Nichols plc

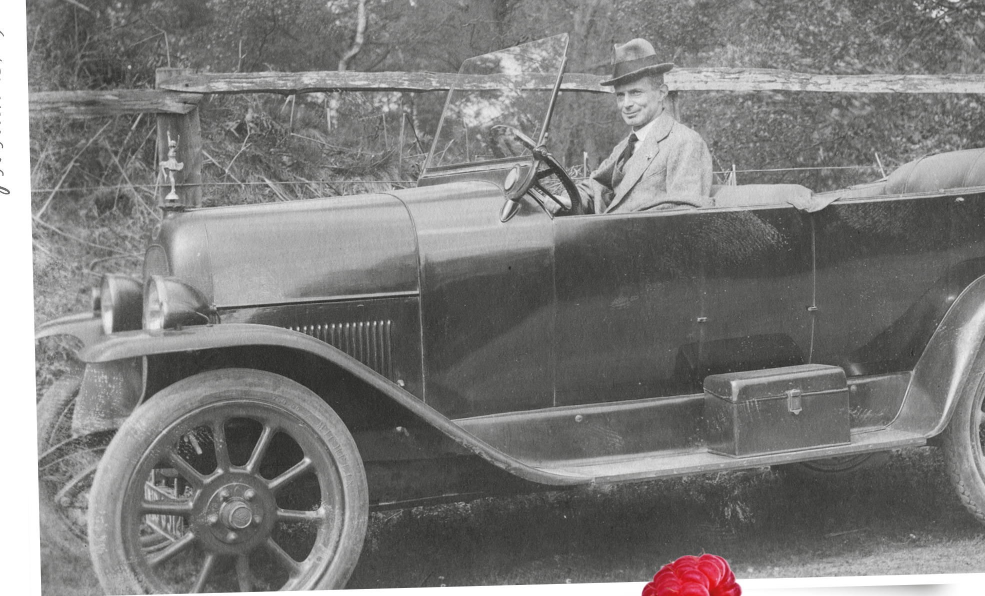
2017 ANNUAL REPORT

Vimto in Africa, 2018

Ayres Road Chemists Dept, 1948

Vimto on dispense

J N Nichols, 1922



Feel Good Drinks Skinny dip, 2017

Loved from

1908 - 2018

Hello,

WE'VE BEEN MAKING THE WORLD *Smile* BY BEING *refreshingly different* SINCE 1908

THREE CHEEKY BOYS ENJOYING A BOTTLE OF VIMTO IN MACCLESFIELD, 1960.

CONTENTS

NICHOLS PLC IS AN INTERNATIONAL SOFT DRINKS BUSINESS WITH SALES IN OVER 85 COUNTRIES, SELLING PRODUCTS IN BOTH THE STILL AND CARBONATE CATEGORIES.

The Group is home to the iconic Vimto brand which is popular in the UK and around the world, particularly in the Middle East and Africa. Other brands in its portfolio include Feel Good, Starslush, ICEE, Levi Roots and Sunkist.

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PERFORMANCE

GROUP REVENUE

2016 £117.3m
2017 £132.8m
+13.2%

OPERATING PROFIT*

2016 £30.3m
2017 £30.5m
+0.7%

OPERATING PROFIT

2016 £30.3m
2017 £28.7m
-5.3%

PROFIT BEFORE TAX*

2016 £30.4m
2017 £30.5m
+0.4%

EPS (BASIC)*

2016 66.18p
2017 67.76p
+2.4%

NET CASH

2016 £39.8m
2017 £36.1m
-9.3%

*Pre-exceptional items. Exceptional items are explained in note 4 of the financial statements.

NON-EXECUTIVE CHAIRMAN

NICHOLS

“ WE ARE WELL PREPARED FOR THE INTRODUCTION OF THE SUGAR LEVY WITH 100% OF THE VIMTO AND FEEL GOOD BRANDS PORTFOLIO ALREADY EXEMPT FROM THE LEVY. ”

" The Group has delivered a strong revenue performance throughout 2017, with both the UK and international businesses contributing to a double-digit increase compared to the prior year.

Despite industry wide cost input increases and the challenges in Yemen as reported in our Trading Update on 19 December 2017, profit pre-exceptional items has been maintained at the same level as the prior year and the Board has recommended a 15.3% increase in the final dividend. "

UK MARKET SALES TOTALLED

£100.8m

VIMTO BRAND GREW BY

9.0%

INTERNATIONAL SALES INCREASED

20.4%

Trading

Total Group revenue for 2017 has increased by 13.2% to £132.8m (12.2% on a constant exchange rate basis). This has been delivered across the Group in both our UK and International businesses highlighting the advantages of our diversified business model.

UK sales totalled £100.8m, an increase of 11.0%, which is a strong performance given ongoing challenges in the UK market. Once again, the Vimto brand has significantly outperformed the market with sales in 2017 up by 9.0% compared to the overall UK soft drinks market which was up by 2.2% in the same period (Nielsen year to 30 December 2017). Elsewhere in the UK, our Out of Home business increased its sales by 21.5% compared to the prior year. This was delivered from both our dispensed soft drinks and frozen beverages product ranges and demonstrates the benefits of recent acquisitions in this part of our business.

Sales to our international customers grew by 20.4% to £32.0m (2016: £26.6m). Revenues to Africa were £12.7m, an increase of 21.2% compared to 2016. Despite the reported challenges in Yemen, revenues to the Middle East region were up 13.4%, although this was in the context of softer comparatives in the prior year (2016: -7.0%).

Whilst the Group remains highly profitable with Group Profit Before Tax and exceptional items delivering a 23% return on sales (2016: 26%), the margin has been impacted by increased input costs affecting the wider industry. In addition to the margin dilution and as reported in our Trading Update on 19 December 2017, the escalation in hostilities in Yemen prevented the planned shipments of Vimto concentrate in December. As a result, Group Profit Before Tax and exceptional items of £30.5m was broadly in line with the prior year (2016: £30.4m).

Exceptional Items

The Group incurred a number of costs during 2017 which by their nature were non-recurring and have been reported as exceptional items. These costs fell into three categories: merger and acquisition expenses, restructuring costs and costs incurred in preparation for the introduction of the Soft Drinks Industry Levy. The total cost of these exceptional items was £1.8m.

Dividend

As a reflection of the Board's confidence in the Group's financial position and future growth prospects, we are pleased to recommend a final dividend of 23.4 pence per share (2016: 20.3 pence).

If accepted by our shareholders, the total dividend for 2017 will be 33.5 pence (2016: 29.3 pence), an increase of 14.3% on the prior year. Subject to shareholder approval, the final dividend will be paid on 4 May 2018 to shareholders registered on 23 March 2018; the ex-dividend date is 22 March 2018.

Outlook

In 2018, we expect to maintain the positive sales trend in the UK with the Vimto brand being supported by a new marketing campaign launching in the spring. In addition, we are well prepared for the introduction of the sugar levy with 100% of the Vimto and Feel Good brands portfolio already exempt from the levy.

In our international business, we are confident of continued sales growth in Africa, however the current conflict in the Yemen coupled with a slowdown in the Saudi economy, suggests that sales to the Middle East region will soften in 2018.

In summary, the Group remains highly profitable and our diversified business model and strong balance sheet, along with the resilience of the Vimto brand will continue to support the expected sales growth in 2018.

John Nichols
Non-Executive Chairman
28 February 2018

CHIEF EXECUTIVE OFFICER

“WE ARE PROUD OF THE HERITAGE OF OUR BRAND AND PROUD OF ALL THE PARTNERS WE WORK WITH ACROSS THE GLOBE.”

> “I am pleased to report Group sales grew by 13.2% despite the global soft drinks market remaining challenging. The strength of the Vimto brand, our geographical reach and continued focus on driving “value over volume” delivered an excellent sales performance across the Group.”

All of our routes to market have performed well and it's particularly rewarding to see the diversified business model contributing so positively to the overall growth of our business.

We are proud of the heritage of our brand and proud of all the partners we work with across the globe. Some overseas core markets have proved challenging during 2017, but the resilience of the brand and the love our consumers have for Vimto, ensures we continue to perform strongly in these geographies.

The acquisition of one of our distributors, DJ Drink Solutions Limited, was made in 2017 to further strengthen our Out of Home presence in the North of England.

The Soft Drinks Industry Levy will be introduced into the UK in April 2018 and I am delighted to report we are already 100% levy free across the Vimto and Feel Good brands portfolio.

All Vimto reformulation work was completed and introduced into the market during the second half of 2017. Our no added sugar Vimto sales grew by 20% in 2017 and I am extremely pleased with the position of our product portfolio ahead of the implementation of the levy.

AN INCREASE OF 5% FROM 2016*

The UK Soft Drinks Market

* (As measured by Nielsen year to date 30 December 2017)

In 2017, volumes in the UK soft drinks market were flat at 0.2%. Value sales were slightly higher but still only showing modest growth of 2.2%, with the overall market totalling £7.8 billion.

Within the soft drinks market, value growth was seen across mixers, colas, plain and flavoured waters and fruit carbonates. Energy drinks, dilutables, fruit drinks and sports drinks were all sectors in decline.

Vimto has added an impressive £3.5m to its brand value (Nielsen data) in twelve months and is now worth £76m, an increase of 5%. This metric is important to us as the UK soft drinks market remains highly competitive and promotionally driven, but we continue with our focus of adding value to the brand through our focus on driving “value over volume” and to the sector as a whole.

The category remains highly competitive and promotionally driven but we continue with our focus of adding value to the sector. Our product innovation, under the sub brand Remix has added £6.3m to the retail sales brand value in less than 3 years. In both the dilutable and ready to drink categories, Vimto has significantly outperformed the market. Vimto dilutes grew by 9.0% versus a market decline of 3.6%, whilst Vimto ready to drink has outperformed the market by 7.2 percentage points.

The UK On-Trade

(As measured by CGA, Total Licensed, Total Soft Drinks, last 12 months to 4 November 2017)

The UK on-trade soft drinks sector saw a dip in consumption as volume has decreased by 1.6% and value sales also decreased by 1.3%, as consumers remain cautious with spending.

All categories, including beers, wines & spirits, are experiencing a challenging time, potentially related to the drop in frequency in total eating out as consumers tighten their belts during these uncertain economic times. Category performance has also been affected by the number of licensed outlets in the UK declining 1%. This is across Free Trade and Leased & Tenanted as the market remains a challenging place.

Operational Review

Vimto UK

Vimto achieved an impressive sales increase of 9.0% during 2017, with both original and Remix contributing to that market leading performance. Driven through all market channels and across all pack formats, dilute and ready to drink achieved double digit growth at 10% and 11% respectively.

It is more important than ever for brands to remain relevant and top of mind for consumers. The UK market is fiercely competitive, with unprecedented changes taking place in the retail space. Our customers are continually looking for winning brands and are taking tough decisions to ensure they are fit for the future. Therefore, with this backdrop it is particularly pleasing to see Vimto succeeding in these difficult times.

Pink Remix 500ml ready to drink was launched in 2017 and delivered a 13% increase in sales on our Remix brand in the Cash & Carry sector. Our launch of drink now water in the form of Vim2o helped to improve our Convenience business by 12% and we achieved 4,000 new distribution points for our Vimto 500ml range within the M25 as part of our Go South extended trial.

Our marketing campaign for 2017 continued to feature our very own successful Vimtoad alongside the Remixed toad. However, I am sad to report this is the last you will see of the Vimtoad as he prepares for retirement. We have appointed a new creative agency and have developed new brand positioning which will be launched in spring 2018.

Feel Good was relaunched in 2017 with new packaging design, new and improved flavours as well as launching Feel Good Infusions which allowed the brand to enter the water category.

The launch was announced with 100 women taking part in a Skinny Dip to celebrate the strapline "100% natural and 100% Feel Good". The subsequent digital advert reached 2.4 million of our target "Health Conscious Urbanites", the outdoor advertising seen by 2.5 million people and the radio campaign attracted 2.5 million listeners. As a result of this good work, I am pleased to report Feel Good now has a brand value of £3.2m.

FEEL GOOD DRINKS NOW HAS A BRAND VALUE OF £3.2m*

STRATEGIC REPORT \ CHIEF EXECUTIVE OFFICER'S REPORT

*AS MEASURED BY NIELSEN YEAR TO DATE 30 DECEMBER 2017. **MADE WITH ALL NATURAL INGREDIENTS.

Vimto International

International revenue, despite some extraordinary trading challenges was up 20.4%.

Africa delivered an outstanding performance with growth of 21.2% (14.1% on a constant exchange rate basis), with three new countries coming on stream in 2017: Mauritania, Benin and Uganda. Core markets in this geographical region continued to perform well with in-market sales up by 21%.

We launched a new 250ml Vimto can, which was initially sold into Guinea in order to celebrate, with Vimto, at large family gatherings. Pleasingly, this has not detracted sales from the original 330ml can, but created a new drinking occasion for Vimto.

