers being directed to purchase bikes predominantly through Cycle Republic; and
 - £1.1m in relation to asset write-offs, principally resulting from the strategic decision to close the marketplace offer on Halfords.com.
- b. Costs of £0.6m were incurred in FY18 in relation to the review of the operating model of the Autocentres business.
- c. In FY18 further acquisition and investment related fees were incurred relating to the investment in Tyres On The Drive. Prior year costs predominantly related to the acquisition of Tredz & Wheelies.
- d. The operating lease obligation in the current year related to a provision release of £0.3m from amounts originally provided for the Group's guarantor obligations arising from historically held lease guarantees. Prior year costs related to rectification work to one of the Group's retail stores, which was required to make good an area of land upon which the store is located.
- e. During the prior year the Group settled a court case which related to activities during FY12. The size and historic nature of the settlement was outside the normal experience of the Group.
- f. There was a £0.3m credit from the release of the remaining portion of interest charge due on the contingent consideration for Tredz, which was paid in May 2017.
- g. The tax credit of £0.8m represents a tax rate of 19.0% applied to non-recurring items. The prior period represents a tax credit at 20% applied to non-recurring items.

6. Finance Income and Costs

Recognised in profit or loss for the period	52 weeks to 30 March 2018 £m	52 weeks to 31 March 2017 £m
Finance costs:		
Bank borrowings	(1.3)	(1.1)
Amortisation of issue costs on loans	(0.5)	(0.7)
Commitment and guarantee fees	(0.5)	(0.6)
Acquisition related interest charges	0.3	(0.6)
Interest payable on finance leases	(0.8)	(0.8)
Finance costs	(2.8)	(3.8)
Finance income:		
Bank and similar interest	0.1	0.1
Income from forward foreign exchange contracts	—	1.4
Finance income	0.1	1.5
Net finance costs	(2.7)	(2.3)