Following our hugely successful launch into Sudan in 2016, we introduced Vimto ready to drink in a carton, which has already resulted in 2.3m units being consumed in market. The rollout of Vimto Ginger and Vimto Malt continued into 2017 and was joined by Vimto Watermelon.

The relationship with our partner Aujan Coca-Cola Beverages Company in the Middle East is over 90 years old and again in 2017 they delivered a truly impressive 360-degree marketing campaign, which included new creative content for Ramadan delivered across all forms of media. Their TV campaign reached 96% of their target audience, in store displays were as magnificent as previous years, with the star of the show being a 6 metre tall replica of Big Ben and their digital content achieved collectively over 220 million impressions.

Despite the challenging macro-economic environment in the region, which saw the introduction of a "bubble tax" at the end of 2017, our sales to the Middle East were up 13.4%. The tax has been applied to carbonated soft drinks and energy drinks at a level of 50% and 100% respectively. Our first new flavour development, Vimto strawberry, was launched into the region and our Vimto 250ml still ready to drink targeted at children was the star performer of the portfolio.

2017 saw the launch of Vimto slush into the region in the United Arab Emirates and the Kingdom of Saudi Arabia. So far, the results have been encouraging and we look forward to installing additional machines during 2018.

Our long standing partner in Yemen has experienced many operational challenges during 2017 due to the hostilities in his country and this situation remains unchanged. Unfortunately, this did impact our Group profit, as we were unable to ship concentrate as we had planned in December.

Vimto Out of Home

Vimto Out of Home delivered a second year of good organic sales growth of 11.0%. Including the DJ Drink Solutions Limited (DJ) acquisition, who were our largest distributor based in the North of England, overall sales were up 21.5%.

I am very pleased with the performance of our Distributor network in this sales channel and would like to thank them for their continued hard work and support. Our overall market share of cola dispense grew in 2017, with sales of no added sugar cola accelerating as we start to see consumer tastes change in the on-trade.

The Starslush brand performed well in 2017 with increased sales of 7%, driven by some great new business wins such as Tayto Park in Ireland and Flamingo Land in Yorkshire. In addition we introduced our first ever new flavour under the Starslush brand for Halloween, a blood orange variant, which delivered good incremental volume.

In line with all our UK packaged products, all our frozen beverage brands will be sugar levy ready by April and we have made absolutely sure they have kept their original great taste.

In 2017, we embarked on a new long-term relationship with the great American ICEE brand which is famous for its frozen carbonated beverage.

ICEE in the USA already works in partnership with many of the great brands we have in our Out of Home product range. We look forward to developing that partnership over the coming years, as frozen carbonated beverages are particularly strong in the cinema chains in both the UK and Europe.

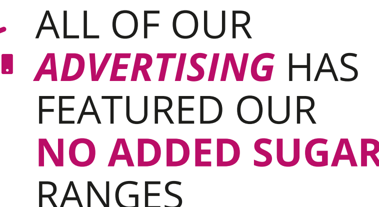
Sales of the Starslush brand **increased by 7% in 2017**

Corporate Responsibility

The Soft Drinks Industry Levy will be introduced in April 2018. Before this legislation was introduced, we had been working for many years on the following:

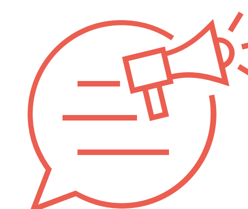
REDUCING SUGAR IN OUR PRODUCT PORTFOLIO

ALL ***NEW*** PRODUCT DEVELOPMENT FOR THE LAST 5 YEARS HAS FOCUSED ON **NO ADDED SUGAR**



ALL OF OUR ***ADVERTISING*** HAS FEATURED OUR **NO ADDED SUGAR** RANGES

As a result:



- **100%** OF OUR OWN BRANDS ARE **EXEMPT** FROM THE SOFT DRINKS INDUSTRY LEVY
- WE HAVE **REMOVED 2,000 TONNES OF SUGAR** SINCE 2011
- WE HAVE **REDUCED 9.5 BILLION CALORIES** FROM OUR PRODUCTS
- BY 2020 WE WILL HAVE TAKEN MORE THAN **20% OF CALORIES OUT** OF OUR DRINKS

Our Community

We continued to support Warrington Youth Club in 2017. Warrington Youth Club believes in "inspiring young people to achieve" and supports young people's development by offering opportunities to increase and develop skills, self-awareness and confidence. In support of this work, Nichols plc ran a "dragons den" workshop as part of the national NCS programme and over six weeks, twenty young people took part in this initiative. They were given a real business issue for which they had to find a solution and then pitch their proposal to a panel of Vimto dragons. The successful all-girl winning team were then taken to the House of Lords for the day accompanied by Baroness Helen Newlove. Thanks also goes to all our partners, suppliers and friends who joined us at our annual golf day and attended our Moonlight gala dinner where we raised over £30,000 for the Youth Club.

Our People

Our values have been truly embedded into our day to day lives here at Nichols. This year our annual STAR awards were reinvigorated and are now a real reflection of how our colleagues feel about each other.

AWARDED TO: STEVE DAVEY

PASSIONATE ABOUT WHAT WE DO
AWARDED TO: LEE GIBSON

PAUSE BE BRAVE MAKE A DIFFERENCE
AWARDED TO: ADAM JONES

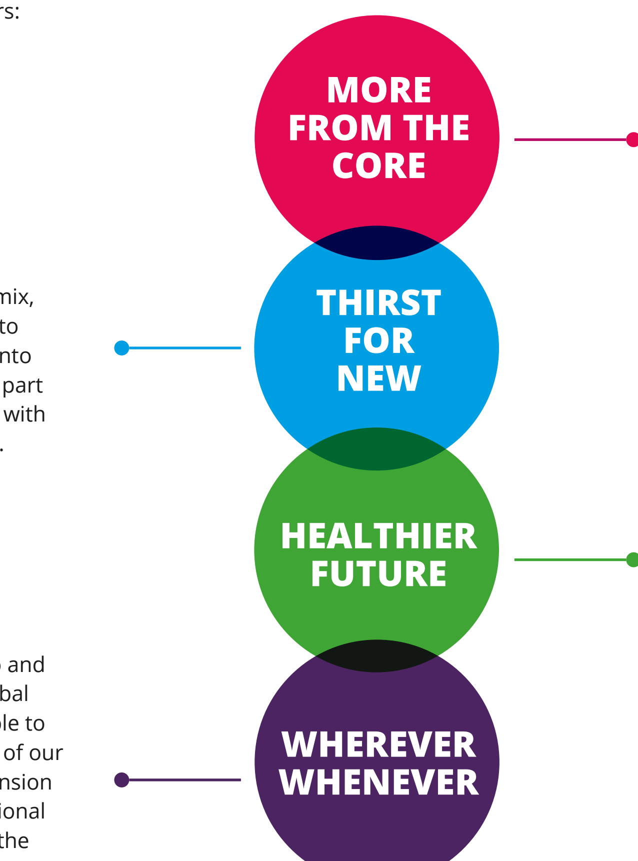
3 EXTRA SPECIAL STAR AWARDS
WERE MADE TO: TEAM ROSS, HAZEL JOBBINS & DARREN JACKSON

I would like to take this opportunity to thank each and every member of our work family. It has been a challenging year with many changes taking place within the business. Many individuals have taken on additional tasks to their day job and they have tackled that with the "vim and vigour" I see day in and day out in the organisation. A very big thank you to you all!

We conducted our second employee engagement survey at the beginning of 2017. 88% of our colleagues responded to our survey and we achieved an engagement score of 95% which was very pleasing. 99% of our respondents are proud to work at Vimto, with 93% feeling they have an opportunity to work and grow with us.

OUR VISION

We continue to develop our rolling long-term strategy built upon our four key pillars:



We will build upon the success we have achieved for Vimto in 2017. We remain focussed on value driving activity and look forward to the new exciting creative campaign to be released in 2018. There is significant headroom for growth for both Vimto and Feel Good both in the UK and overseas.

As we have proven with Remix, product innovation is key to attracting new consumers into our brands. It remains a key part of our growth strategy along with appropriate acquisitions.

Our entry into the water category with Vim2o and Feel Good Infusions are indicative of our determination to have natural healthier soft drinks within our product portfolio. We will continue to work on our product formulations in order to ensure we meet the changing tastes of our consumers, which include taking into account their desire for less sugar both home and abroad.

With our diversified portfolio and our flexible outsourced global production model, we are able to meet the ever changing needs of our consumers. Geographic expansion for both the UK and international remains a high priority for the business.

Outlook

Vimto will be a magnificent 110 years old in 2018 and its brand performance in 2017 is as strong as ever. We are facing unprecedented change in our market environment, not just in the UK but internationally. Consumers' tastes, beliefs and habits are all contributing to different choices being made and we believe with continued investment in our brands and our people, we are well placed to meet these challenging times. Our diversified model has and will continue to serve us well and we remain committed to acquisition of the right brand and or the right business.

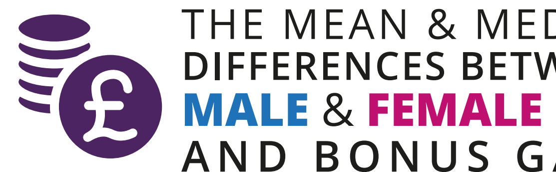
Marnie Millard
Chief Executive Officer

28 February 2018

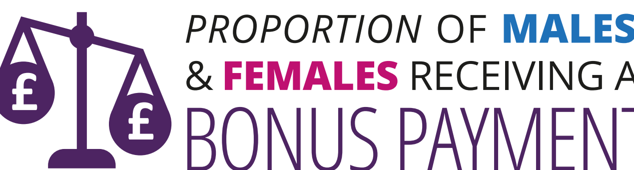
THE GENDER PAY GAP REPORT 2017

AS OF 5 APRIL 2017, EMPLOYERS WITH MORE THAN 250 EMPLOYEES ARE REQUIRED TO REPORT ON THEIR GENDER PAY GAP. NICHOLS PLC HAD FEWER THAN 250 EMPLOYEES ON THIS DATE, HOWEVER, IN THE SPIRIT OF TRANSPARENCY HAVE DECIDED TO PUBLISH ITS RESULTS. THE LEGISLATION REQUIRES 6 CALCULATIONS TO BE PUBLISHED:

- *PROPORTION* OF **MALES** & **FEMALES** IN EACH **PAY QUARTILE**

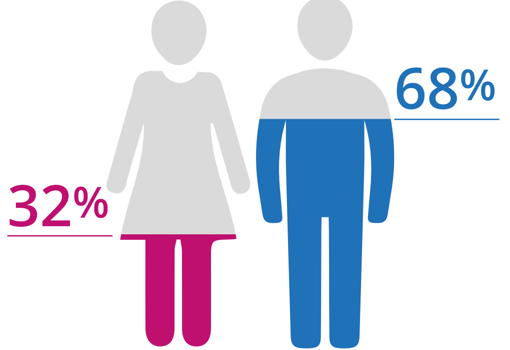


THE MEAN & MEDIAN DIFFERENCES BETWEEN **MALE** & **FEMALE PAY** AND BONUS GAPS



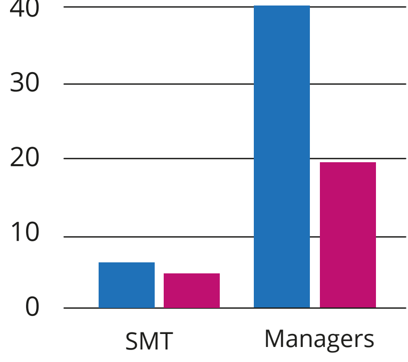
PROPORTION OF **MALES** & **FEMALES** RECEIVING A BONUS PAYMENT

% EMPLOYEES SPLIT BY GENDER



Our Out of Home technical, distribution and manufacturing functions traditionally have attracted a higher % of male employees, however, we are delighted to see females in our regional sales operatives' roles.

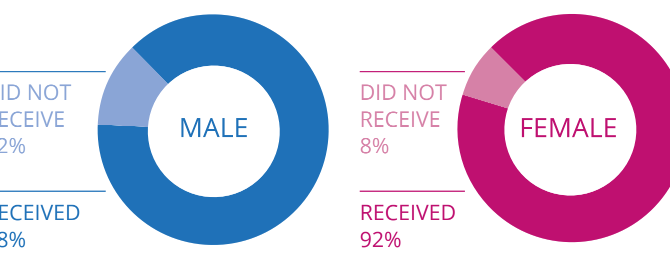
PROPORTION OF MALES & FEMALES WITHIN SENIOR MANAGEMENT TEAM & MANAGERS WITHIN THE GROUP.



● MALE ● FEMALE

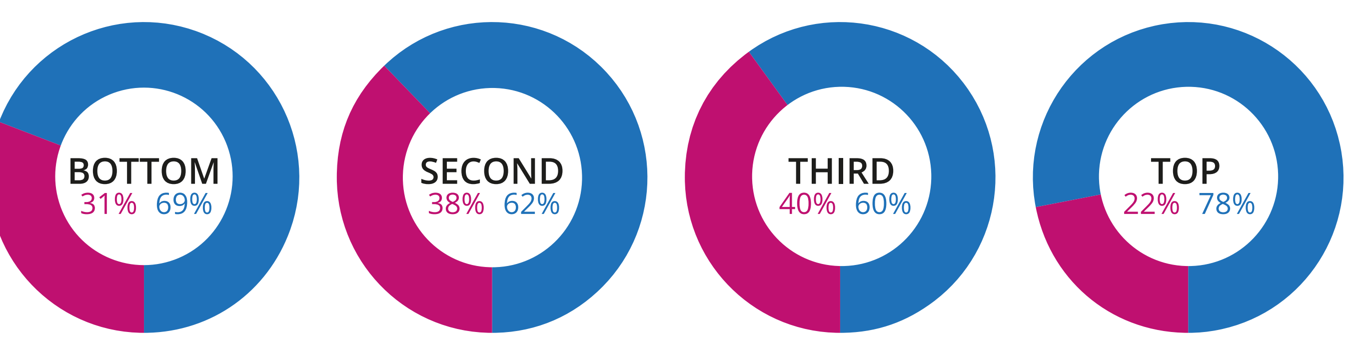
We are delighted that our senior management team has a 6:5 male:female ratio and our CEO is female. The split of male/ female managers across the Group is indicative of the distribution and technical aspect of our Out of Home route to market. However, diversity is reflected in this area with 1 of our 3 regional sales managers being female.

PROPORTION OF MALES & FEMALES RECEIVING A BONUS PAYMENT



The potential to earn a bonus was not available to all employees in 2016. From 2017, every employee has the potential to earn a bonus, which is linked to Group performance and personal objectives.

PROPORTION OF MALES & FEMALES IN EACH PAY QUARTILE



The review of the pay per quartile, based on hourly pay, is a reflection of the workforce as previously mentioned in this report. By way of explanation of what could be stated as the disproportionate median bonus figure, this is reflective of the higher proportion of female employees in the 3rd quartile and the % of females on the senior management team who were paid bonuses in 2016, versus the higher number of male employees across the Group in predominately blue collar roles, who were not entitled to bonus payments in 2016. This has been addressed in 2017.

● FEMALE
● MALE

HOURLY PAY: MEAN **5%** MEDIAN **2%** | **BONUS:** MEAN **7%** MEDIAN **-137%**

GROUP COMMERCIAL DIRECTOR

Andrew
MILNE

" THE VIMTO BRAND HAS SEEN VALUE GROWTH OF 5% DURING THE YEAR WHICH IS A RATE THAT IS MORE THAN DOUBLE THE SOFT DRINKS MARKET VALUE GROWTH. "

OUR KEY TEEN *audience* VIEWED OUR *advertising* 20 MILLION TIMES

Following on from the Chief Executive Officer's report, I am going to provide some greater insight into a number of key strategic initiatives that have been at the core of driving our business performance in 2017.

The Vimto brand has seen value growth of 5% during the year which is a rate that is more than double the soft drinks market value growth and has seen us increase our market share. I am particularly pleased with our performance across squash and our ready to drink ranges. In both subcategories we are the fastest growing brand with an outperformance in squash of 12.8 percentage points and in ready to drink 7.2 percentage points.

The performance of our Vimto Remix no added sugar ranges have been fundamental in driving the growth. Building on the strong platform we built when we launched the product in 2016, we have added further pack formats across both the Mango, Strawberry and Pineapple and Raspberry, Orange and Passionfruit flavours.

We have gained new listings of these additional packs whilst gaining incremental availability and visibility of the products we launched in 2016 that has allowed us to deliver nationwide distribution.

This was supported throughout the summer with a successful marketing campaign, focused heavily on cinema and video on demand that ensured our key teenage audience viewed our advertising 20 million times.

The successful launch of the Vimto Remix no added sugar sub-brand has brought new consumers into Vimto and has played a key role in driving penetration of the brand which grew by 4.5% during 2017.

I am excited and encouraged about the platform we have built for future growth and incremental sales across these new products.

During 2017, we have continued to ensure our diversified business model delivers strong growth throughout each of our commercial routes to market. Our African business once again has played a pivotal role by delivering sales growth of 14.1% (on a constant exchange rate basis). This is against a backdrop of double digit growth in 2016. The key to our success across the African continent has been on a number of fronts.

Firstly we have again driven accelerated growth across our core markets by executing strong local marketing campaigns supported by our first pan African TV advertising that was aired across 20 countries. By working in partnership with local distributors and bottlers we have seen new and successful launches across Mauritania, Benin and Uganda which will provide us with a strong platform for growth in future years.

Secondly, new product launches have been a feature of our campaign. By understanding the local needs of our consumers within the markets in which we operate, we have launched a new Vimto Watermelon range in the second half of 2017. This will add to our growing portfolio now including Vimto Malt and Vimto Ginger products and will continue to drive incremental revenue in 2018.

Finally, we have introduced a range of new pack formats to ensure Vimto is available for our consumers to enjoy across a spectrum of drinking occasions. Within our Guinea market, we introduced a new 250ml can which has been consumed during weddings and has not cannibalised our current 330ml pack format. We have also launched a still Vimto in a prism tetra format that has been particularly popular with younger consumers within the Sudan. All of these strategies across a range of countries on the African continent puts us in a strong position to continue to drive growth across this market in future years.

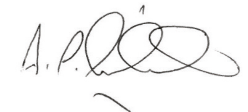
THE SWEETEST TASTING WATERMELON DRINK!

We have again been able to strengthen the portfolio of brands we are able to offer our range of customers across our Out of Home business by the addition of the frozen ICEE brand. ICEE is the world's largest carbonated frozen brand and was invented in America over 50 years ago. The ICEE brand will complement our uncarbonated Starslush brand, and allow us to go to market with a total solution across the frozen drinks category. We were pleased to be able to sign a long-term partnership with the ICEE company that gives us distribution rights across Western Europe.

Acquisition has also been at the core of our strategy in Out of Home in 2017. Earlier in the year we acquired the DJ Drink Solutions Limited (DJ) business, one of our existing distributors. DJ operates across the North West, North East and North Wales geographies offering both cold drinks and coffee to a range of Out of Home customers. By purchasing the business we will be able to realise the full margin by delivering straight to the end customer, whilst driving efficiencies into our current infrastructure.

Finally, it was a proud moment to be able to open our first Vimto shop in one of the country's most iconic visitor attractions – Blackpool Pleasure Beach. Operating in the middle of our key North West heartland, visitors are now able to purchase the full range of our Vimto products from a frozen Vimto drink to our iconic Vimto bon bons in one easy to shop location.

2018 will see us continue our strategy of driving sales growth across our three distinct routes to market, and we will support this strategy with the launch of a brand new and exciting advertising campaign that will go live across the key summer trading period.



Andrew Milne
Group Commercial Director

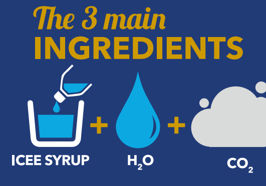
28 February 2018

WORLD'S #1 FROZEN BEVERAGE

ICEE COMPANY OF LOS ANGELES WAS FOUNDED IN SOUTHERN CALIFORNIA

It all began in 1967

The 3 main INGREDIENTS



#FeelGoodSummer
SCHOOL OF FEEL GOOD
FOR YOUR CHANCE TO
Starslush
£2.10
DELICIOUS
VIMTO
Butlin's
PLEASURE BEACH
GRADUATION

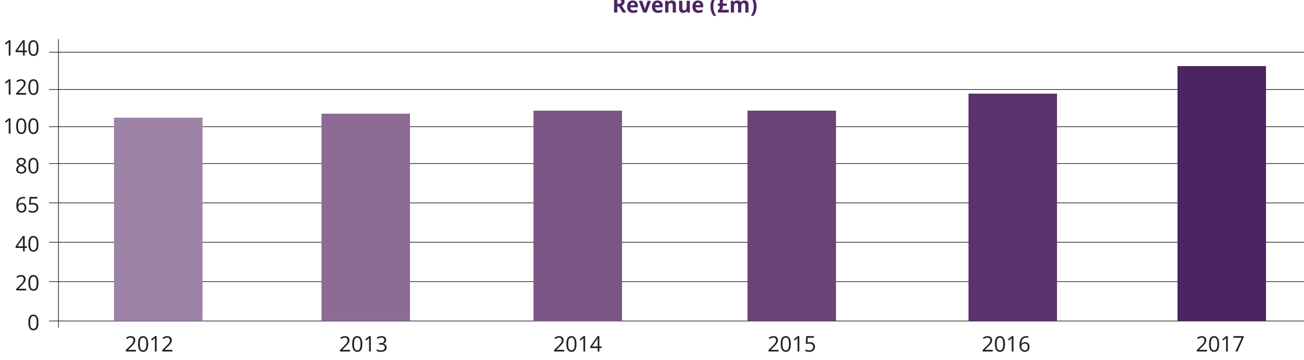
CHIEF FINANCIAL OFFICER

CROSTON

"REFLECTING ON 2017, THE GROUP HAS DELIVERED A SOLID PERFORMANCE, WITH DOUBLE DIGIT REVENUE GROWTH ACHIEVED IN BOTH OUR UK AND INTERNATIONAL BUSINESSES."

Reflecting on 2017, the Group has delivered a solid performance. Double digit revenue growth was achieved in both our UK and international businesses, in addition, the Group remains very profitable and is underpinned by a strong balance sheet. This is despite the headwinds of challenges in the UK trading environment and an escalation of hostilities in one of our Middle Eastern territories.

Income Statement



Group revenue increased by 13.2% to £132.8m (2016: £117.3m).

Business Segments Review

Still

2016	£59.5m
2017	**£64.1m**

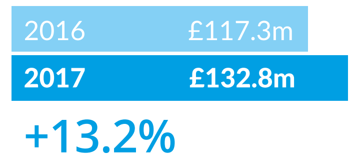
+7.7%

Carbonate

2016	£57.8m
2017	**£68.7m**

+18.9%

Total



2016	£117.3m
2017	**£132.8m**

+13.2%

Whilst both business segments contributed to the sales growth, the majority of the increase came from Carbonates. This excellent performance was driven by growth in Africa, where the vast majority of sales are Carbonate and the increase in Out of Home sales in the UK.

UK Sales

UK revenues increased by 11.0% to £100.8m which represents 76% of Group income.

This was a very strong performance within a challenging trading environment. The UK market dynamics are evolving at a rapid pace, although overall growth is minimal, the rising trend for convenience shopping and the increasing influence of the discounters means that suppliers need to be agile and responsive to change.

Against that backdrop, I am delighted to report that Vimto brand sales grew

UK SALES GREW BY

11.0%

AFRICAN MARKET SALES INCREASED BY

21.2%

VIMTO SALES GREW BY

9.0%

by 9.0% in the year which compares to an overall market growth of 2.2% growth (Nielsen MAT to 30 December 2017). Once again, the Vimto brand has gained market share, the growth was driven by sales within the Still segment across the Multiples and Discounters.

Elsewhere in our UK business, sales within our Out of Home business totalled £38.9m, a 21.5% increase on the prior year. Growth on a like for like basis excluding the acquisition of DJ Drink Solutions Limited (DJ) (acquired 2 June 2017) was 11.3%.

International Sales

Sales in our international business grew by 20.4% (15.9% on a constant exchange rate basis) to £32.0m.

It is pleasing to report that revenue from the USA and central Europe increased by 37% compared to the prior year, growing our international footprint beyond the core markets of Africa and the Middle East. These regions now represent c20% of our international revenues.

The strong momentum in Africa was maintained in 2017 with sales up 21.2% on the prior year (14.1% on a constant exchange rate basis). This result is all the more impressive as the 2016 comparatives delivered 19.7% year on year growth. The 2017 increase came from both core and new markets in the region.

In our pre-Christmas Trading Update (19 December 2017) we reported that an escalation of hostilities in Yemen had prevented the shipments of Vimto concentrate planned for December 2017. At the time of writing, the situation in Yemen remains unchanged, therefore we are uncertain as to the timing at which we will be able to resume shipments to our Yemeni customer. Despite this unfortunate situation, which is clearly something that management cannot control, sales to the Middle East region in 2017 increased by 13.4% (12.1% on a constant exchange rate basis). However, this performance should be considered in combination with the 2016 reported sales to the Middle East which were 7.0% down on the prior year. As previously explained, reported Middle East sales are sensitive to timing around the Group's year end as the shipment date is driven by the supply chain requirements ahead of the following year's Ramadan period.

Gross Profit

Gross Profit for the year was £60.6m, 2.6% above the prior year (2016: £59.1m).

The Group remains highly profitable with a Gross Margin of 45.6% (2016: 50.4%). As expected and consistent with many UK businesses, weaker sterling post the Brexit vote had an adverse effect on our input costs in 2017, which has diluted our margins during the year.

Distribution Expenses

The majority of our distribution expenses relate to our UK business. The total cost in 2017 of £5.9m represents a 5.3% saving compared to the prior year (2016: £6.3m) and equates to 4.5% of sales (2016: 5.3%). The savings have been achieved from a number of cost efficiency projects.

Administrative Expenses

Pre-exceptional overheads in 2017 totalled £24.1m which is an increase of £1.6m compared to the prior year. Of this increase, the majority is the incremental overheads associated with DJ, which was acquired during the year.

Operating Profit

As indicated in the Group's pre-Christmas Trading Update, pre-exceptional Operating Profit of £30.5m is marginally ahead of the prior year.

EBITDA

Given the acquisitive nature of the Group, the directors have started to utilise EBITDA as a key performance indicator. EBITDA is defined as profit before interest, tax, depreciation and amortisation and is similarly marginally ahead of the prior year at £31.7m (2016: £31.4m).

Profit Before Tax and Exceptional Items

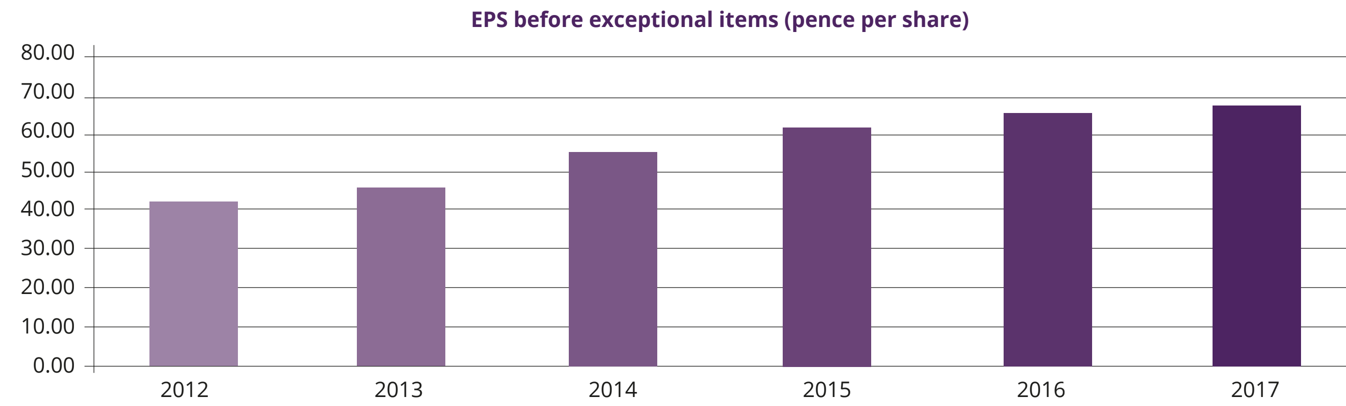
Profit Before Tax (PBT) and exceptional items totalled £30.5m and is in line with the prior year. It should be noted that the Group remains highly profitable with a 23% return on sales (2016: 26%). The decline in PBT margin is principally as a result of increased input costs noted above. Nevertheless, the Group has delivered compound annual PBT growth of 8% over the last five years.

Exceptional Items

Exceptional costs during 2017 totalled £1.8m and were made up of:

- Merger & acquisition costs (£0.3m)
- Restructuring costs (£1.3m)
- Preparations for the introduction of the Soft Drinks Industry Levy (£0.2m)

Earnings Per Share



Earnings Per Share increased by 2.4% (2016: 9.7%) to 67.76 (2016: 66.18) pence. The Group's EPS has increased by 64% (2016: 84%) over the last five years with a Compound Annual Growth Rate (CAGR) of 10% (2016: 13%).

Key Performance Indicators

As reported in more detail above, the following Key Performance Indicators are used by management to monitor the Group's Income Statement:

GROSS MARGIN

45.6%

(2016: 50.4%)

Revenue less product cost as a percentage of revenue, reviewed specifically at individual product (Still and Carbonate) level.

REVENUE GROWTH

+13.2%

(2016: +7.4%)

The increase in the current year's revenue as a percentage of the prior year's total.

OPERATING PROFIT MARGIN (PRE-EXCEPTIONAL ITEMS)

23.0%

(2016: 25.8%)

Group profit (pre-exceptional items) before financing income or charges as a percentage of revenue, which is considered for the Group as a whole rather than at product level.

EBITDA

£31.7m

(2016: £31.4m)

EBITDA is defined as profit before interest, tax, depreciation and amortisation.

Statement of Financial Position

Cash

The Group continues to be very cash generative in relation to its operating activities and had a year end cash balance of £36.1m (2016: £39.8m).

Management aim to leverage the strong cash position to reinvest in the long-term growth strategy for the Group. During 2017, £6.6m of cash reserves was used to acquire DJ to enhance our growing Out of Home business. DJ was the largest of our Out of Home distributors, covering the North West, North East and North Wales regions. This acquisition consolidates the Group's route to market in the regions and is consistent with our successful business model already operating in other UK regions.

A further £1.2m was invested in our Ross-on-Wye manufacturing facility. This expenditure completes a long-term project that has seen a significant expansion of the factory as well as investment in state of the art robotic and automated machinery capable of much greater volume and efficiency than the Out of Home division has previously been capable of. During the year, a special pension contribution of £1.9m was made, which allowed the pension scheme to acquire the adjoining property to that occupied by Nichols plc in Newton-le-Willows. This property purchase safeguards our plans for future growth and expansion.

By exception, other points of note with regard to the statement of financial position are:

- Property, Plant and Equipment increased by £3.3m. Significant movement within this asset category is c£2.0m of additions to our Out of Home equipment and a further £1.2m expenditure at our Ross-on-Wye plant referred to above.
- Goodwill increased by £7.6m during the year which was mainly the goodwill on acquisition of DJ.
- The £1.9m increase in intangibles relates to the deemed value of customer lists acquired as part of the investment in DJ.
- The value of inventories is £1.9m less than the prior year end. This is due to the unwinding of the planned stock build at the 2016 year end to help mitigate input cost increases that were anticipated for 2017.
- Trade receivables were £3.3m higher than the 2016 year end, this was caused by the timing of international sales in 2017 falling into the period close to the reporting date.

- The year end pension liability of £2.9m has reduced significantly from the prior year (2016: £6.4m). This is due to improved performance of investments in 2017 and recovery plan contributions made from the Group. During the year, a special pension contribution of £1.9m was made, which allowed the pension scheme to acquire the adjoining property to that occupied by Nichols plc in Newton-le-Willows. This property purchase safeguards our plans for future growth and expansion. The actuarial assumptions and reconciliations of assets and liabilities in the scheme are disclosed in note 26. The movement in other comprehensive income relating to the pension scheme is described in note 26.

Risks and Uncertainties

The Group maintains a risk register which is reviewed and managed by the senior management team on a regular basis. The register is also reviewed by the Group Audit Committee at each meeting. Management consider the following issues to be the principal risks potentially affecting the business:

Risk	Mitigation
Management consider there would be a risk to the Company's growth ambitions if the business was reliant on any one market or product category.	One of the key aims of our strategy is to invest and focus across our business activities to leverage the diversity of the Group. We are pleased that the strategy has successfully delivered growth in the UK, both in our grocery and Out of Home markets in addition to our key international regions.
In common with many businesses we are highly dependent on the availability of IT systems. The threat of cyber-attack is an ever present and indeed, ever growing risk in today's global business environment.	Nichols plc operates a number of preventative systems and controls to reduce the risk. In addition, we have a robust disaster recovery plan including the use of third party professional providers to host our systems and data.
During 2016, the government announced the introduction of the Soft Drinks Industry Levy commencing April 2018. The levy will be an additional cost to suppliers of soft drinks into the UK market dependent on the level of added sugar in their products.	We are pleased to report that 100% of the Group's UK products are exempt from the levy ahead of its introduction on 6 April 2018. The only products sold by the Group in the UK that will attract the levy are original recipe Coca-Cola and Pepsi Cola sold under license. In addition, as the levy only applies to the UK, all of our extensive international sales are out of scope.
Unavailability of the Vimto compound. As the Vimto brand accounts for the majority of the Group's revenue it is vital that we have surety of supply of the compound.	Working in partnership with our suppliers, we have established production capability with dual suppliers at more than one location to ensure continuity of supply.
Loss of a major customer account.	We are dedicated to maintaining long-term relationships with all of our customers but the Group's diverse income stream across markets and regions means we are not overly reliant on any one customer.

In addition to the above principal risks and mitigating controls, the Risk Register identifies several less critical risks that we believe are adequately managed and considered by the management team.

Shareholders

Dividend

The Board is recommending a final dividend of 23.4 pence per ordinary share (2016: 20.3 pence) to be paid 4 May 2018. The final dividend together with the interim dividend of 10.1 pence, gives a total dividend of 33.5 pence per share for the year which represents a 14.3% increase on the prior year (2016: 29.3 pence).

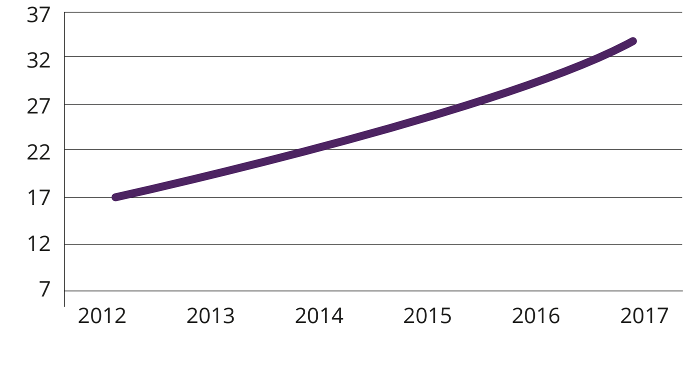
The Board has maintained a consistent dividend policy over the last five years during which time the growth has totalled 93% with a CAGR of 14%.

Share Price

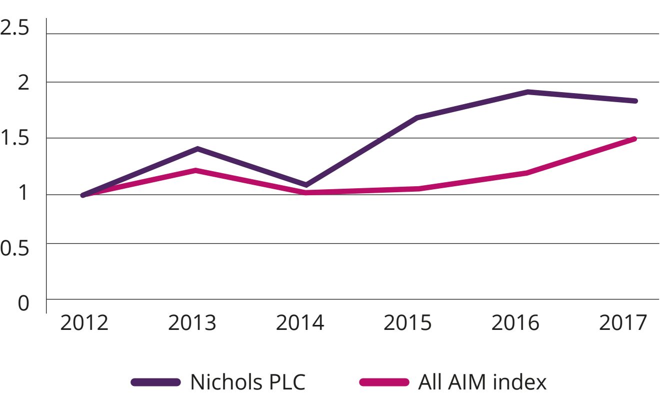
The Nichols plc share price closed the year at 1,542 (2016: 1,630) pence, a decrease of 5% during the year. The share price remains strong and represents c22 P/E ratio. Although the year end price was down on the prior year, the timing was just 12 days following our Trading Update informing of the Yemini situation and reflective of a period of volatility in the equity markets.

The following graph charts the Group's share price performance compared to the All AIM index. For ease of comparison, both sets of data are shown as an index using 2012 as the base.

Total dividend (pence per share)



Nichols plc v All AIM (indexed from 2012)

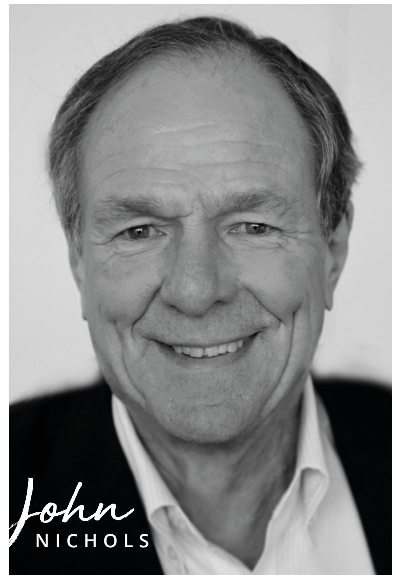


Strategic Report

The Strategic Report on pages 6 to 39 was approved by the board of directors on 28 February 2018 and signed on its behalf by:

Tim Croston
Chief Financial Officer

28 February 2018



STRATEGIC REPORT

John NICHOLS

NON-EXECUTIVE CHAIRMAN

John is the grandson of the founder of the Company and inventor of Vimto, John Noel Nichols. John joined Nichols plc in 1971 and was appointed as director in 1975. In 1986 John became the Group Managing Director, subsequently he became Executive Chairman of the Group and in 2007 he moved to Non-Executive Chairman.

John has three grown up children, two of whom also work for the Company. John spends his spare time sailing, playing golf and walking his dog on the beach in Wales.

Marnie MILLARD

CHIEF EXECUTIVE OFFICER

Marnie joined Nichols in October 2012 as Managing Director of Vimto Soft Drinks. In May 2013 she was appointed Chief Executive Officer. Marnie has vast experience in the soft drinks industry having occupied senior roles with Macaw Soft Drinks and Refresco Limited. In April 2015, Marnie was appointed Regional Vice-Chairman of CBI Northwest and she is on the Board of Management and Executive Council of the British Soft Drinks Association.

Marnie is married, has two children and is also a proud grandmother to Freddie and Matilda. Marnie enjoys attending concerts and relaxes by walking on the moors near her home.

Tim CROSTON

CHIEF FINANCIAL OFFICER

Tim joined the Group as Group Financial Controller in 2005. He became Finance and Operations Director of Vimto Soft Drinks in 2007 and was appointed to the plc Board as Chief Financial Officer in January 2010.

In December 2015, Tim was appointed, in a Non-Executive capacity, to the Audit Committee of Riverside Housing Association, a leading provider of UK social housing. Previously, Tim held financial controller positions at Polyone Inc. and at Smith and Nephew plc. Tim has two teenage children with his wife Sue. Tim is an avid and lifelong Manchester City fan and likes to attend both home and away matches with his family.

Andrew MILNE

GROUP COMMERCIAL DIRECTOR

Andrew joined Nichols as the Commercial Director for Vimto Soft Drinks in July 2013. He was appointed to the plc Board on 1 January 2016. Andrew has extensive experience in the soft drinks industry having previously worked as Sales Director for the Northern region at Coca-Cola Enterprises and prior to that, as Trading Director at GlaxoSmithKline.

Andrew has two young children with his wife Debbie. Andrew is a keen Manchester United fan and spends what spare time he has either watching or playing sport.

John GITTINS

INDEPENDENT NON-EXECUTIVE DIRECTOR

John is a graduate of the London School of Economics and a chartered accountant. He was appointed to the Board of Nichols as an Independent Non-Executive Director in July 2015 and is a member of both the Audit Committee (which he chairs) and the Remuneration Committee.

John is currently Audit Committee Chair of AIM listed Park Group plc and has over 20 years experience of CFO roles in companies such as Begbies Traynor Group plc, Spring Group plc and Vertex Data Science Limited. John was also previously an Independent Non-Executive Director and the Audit Committee chair of Electricity North West Limited for six years.

Helen KEAYS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Helen joined Nichols in September 2017. After a career in Consumer Marketing at organisations such as GE Capital, Sears and Vodafone, Helen has developed significant experience working as a Non-Executive Director.

She is currently SID at Dominos Pizza Group plc and the Chair of Remcom at Communisis plc. She has previously held NED roles at Majestic Wines plc, Skin Clinics and Chrysalis plc.

Helen is married with 2 teenage children who keep her busy watching their sports matches. In her spare time she likes to play tennis. Helen is also a Life Trustee of the Shakespeare Birthplace Trust.

OUR STRATEGY FOR GROWTH INCLUDES DEVELOPING OUR CORE BRANDS AND MARKETS WHILST INVESTING IN INNOVATION AND SEEKING FURTHER ACQUISITION OPPORTUNITIES.

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Non-Executive Directors

P J Nichols

J Gittins

J Longworth (Resigned 26 April 2017)

H Keays (Appointed 1 September 2017)

All of the above are members of the Audit and Remuneration Committees of the Board.

Executive Directors

M J Millard

T J Croston

A Milne

Financial Risk Management Objectives and Policies

Business risks and uncertainties are included within the Chief Financial Officer's Report on pages 32 to 39 and financial risks are set out in note 21 to the financial statements.

Employees

The Group's policy is to recruit and promote on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always fully considered bearing in mind the qualification and abilities of the applicants. In the event of employees becoming disabled, every effort is made to ensure their continued employment.

The management of the individual operating companies consult with employees and keep them informed on matters of current interest and concern to the business.

Political Donations

There were no political donations in either 2017 or 2016.

Share Options

The Company operates a Save As You Earn share option scheme. In conjunction with this, it makes donations to an Employee Share Ownership Trust to enable shares to be bought in the market to satisfy the demand from option holders.

Share Capital

The resolutions concerning the ability of the Board to purchase the Company's own shares and to allot shares are again being proposed at the Annual General Meeting.

In exercising its authority in respect of the purchase and cancellation of the Company's shares, the Board takes as its major criterion the effect of such purchases on future expected earnings per share. No purchase is made if the effect is likely to be deterioration in future expected earnings per share growth. During the year, the Company did not purchase any of its own shares.

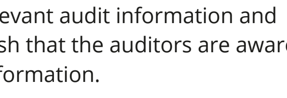
The Board believes that being permitted to allot shares within the limits set out in the resolution without the delay and expense of a general meeting gives the ability to take advantage of circumstances that may arise during the year.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution will be proposed at the Annual General Meeting that BDO LLP be re-appointed auditors.

Each of the directors who are directors at the time when this directors' report is approved have confirmed that:

- so far as each of the directors is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.



Directors' remuneration payable in year ended 31 December 2017

	Salary and fees	Benefits in kind	Bonuses payable in respect of 2017	Pension contributions	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000
P J Nichols	101	1	0	0	102	102
M J Millard	322	22	62	14	420	456
T J Croston	213	17	44	12	286	350
A Milne	201	15	41	13	270	308
J Gittins	32	0	0	0	32	32
J Longworth	7	0	0	0	7	23
H Keays	11	0	0	0	11	0
Total	887	55	147	39	1,128	1,271

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Summary of directors' interests in the Company

(Number of Shares)	Opening shareholding	2017 movement	Closing shareholding
P J Nichols	2,000,000	0	2,000,000
M J Millard	9,307	1,135	10,442
T J Croston	16,000	1,135	17,135
A Milne	0	908	908
J Gittins	1,280	0	1,280
J Longworth	140	(140)	0
H Keays	0	0	0

Directors' Indemnity

The Group has agreed to indemnify its directors against third party claims which may be brought against them and has in place an officers' insurance policy.

Directors' Remuneration

Bonuses which are not guaranteed are accruing to the Executive Directors and certain senior executives based on pre-determined performance targets. The Remuneration Committee have considered it appropriate to issue awards under a Long-Term Incentive Plan (LTIP) relating to growth in operating profit before exceptional items. The LTIP will be equity settled and is being accounted for through other reserves.

Total bonuses paid to the three Executive Directors during the year were £360,250. All bonuses were accrued for at 31 December 2016.

The current LTIP runs from 1 January 2017 to 31 December 2019 and the remuneration level at grant was linked to a theoretical number of shares equivalent in value to no more than twelve months salary for each year of the incentive scheme.

In respect of the scheme, the first year's performance criteria have not been met and as a result, the Group has provided for a potential bonus in 2017 of £236,002 through other reserves for the three Executive Directors at 31 December 2017, which will be equity settled subsequent to the year ended 31 December 2019 if Group targets over the period are met.

Growth in 2017 operating profit of 0.7% was achieved. As a result of targets not being met, an estimate of the potential bonus payable is currently being accrued and apportioned to Executive Directors and certain senior executives.

P J Nichols is a member of the final salary pension scheme and M J Millard, T J Croston and A Milne have a personal pension plan. The Company contributions to the respective schemes are shown in the above table.

A summary of directors' interests in the Company are shown in the table above.

All figures above relate to shares owned outright.

By order of the board

Tim Croston
Secretary

28 February 2018

Laurel House, Woodlands Park,
Ashton Road, Newton-le-Willows, WA12 0HH.

Registered in England and Wales No. 238303.

Introduction

As an AIM listed business, the Group is not required to comply with the UK Corporate Governance Code ("the Code"). The Group does not fully comply with the Code, but recognises the importance of effective corporate governance procedures relevant to its size and nature of operations, as described below.

The Board

The Board comprises a Non-Executive Chairman, three Executive Directors and two Non-Executive Directors. Their names and biographical details are set out on pages 40 and 41. The Board considers the two Non-Executive Directors, John Gittins and Helen Keays, to be independent. The posts of Chairman and Chief Executive are held by different individuals. The Chairman is responsible for the Board and the Chief Executive for the operating performance of the Group.

The Board is scheduled to meet four times each year, with additional meetings called if required.

The Board's main responsibilities are to agree Group strategy, approve annual budgets, review management performance, financial results, Board appointments and dividend policy. Comprehensive briefing papers are distributed to all directors prior to each scheduled Board meeting. Directors are able, if necessary, to take independent professional advice, at the Group's expense, in the furtherance of their duties.

The Board has delegated specific responsibilities to Audit and Remuneration committees (see below). Due to the infrequency of senior appointments, the Board does not maintain a Nominations Committee, but will form one as appropriate, if required. The appointment of new Non-Executive Directors to the Board is considered by the whole Board.

All directors are subject to election by shareholders at the first Annual General Meeting after their appointment. Thereafter, directors are then subject to retirement by rotation at intervals of no more than three years.

Remuneration Committee

The Remuneration Committee consists of all three Non-Executive Directors and is chaired by Helen Keays.

The Remuneration Committee met on a number of occasions during the year. Its remit is to set remuneration packages for Executive Directors, approve any Group share, share option or cash based incentive scheme and grant, award, allocate shares, share options or payments under such schemes. In addition, the Remuneration Committee periodically reviews the Group's remuneration policy in relation to its peer group and industry norms.

The Executive Directors determine the remuneration of the Non-Executive Directors.

Details of directors' remuneration are set out in the Directors' Report on page 44.

Audit Committee

The Audit Committee consists of all three Non-Executive Directors and is chaired by John Gittins, an Independent Non-Executive Director.

The Audit Committee met three times during the year.

The Audit Committee's terms of reference are available on the Group's website. Its principal responsibilities include monitoring the integrity of financial reporting, internal controls and the external audit process.

During the year the Audit Committee discharged its responsibilities by:

- approving the external auditor's plan for the audit of the Group's annual financial statements, including key audit matters, key risks, confirmation of auditor independence and terms of engagement, including audit fees;
- reviewing the Group's draft financial statements and interim results statements and reviewing the external auditor's detailed reports thereon, including disposition of key audit matters and risks;
- meeting the external auditor twice, without management, to discuss matters relating to its remit and any issues arising from its work;
- reviewing the performance of the external auditor, which is considered to be effective;
- reviewing the arrangements by which the Group's activities are in compliance with the Bribery Act 2010;
- approving the plan of targeted internal reviews conducted by the finance team and other professional advisors, monitoring the results of these reviews and the timely follow up of control recommendations. The Group does not have a formal internal audit function but these reviews are considered appropriate given the size and nature of the Group's operations and the work performed by the external auditor;
- reviewing the Group's risk management process, key risk register and risk mitigations.

Internal Control

The Board has overall responsibility for maintaining sound internal control systems to safeguard the investment of shareholders and the Group's assets. The systems are reviewed by the Board and, when asked, the Audit Committee and are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The key features of the internal control systems are:

- a Group organisational structure with clear lines of responsibility;
- comprehensive business planning procedures, including annual preparation of detailed budgets for the year ahead and projections for future years;
- a comprehensive monthly financial reporting system, highlighting variances to budget and regularly updated forecasts;
- targeted, risk lead, internal reviews by the finance function and other professional advisors.

Attendance at Board and Committee Meetings

The following tables set out the number of scheduled meetings of the Board and its Committees during the year and individual attendance by Board members:

Board Meetings

Directors:	Meetings attended
John Nichols	5
Marnie Millard	5
Tim Croston	5
Andrew Milne	5
John Longworth	2
John Gittins	5
Helen Keays	2

Remuneration Committee

Directors:	Meetings attended
John Nichols	2
John Gittins	2
John Longworth	1
Helen Keays	1

Audit Committee

Directors:	Meetings attended
John Nichols	3
John Gittins	3
John Longworth	1
Helen Keays	1

Independent Auditor's report to the members of Nichols plc

Opinion

We have audited the financial statements of Nichols plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the Group and Parent Company statement of financial position, the consolidated and Parent Company statement of cash flows, the Group and Parent Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Brand Support Accruals	How We Addressed the Key Audit Matter in the Audit
As disclosed in note 2 (accounting policies) the Group incurs significant costs in the support and development of the Group's brands. The classification of these costs within the income statement is dependent upon the type of arrangement with the customer. As the majority of these costs are recognised as a deduction to revenue we consider there to be a significant risk concerning the appropriate application of IAS 18, particularly in respect of the Group's measurement of the fair value of consideration in revenue transactions as well as the Group's accounting for arrangements where cash consideration is given by the Group to the customer. Further, whilst the majority of costs incurred on these arrangements have been settled at 31 December 2017, certain management judgement is required in determining the level of closing accrual required at a year-end for promotions and brand support campaigns that either span two financial years or where the costs have not been fully settled by the year end date. In accordance with the auditing standards and in view of the judgements involved above, as well as management being in a position to be able to override controls, we have presumed a risk of fraud within this area.	We undertook the following audit procedures in relation to brand support arrangements: • Reviewed the design and implementation of controls over the calculation and application of brand support arrangements. We tested the operating effectiveness of controls that were identified; • Performed detailed testing over a sample of brand support arrangements charged to revenue and to costs in the year, through verification to agreement and recalculation of the amounts recognised as a cost and the value of liability accrued; • Ensured that the accounting policy for brand support arrangements has been appropriately applied and that the classification of charges in the income statement is appropriate; • Performed detailed cut-off testing to ensure that brand support arrangements are recorded in the correct period; and • Reviewed the year end liability for completeness and accuracy, including ensuring the ageing of the liabilities is appropriate.
Pension Scheme Assumptions	**How We Addressed the Key Audit Matter in the Audit**
We consider there to be a significant risk concerning the appropriateness of the actuarial assumptions applied in calculating the Group's defined benefit pension scheme liability of £2.9m (2016: £6.4m) as shown in note 26. The valuation of the Group's pension scheme liability involves significant judgement in the choice of discount rate used and in the key sources of estimation uncertainty, in particular in relation to the inflation assumptions and mortality rates, as described in the Group's accounting policies.	We have assessed the appropriateness of the assumptions underpinning the valuation of the scheme liabilities. Specifically we challenged the discount rate, inflation and mortality assumptions applied in the calculation by using our auditor engaged pension specialists to benchmark the assumptions applied against comparable third party data and assessed the appropriateness of the assumptions in the context of the Group's own position.
Acquisition Accounting	**How We Addressed the Key Audit Matter in the Audit**
As described in note 2 (accounting policies) and note 19, on 2 June 2017 the Group acquired the entire share capital of D J Drink Solutions Limited. We focused on this area because the accounting treatment for the provisional opening balance sheet is inherently judgemental and requires the directors to exercise many judgements, including in respect of the fair values of intangible assets and the calculation of associated goodwill.	We reviewed the sale and purchase agreement entered into on 2 June 2017 and considered management's accounting treatment. We tested the fair values ascribed to intangible assets by understanding the assumptions adopted in the valuation model, which critically include the forecast attrition rate in relation to existing customers, the expected longevity of the customer relationships, and the sales and margin forecasts. We engaged and evaluated the work of our specialists who assessed the appropriateness of those underlying assumptions.

AUDITOR'S REPORT

Our application of materiality

We consider materiality to be the magnitude by which misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. We use materiality both in planning the scope of our audit work and in evaluating the results of our work. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality	£1.40 million (2016: £1.30 million)
Basis for materiality	3 year average basis utilising 5% of profit before tax, after adjusting for exceptional items.
Rationale for the benchmark adopted	Pre-tax profit after adjusting for exceptional items is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance used by shareholders.

In considering individual account balances and classes of transactions we apply a lower level of materiality (performance materiality) in order reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. Performance materiality was set at £1.05million (2016: £0.98million), representing 75% of materiality.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of £28,000 (2016: £26,000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material in terms of their absolute monetary value or on qualitative grounds.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Group manages its operations from two principal locations in the UK and has common financial systems, processes and controls covering all significant components. The audit of all significant components was performed by the same audit team.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the three reporting components of the Group, we determined that two components represented the principal business units within the Group.

For these two components, we performed an audit of the complete financial information. For the remaining component, we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements, either because of the size of these accounts or their risk profile.

As a consequence of the audit scope determined, we achieved coverage of approximately 96% (2016: 97%) of revenue, 97% (2016: 98%) of profit before tax and 99% (2016: 99%) of net assets. Our audit work on each component was executed at levels of materiality applicable to each individual entity which was lower than Group materiality. Component materiality ranged from £0.8m to £0.9m (2016: £0.8m to £0.9m).

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 44, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Julien Rye
(Senior Statutory Auditor)

For and on behalf of BDO LLP,
Statutory Auditor, Manchester, UK
28 February 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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Registered Number

238303.

CONSOLIDATED INCOME STATEMENT-YEAR ENDED 31 DECEMBER 2017

	Notes	**Before exceptional items £'000**	**Exceptional items £'000**	**2017 £'000**	Before exceptional items £'000	Exceptional items £'000	2016 £'000
Revenue	3	**132,789**	**0**	**132,789**	117,349	0	117,349
Cost of sales		**(72,166)**	**0**	**(72,166)**	(58,234)	0	(58,234)
Gross profit		**60,623**	**0**	**60,623**	59,115	0	59,115
Distribution expenses		**(5,938)**	**0**	**(5,938)**	(6,271)	0	(6,271)
Administrative expenses		**(24,142)**	**(1,801)**	**(25,943)**	(22,519)	0	(22,519)
Operating profit	4	**30,543**	**(1,801)**	**28,742**	30,325	0	30,325
Finance income	5	**134**	**0**	**134**	214	1,087	1,301
Finance expense	5	**(154)**	**0**	**(154)**	(134)	0	(134)
Profit before taxation		**30,523**	**(1,801)**	**28,722**	30,405	1,087	31,492
Taxation	7	**(5,548)**	**0**	**(5,548)**	(6,015)	0	(6,015)
Profit for the financial year attributable to equity holders of the parent		**24,975**	**(1,801)**	**23,174**	24,390	1,087	25,477
Earnings per share (basic)	9			**62.88p**			69.13p
Earnings per share (diluted)	9			**62.81p**			69.07p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME-YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
Profit for the financial year	**23,174**	25,477
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of net defined benefit liability (see note 26)	**1,140**	(3,472)
Deferred taxation on pension obligations and employee benefits (see note 14)	**(113)**	601
Other comprehensive income/ (expense) for the year	**1,027**	(2,871)
Total comprehensive income for the year	**24,201**	22,606

STATEMENT OF FINANCIAL POSITION-YEAR ENDED 31 DECEMBER 2017

		Group		**Parent**	
	Notes	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000
Assets					
Non-current assets					
Property, plant and equipment	10	**12,059**	8,715	**4,145**	3,970
Goodwill	11	**30,666**	23,061	**2,504**	2,504
Investments	12	**0**	0	**16,566**	16,566
Intangibles	13	**7,993**	6,084	**1,316**	1,316
Deferred tax assets	14	**1,065**	1,436	**1,065**	1,436
Total non-current assets		**51,783**	39,296	**25,596**	25,792
Current assets					
Inventories	15	**4,815**	6,717	**2,342**	3,914
Trade and other receivables	16	**34,740**	31,508	**31,742**	25,020
Cash and cash equivalents	20	**36,058**	39,754	**15,422**	25,768
Total current assets		**75,613**	77,979	**49,506**	54,702
Total assets		**127,396**	117,275	**75,102**	80,494
Liabilities					
Current liabilities					
Trade and other payables	17	**21,031**	21,456	**14,955**	21,008
Current tax liabilities	17	**2,536**	2,355	**232**	357
Total current liabilities		**23,567**	23,811	**15,187**	21,365
Non-current liabilities					
Pension obligations and employee benefits	26	**2,921**	6,395	**2,921**	6,395
Deferred tax liabilities	14	**1,586**	1,101	**0**	0
Total non-current liabilities		**4,507**	7,496	**2,921**	6,395
Total liabilities		**28,074**	31,307	**18,108**	27,760
Net assets		**99,322**	85,968	**56,994**	52,734
Equity					
Share capital	18	**3,697**	3,697	**3,697**	3,697
Share premium reserve		**3,255**	3,255	**3,255**	3,255
Capital redemption reserve		**1,209**	1,209	**1,209**	1,209
Other reserves		**134**	(358)	**909**	417
Retained earnings		**91,027**	78,165	**47,924**	44,156
Total equity		**99,322**	85,968	**56,994**	52,734

The Parent Company reported a profit for the year ended 31 December 2017 of £14,080,000 (2016: £15,774,000).

The financial statements on pages 54 to 85 were approved by the Board of Directors on 28 February 2018 and were signed on its behalf by:

P J Nichols
Chairman

Registered number 238303.

CONSOLIDATED STATEMENT OF CASH FLOWS-YEAR ENDED 31 DECEMBER 2017

	Notes	**2017 £'000**	**2017 £'000**	2016 £'000	2016 £'000
Cash flows from operating activities					
Profit for the financial year			**23,174**		25,477
Adjustments for:					
Depreciation and amortisation		**1,175**		1,111	
Loss/ (profit) on sale of property, plant and equipment		**40**		(6)	
Finance income - non-exceptional	5	**(134)**		(214)	
Finance expense	5	**154**		134	
Finance income - exceptional gain	5	**0**		(1,087)	
Tax expense recognised in the income statement		**5,548**		6,015	
Change in inventories		**1,878**		(2,382)	
Change in trade and other receivables		**(4,675)**		(3,036)	
Change in trade and other payables		**(1,810)**		1,229	
Change in pension obligations and employee benefits		**(2,334)**		(970)	
			(158)		794
Cash generated from operating activities			**23,016**		26,271
Tax paid			**(5,274)**		(6,116)
Net cash generated from operating activities			**17,742**		20,155
Cash flows from investing activities					
Finance income		**134**		214	
Proceeds from sale of property, plant and equipment		**4**		17	
Acquisition of property, plant and equipment		**(3,795)**		(2,442)	
Acquisition of subsidiary		**(6,568)**		(3,715)	
Net cash used in investing activities			**(10,225)**		(5,926)
Cash flows from financing activities					
Share options exercised		**0**		(107)	
Dividends paid	8	**(11,213)**		(9,806)	
Net cash used in financing activities			**(11,213)**		(9,913)
Net (decrease)/ increase in cash and cash equivalents			**(3,696)**		4,316
Cash and cash equivalents at 1 January			**39,754**		35,438
Cash and cash equivalents at 31 December	20		**36,058**		39,754

PARENT COMPANY STATEMENT OF CASH FLOWS-YEAR ENDED 31 DECEMBER 2017

	Notes	**2017 £'000**	**2017 £'000**	2016 £'000	2016 £'000
Cash flows from operating activities					
Profit for the financial year			**14,080**		15,774
Adjustments for:					
Depreciation		**347**		281	
Finance income		**(134)**		(214)	
Finance expense		**154**		126	
Tax expense recognised in the income statement		**3,407**		4,037	
Change in inventories		**1,571**		(1,484)	
Change in trade and other receivables		**(6,721)**		(4,255)	
Change in trade and other payables		**(5,840)**		4,165	
Change in pension obligations and employee benefits		**(2,334)**		(970)	
			(9,550)		1,686
Cash generated from operating activities			**4,530**		17,460
Tax paid			**(3,275)**		(4,577)
Net cash generated from operating activities			**1,255**		12,883
Cash flows from investing activities					
Finance income		**134**		214	
Acquisition of property, plant and equipment		**(522)**		(323)	
Net cash used in investing activities			**(388)**		(109)
Cash flows from financing activities					
Share options exercised		**0**		(107)	
Dividends paid	8	**(11,213)**		(9,806)	
Net cash used in financing activities			**(11,213)**		(9,913)
Net (decrease)/ increase in cash and cash equivalents			**(10,346)**		2,861
Cash and cash equivalents at 1 January			**25,768**		22,907
Cash and cash equivalents at 31 December	20		**15,422**		25,768

Group

	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2016	**3,697**	**3,255**	**1,209**	**(547)**	**65,397**	**73,011**
Dividends	0	0	0	0	(9,806)	(9,806)
Movement in ESOT	0	0	0	189	(32)	157
Transactions with owners	**0**	**0**	**0**	**189**	**(9,838)**	**(9,649)**
Profit for the year	0	0	0	0	25,477	25,477
Other comprehensive expense	0	0	0	0	(2,871)	(2,871)
Total comprehensive income	**0**	**0**	**0**	**0**	**22,606**	**22,606**
At 1 January 2017	**3,697**	**3,255**	**1,209**	**(358)**	**78,165**	**85,968**
Dividends	0	0	0	0	(11,213)	(11,213)
Movement in ESOT	0	0	0	192	(126)	66
Credit to equity for equity-settled share based payments	0	0	0	300	0	300
Transactions with owners	**0**	**0**	**0**	**492**	**(11,339)**	**(10,847)**
Profit for the year	0	0	0	0	23,174	23,174
Other comprehensive income	0	0	0	0	1,027	1,027
Total comprehensive income	**0**	**0**	**0**	**0**	**24,201**	**24,201**
At 31 December 2017	**3,697**	**3,255**	**1,209**	**134**	**91,027**	**99,322**

Parent

	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2016	**3,697**	**3,255**	**1,209**	**228**	**41,091**	**49,480**
Dividends	0	0	0	0	(9,806)	(9,806)
Movement in ESOT	0	0	0	189	(32)	157
Transactions with owners	**0**	**0**	**0**	**189**	**(9,838)**	**(9,649)**
Profit for the year	0	0	0	0	15,774	15,774
Other comprehensive expense	0	0	0	0	(2,871)	(2,871)
Total comprehensive income	**0**	**0**	**0**	**0**	**12,903**	**12,903**
At 1 January 2017	**3,697**	**3,255**	**1,209**	**417**	**44,156**	**52,734**
Dividends	0	0	0	0	(11,213)	(11,213)
Movement in ESOT	0	0	0	192	(126)	66
Credit to equity for equity-settled share based payments	0	0	0	300	0	300
Transactions with owners	**0**	**0**	**0**	**492**	**(11,339)**	**(10,847)**
Profit for the year	0	0	0	0	14,080	14,080
Other comprehensive income	0	0	0	0	1,027	1,027
Total comprehensive income	**0**	**0**	**0**	**0**	**15,107**	**15,107**
At 31 December 2017	**3,697**	**3,255**	**1,209**	**909**	**47,924**	**56,994**

1. Reporting entity

Nichols plc (the "Company") is a company incorporated and domiciled in the United Kingdom, listed on the Alternative Investment Market. The address of the Company's registered office is Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, WA12 0HH. The consolidated financial statements of the Company as at and for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in the supply of soft drinks to the retail, wholesale, catering, licensed and leisure industries.

2. Accounting policies

Basis of preparation

The consolidated and Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the Companies Act 2006 as applicable to companies reporting under IFRS.

The accounting policies have been applied consistently by the Group.

An income statement is not provided for the Parent Company as permitted by Section 408 of the Companies Act 2006.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Carrying value of brand support accruals

The Group incurs significant costs in the support and development of the Group's brands. The majority of costs incurred on the arrangements (and therefore deduction to revenue) have been settled at 31 December 2017, however certain judgement is required in determining the level of closing accrual required at a year end for promotions and brand support campaigns that either span two financial years or where the costs have not been fully settled by the year end date. This includes sales related discounts which are included within revenue as disclosed in the revenue recognition policy below. Based on the timing of the agreements entered into with customers in the year, the level of estimation in the year end accrual is insignificant.

In particular, promotion campaigns with customers take place over short time frames, with volume and sales forecasts during the campaign benchmarked against prior experience and reviewed with the customer in advance of the promotion. During the promotion the systems and processes within the business allow the directors to monitor the level of the estimate against actual spend during the promotion, such that any judgement taken at the year end is not significant across the promotional timeframe. In respect of brand support campaigns, management has well established joint business arrangements in place with customers, and again the systems and processes allow management to have full visibility of activity levels on these plans, allowing estimates to be made with a strong degree of certainty at the year end. There has not been any evidence of eventual settlements of liabilities in respect of the above being significantly different to that being accrued.

Intangible assets with indefinite lives

In the opinion of the directors, the industry in which the Group operates is stable and there are relatively high barriers to entry. The brands acquired are well established in their respective sales channels and both have an important role to play in all of the Group's routes to market. The brands are also well positioned to mitigate against the impact of recent sugar levy announcements.

The directors have therefore made a judgement that certain intangible assets relating to brands have indefinite lives. It is expected that these brands will be held and supported for an indefinite period of time and are expected to generate economic benefits. The Group is committed to supporting its brands and invests in significant consumer marketing promotional spend.

Impairment of goodwill and intangible assets with indefinite lives

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use of the cash-generating units to which the assets have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value (see note 11).

The carrying amount of goodwill at the reporting date was £30.7 million (2016: £23.1 million).

Customer list intangible assets have finite lives assigned. Such assets are tested for impairment if an impairment indicator exists. No risks are noted at 31 December 2017.

Defined benefit obligations

For the Group's defined benefit plan, the main assumptions used by the actuary are mortality rates, the discount rate and the expected rate of inflation (see note 26).

Business combinations

IFRS 3 *'Business Combinations'* requires that the consideration for an acquisition is recorded at fair value. Where contingent consideration is part of the acquisition cost then the directors estimate the fair value of the amount payable. Contingent consideration is revalued at each reporting period according to the latest forecasts of the acquired business based on the terms of the earn-out arrangement.

Where deferred consideration is part of an acquisition cost then it is recorded and held on the balance sheet at amortised cost. Assets and liabilities must also be recognised at fair value on acquisition. The identification and measurement of contingent liabilities and intangible assets are key areas of judgement. For intangible assets appropriate valuation methods are used, including royalty rates and the income approach to recognise the fair value of the assets acquired.

Basis of consolidation and goodwill

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2017. Subsidiaries are entities controlled by the Group. Control exists if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances and any unrealised gains and losses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. All Group companies have coterminous year ends.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the basis for subsequent measurement in accordance with Group accounting policies.

Goodwill is stated after separating out identifiable assets. Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Revenue recognition

Revenue from the sale of goods is calculated on the basis of the invoiced price, less any agreed discounts or rebates and excluding VAT and after the deduction of certain promotional and brand support costs invoiced by customers.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. With regards to discounts, rebates, promotional costs and brand support costs, these costs are calculated to reflect the expected amount of customer claims in respect of these items. The statement of financial position includes accruals for claims yet to be received for discounts, rebates and promotional costs.

Transfer of risks and rewards and cessation of continuing management involvement varies depending on the individual term of the contract of sale. For sales in the UK, transfer occurs when the product is despatched to the customer. However, for some international shipments, transfer occurs either upon loading the goods onto the relevant carrier or when the goods have arrived in the overseas port. The point of transfer for international shipments is dictated by the terms of each sale.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. In line with market research and data made available by Nielsen, which documents industry performance in respect of Stills and Carbonates, management identify both Stills and Carbonates as operating segments where operating results are reviewed regularly by the Board (as chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment reporting for the Group is made to the gross profit level for the operating segments but no segment reporting is made for further expenditure or for the assets and liabilities of the Group. The assets and liabilities of the Group are reported as Group totals and no reporting of these balances is recorded at a segment level. As a result, all of the Group's assets and liabilities are unallocated items and no reconciliation of segment assets to the Group's total assets is prepared.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the consolidated income statement in the period in which they arise.

Exceptional items

The Group has adopted an accounting policy that seeks to highlight significant exceptional items of income and expense within Group results for the year. Exceptional items are those considered to be of such significance, by either nature or scale, that separate disclosure is required in the financial statements in order to provide a better understanding of the Group's trading performance (see note 4).

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income/ (expense), in which case it is recognised in other comprehensive income/ (expense).

Current tax

Current tax is the expected tax payable on the taxable income for the year, using rates which are enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised using the balance sheet liability method, with no discounting, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, provided they are enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands acquired separately through a business combination are assessed at the date of acquisition as to whether they have an indefinite life. The assessment includes whether the brand name will continue to trade and the expected lifetime of the brand. All brands acquired to date have been assessed as having an indefinite life as they are expected to continue to contribute to the long-term future of the Group. The brands are reviewed annually for impairment, being carried at cost less accumulated impairment charges. The fair value of a brand at the date of acquisition is based on the Relief from Royalties method, which is a valuation model based on discounted cash flows.

Customer lists

Customer lists acquired in a business combination are recognised at fair value at the acquisition date. They are amortised over the useful economic life identified at the date of acquisition with amortisation charges included within administrative expenses.

Reserves

Share capital represents the nominal value of equity shares.

Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares.

Capital redemption reserve represents the reserve created upon redemption of shares.

Other reserves incorporate purchase of own shares, movements in the Group's ESOT and equity settled share-based payments in respect of Long-Term Incentive Plans.

Retained earnings represents retained earnings.

Impairment

The carrying values of the Group's non-current assets are reviewed at each reporting date to determine whether there is any indication of impairment. Goodwill and intangible assets with indefinite lives are reviewed for impairment annually. All property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication of impairment exists then the asset's recoverable amount is estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the cost of capital that reflects the current market assessments of the time value of money and the risks specific to the cash-generating unit. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the income statement.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation is calculated on a straight line basis to write down the cost less estimated residual value on property, plant and equipment over their estimated useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Plant, machinery, fixtures and fittings	3-10 years
Buildings	50 years

Material residual value estimates and useful economic lives are updated at least annually.

Land is not depreciated.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Financial assets

The Group's financial assets comprise primarily cash, bank deposits and trade receivables that arise from its business operations. Financial assets are a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise deposits with banks and bank and cash balances.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provisions for impairment. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable, such as significant financial difficulties on the part of the counterparty or default or significant delay in payment.

Financial liabilities

The Group's financial liabilities comprise trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Contingent consideration

Contingent consideration represents the Group's best estimate of the fair value of amounts payable based on the likelihood of future events occuring.

Leased assets

Operating leases and the payments are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Post-employment benefit plans

The Group provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plan

The Group pays fixed contributions into independent entities in relation to plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Defined benefit plan

Under the Group's defined benefit plan, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on the standard rates of inflation, salary growth and mortality. Discount factors are determined close to each year end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs. Remeasurement of the DBO, comprising actuarial gains and losses and the return on scheme assets (excluding interest), are recognised in the statement of other comprehensive income in the year in which they arise.

Share-based payment transactions

The Group operates two equity settled share-based payment schemes; a Save As You Earn scheme open to all employees and a Long-Term Incentive Plan for certain directors and senior executives. Both schemes comprise the grant of options under the Group's share option schemes.

The Group recognises an expense to the income statement representing the fair value of outstanding equity settled share-based payment awards to employees which have not vested as at 1 January 2017 for the year ending 31 December 2017.

Those fair values are charged to the income statement over the relevant vesting period adjusted to reflect actual and expected vesting levels. The Group calculates the fair market value of the options as being based on the market value of a company's share at the date of grant adjusted to reflect the fact that an employee is not entitled to receive dividends over the relevant holding period.

The total amount to be expensed over the vesting period is determined with reference to the fair value of options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options expected to vest. At each reporting date the Group revises its estimate of the number of options expected to vest.

It recognises the impact of revisions to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received, net of any directly attributable transactions costs, are managed by the ESOT, therefore there is no impact on share capital and share premium when the options are exercised.

No further disclosures have been provided due to the immateriality of the schemes above.

Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for potential costs of a legal claim is recognised when management have considered the merits of the claim and taken appropriate legal advice as to the outcome of the litigation.

Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Employee Share Ownership Trust

The assets and liabilities of the Employee Share Ownership Trust (ESOT) have been included in the consolidated financial statements.

The costs of purchasing own shares held by the ESOT are shown as a deduction against equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the consolidated income statement.

Investments in subsidiaries

Investments in subsidiaries are shown in the Parent Company statement of financial position at cost less any provision for impairment.

Standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9, *Financial instruments*

IFRS 15, *Revenue from contracts with customers*

IFRS 16, *Leases*

Clarifications to IFRS 15, *Revenue from contracts with customers*

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Annual Improvements to IFRSs (2015-2017 Cycle)

The directors are currently considering the potential impact of adoption of these standards and interpretations in future periods on the consolidated financial statements of the Group.

The International Accounting Standards Board has issued IFRS 15, *Revenue from contracts with customers*, which is effective for periods beginning on or after 1 January 2018. The Group has decided not to early adopt this standard. As a manufacturer and distributor, the Group earns its revenues from the sale of goods rather than services. The Group sells those goods to specific orders. The Group recognises revenue at a point in time, typically on despatch of the goods to customers' premises for UK sales or, for International sales, upon loading the goods onto the relevant carrier.

The Group has concluded that adoption of IFRS 15 will not impact the revenue recognition policy currently applied, with revenue recognised at a point in time, depending on when the specifics of a particular contract result in control of the goods being passed to the customer.

Although the majority of the Group's contracts with customers are not complex, with revenue being fixed for a specific quantity of goods, the Group has identified a number of contracts in which customers are given volume rebates and/ or other promotional rebates based on quantities purchased over a contractually agreed period of time. Under the Group's current policy, management makes its best estimate of any rebates it will have to give based on available information.

Under IFRS 15, management will assume products sold by the balance sheet date will attract a full rebate except to the extent that it is highly probable the full rebate will not be earned. As disclosed in the 'uses of estimates and judgements' section of note 2, based on the timing of the agreements entered into with customers, the level of estimation in the year end accrual is insignificant, and as such there is not expected to be a significant impact on deductions to revenue under IFRS 15 as a result of rebate arrangements.

It is expected that IFRS 16 will materially affect the consolidated financial statements. As at the reporting date, the Group has non-cancellable operating lease commitments of £3.8m (see note 24), the vast majority of which relate to property leases for operational sites. Management have commenced an analysis of these leases to assess the expected impact of IFRS 16.

If IFRS 16 was implemented in the year to 31 December 2017, its effect would be to increase the net book value of property, plant and equipment, with a corresponding finance lease liability resulting in an immaterial net impact on the income statement for the year. A full assessment of the impact on the Group is to be concluded during 2018, in advance of the standard becoming effective from 1 January 2019.

Given that the trade payables and receivables and cash are the only material financial instruments, the Group is not expecting the classification aspects of IFRS 9 to have a material effect. Notwithstanding the high value of trade receivables, the application of the expected credit loss impairment model is not expected to have a material effect on the Group due to the fact that the Group's customers are primarily major supermarkets and bad debts within this population are rare historically and no change to this position is expected.

The Group is still in the process of developing its expected credit loss systems and methodologies. The Group is not expecting to restate comparatives when applying IFRS 9 for the first time for the period ended 31 December 2018.

3. Segmental information

a. Key operating segments

The Board analyses the Group's internal reports to enable an assessment of performance and allocation of resources. The operating segments are based on these reports. The Board considers the business from a product perspective and reviews the Group on the operating segments identified below. There has been no change to the segments during the year. Based on the nature of the products sold by the Group, the types of customers and methods of distribution, management consider reporting operating segments at the Still and Carbonate level to be reasonable, particularly in light of market research and industry data made available by Nielsen. Gross profit is the measure used to assess the performance of each operating segment.

	Revenue		Gross Profit	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Still	**64,139**	59,523	**35,168**	34,702
Carbonate	**68,650**	57,826	**25,455**	24,413
Total	**132,789**	117,349	**60,623**	59,115

There are no sales between the two operating segments, and all revenue is earned from external customers.

The operating segments gross profit is reconciled to profit before taxation as per the consolidated income statement.

The Group's overheads are managed centrally by the Board and consequently there is no reconciliation to profit before tax at a segmental level.

The Group's assets are managed centrally by the Board and consequently there is no reconciliation between the Group's assets per the statement of financial position and the segment assets.

	2017 £'000	2016 £'000
Capital Expenditure	**3,940**	2,442
Depreciation	**1,018**	954

b. Reporting by geographic area

Revenue by geographic destination

	2017 £'000	**2017 %**	2016 £'000	2016 %
Middle East	**13,035**	**9.8**	11,497	9.9
Africa	**12,724**	**9.6**	10,496	8.9
Rest of the World	**6,275**	**4.7**	4,606	3.9
Total exports	**32,034**	**24.1**	26,599	22.7
United Kingdom	**100,755**	**75.9**	90,750	77.3
	132,789	**100.0**	117,349	100.0

Revenue from continuing operations arose principally from the provision of goods.

The Group's business segments operate in the Middle East, Africa, the Rest of the World and the United Kingdom. The Group's Head Office operations are located in the United Kingdom.

In presenting information on the basis of geographical areas, area revenue is based on the geographical location of customers and not on the legal entity in which the transaction occurred.

No individual customer accounts for 10% or more of the Group's revenue in either 2017 or 2016.

Total assets

The assets of the Group at 31 December 2017 and 31 December 2016 are entirely located within the United Kingdom.

Capital expenditure

The capital expenditure of the Group for the years ended 31 December 2017 and 31 December 2016 was entirely made within the United Kingdom.

Depreciation

The Group's depreciation charges for the years ended 31 December 2017 and 31 December 2016 are against property, plant and equipment all retained within the United Kingdom.

4. Operating profit

	2017 £'000	2016 £'000
Operating profit is stated after charging/ (crediting):		
Inventory amounts charged to cost of sales	**72,166**	58,234
BDO LLP remuneration:		
Audit services of the Company's annual accounts	**57**	56
Depreciation of property, plant and equipment	**1,018**	954
Operating lease rentals payments	**713**	548
Awards under Incentive Plan	**300**	1,268
Loss/ (gain) on foreign exchange differences	**405**	(464)
Loss/ (profit) on sale of property, plant and equipment	**40**	(6)
Amortisation of intangible assets	**157**	157

The Group incurred a number of costs during 2017 which by their nature were non-recurring and have been reported as exceptional items within administrative expenses. These costs fall into three categories: merger and acquisition expenses (£0.3m), restructuring costs (£1.3m), which represent redundancies of £0.6m, all of which have been communicated to those employees impacted prior to the year-end date, as well as costs incurred in respect of the exit from an operating site in the Out of Home division – principally related to onerous lease costs of £0.6m and other costs of £0.1m. Further costs have been incurred in preparation for the introduction of the Soft Drinks Industry Levy (£0.2m).

5. Finance income and expense

	Notes	**2017 £'000**	2016 £'000
Finance income comprises:			
Bank interest receivable		**134**	214
Exceptional gain		**0**	1,087
Finance income		**134**	1,301
Finance expense comprises:			
Net interest income on defined benefit pension scheme assets	26	**(600)**	(845)
Interest on defined benefit pension scheme obligations	26	**754**	971
Bank interest payable		**0**	8
Finance expense		**154**	134

See note 19 for details of the prior year exceptional credit recognised, which reflected a gain on the step-acquisition of The Noisy Drinks Co. Limited.

6. Directors and employees

a. Average number of persons employed during the year, including directors:	2017 Number	2016 Number
Group	**242**	205
Parent Company	**197**	154

b. Group employment costs were as follows:	2017 £'000	2016 £'000
Wages and salaries	**9,495**	8,823
Social security costs	**1,183**	923
Pension costs - defined contribution scheme	**410**	319
Pension costs - defined benefit scheme (see note 26)	**41**	29
Accrued under Incentive Plan	**300**	1,268
	11,429	11,362

c. Parent Company employment costs were as follows:	2017 £'000	2016 £'000
Wages and salaries	**8,930**	8,109
Social security costs	**1,124**	906
Pension costs - defined contribution scheme	**410**	304
Pension costs - defined benefit scheme (see note 26)	**41**	29
Accrued under Incentive Plan	**300**	1,268
	10,805	10,616

Group and Parent Company key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 43.

	2017 £'000	2016 £'000
Wages and salaries	**1,089**	1,212
Pension costs	**39**	59
Accrued under Incentive Plan	**236**	614
	1,364	1,885

The highest paid director has received £406,000 (2016: £393,000) excluding pension contributions.

Benefits are accruing to 3 directors (2016: 4 directors) under a defined contribution scheme, the highest paid director has received contributions of £14,000 in the year.

Further information regarding directors' remuneration and the Incentive Plan is provided in the directors' report on pages 42 to 45.

7. Taxation

a. Analysis of expense recognised in the consolidated income statement	2017 £'000	2016 £'000
Current taxation:		
UK Corporation Tax on income for the year	**5,257**	5,738
Adjustments in respect of prior years	**(29)**	17
Total current tax charge for the year	**5,228**	5,755
Deferred tax:		
Origination and reversal of temporary differences	**297**	267
Adjustments in respect of prior years	**23**	(7)
Total deferred tax charge for the year	**320**	260
Total tax expense in the consolidated income statement	**5,548**	6,015

The tax expense is wholly in respect of UK taxation.

b. Tax reconciliation	2017 £'000	2016 £'000
Profit before taxation	**28,722**	31,492
Profit before taxation multiplied by the standard rate of Corporation Tax in the United Kingdom of 19.25% (2016: 20.00%)	**5,529**	6,298
Effect of:		
Non-deductible expenses	**161**	63
Other tax adjustments, reliefs and transfers	**(111)**	(330)
Other timing differences	**31**	(36)
Adjustments to the tax charge in respect of prior years	**(62)**	(7)
Income not taxable for tax purposes	**0**	(90)
Depreciation for the year lower than capital allowances	**57**	14
Impact on deferred tax due to rate change	**(57)**	103
Total tax expense in the consolidated income statement	**5,548**	6,015

The effective rate of tax for the year of 19.3% (2016: 19.1%) is higher than the standard rate of Corporation Tax in the United Kingdom (19.25%). The differences are explained above.

c. The effective rate of tax on profit is 19.3% (2016: 19.1%).

d. Tax on items recognised in other comprehensive income/ (expense)

In addition to the amount charged to the consolidated income statement, a charge of £113,000 (2016: credit of £601,000) has been recognised in other comprehensive income/ (expense), being the movement on deferred taxation relating to retirement benefit obligations and employee benefits.

8. Equity dividends

	2017 £'000	2016 £'000
Interim dividend 10.1p (2016: 9.0p) paid 25 August 2017	3,726	3,318
Final dividend for 2016 20.3p (2015: 17.6p) paid 5 May 2017	7,487	6,488
	11,213	9,806

The interim dividend for the prior year of £3,318,000 was paid on 26 August 2016.

The 2017 final proposed dividend of £8,651,000 (23.4p per share) has not been accrued as it had not been approved by the year end.

9. Earnings per share

	2017	2016
Earnings per share (basic)	62.88p	69.13p
Earnings per share (diluted)	62.81p	69.07p
Earnings per share (basic) - before exceptional items	67.76p	66.18p
Earnings per share (diluted) - before exceptional items	67.69p	66.12p

Earnings per share - before exceptional items

	Earnings £'000	2017 Weighted average number of shares	Earnings per share	Earnings £'000	2016 Weighted average number of shares	Earnings per share
Basic earnings per share	23,174	36,857,660	62.88p	25,477	36,853,888	69.13p
Dilutive effect of share options		36,997			33,197	
Diluted earnings per share	23,174	36,894,657	62.81p	25,477	36,887,085	69.07p

Earnings per share before exceptional items has been presented in addition to the earnings per share as defined in IAS 33, *Earnings per share*, since in the opinion of the directors, this provides shareholders with a more meaningful representation of the earnings derived from the Groups' operations. It can be reconciled from the basic earnings per share as follows;

	Earnings £'000	2017 Weighted average number of shares	Earnings per share	Earnings £'000	2016 Weighted average number of shares	Earnings per share
Basic earnings per share	23,174	36,857,660	62.88p	25,477	36,853,888	69.13p
Exceptional items	1,801			(1,087)		
Basic earnings per share before exceptional items	24,975	36,857,660	67.76p	24,390	36,853,888	66.18p
Dilutive effect of share options		36,997			33,197	
Diluted earnings per share before exceptional items	24,975	36,894,657	67.69p	24,390	36,887,085	66.12p

NOTES TO THE FINANCIAL STATEMENTS-YEAR ENDED 31 DECEMBER 2017

10. Property, plant and equipment

Group

Cost	Land and buildings £'000	Plant, machinery fixtures and fittings £'000	Total £'000
At 1 January 2016	3,444	7,492	10,936
Additions	0	2,442	2,442
On acquisition of subsidiary	0	1,177	1,177
Disposals	0	(110)	(110)
At 1 January 2017	**3,444**	**11,001**	**14,445**
Additions	0	3,940	3,940
On acquisition of subsidiary	0	780	780
Disposals	0	(401)	(401)
At 31 December 2017	**3,444**	**15,320**	**18,764**

Depreciation	Land and buildings £'000	Plant, machinery fixtures and fittings £'000	Total £'000
At 1 January 2016	**109**	**4,766**	**4,875**
Charge for the year	69	885	954
On disposals	0	(99)	(99)
At 1 January 2017	**178**	**5,552**	**5,730**
Charge for the year	69	949	1,018
On disposals	0	(357)	(357)
Impairment of assets on prior acquisition (note 11)	0	314	314
At 31 December 2017	**247**	**6,458**	**6,705**
Net book value at 31 December 2017	**3,197**	**8,862**	**12,059**
Net book value at 31 December 2016	3,266	5,449	8,715

Parent

Cost	Land and buildings £'000	Plant, machinery fixtures and fittings £'000	Total £'000
At 1 January 2016	3,444	3,105	6,549
Additions	0	323	323
Disposals	0	0	0
At 1 January 2017	**3,444**	**3,428**	**6,872**
Additions	0	522	522
Disposals	0	0	0
At 31 December 2017	**3,444**	**3,950**	**7,394**

Depreciation	Land and buildings £'000	Plant, machinery fixtures and fittings £'000	Total £'000
At 1 January 2016	109	2,512	2,621
Charge for the year	69	212	281
On disposals	0	0	0
At 1 January 2017	**178**	**2,724**	**2,902**
Charge for the year	69	278	347
On disposals	0	0	0
At 31 December 2017	**247**	**3,002**	**3,249**
Net book value at 31 December 2017	**3,197**	**948**	**4,145**
Net book value at 31 December 2016	3,266	704	3,970

11. Goodwill

Group

Cost	£'000
At 1 January 2016	19,108
Acquisitions	3,953
At 1 January 2017	**23,061**
Re-statement of goodwill on prior acquisition	387
Acquisition (see note 19)	7,218
At 31 December 2017	**30,666**

Parent

Cost	£'000
At 1 January 2016	2,504
Acquisitions	0
At 1 January 2017 and 31 December 2017	**2,504**

The Group's goodwill acquisition for 2017 relates to the acquisition of 100% of the issued share capital of DJ Drink Solutions Limited (DJ), completed on 2 June 2017. The total goodwill is entirely attributable to the Out of Home business. Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are shown in note 19. The re-statement of goodwill on prior acquisition represents property, plant and equipment of £314k, which has been impaired to £nil and HP lease liabilities restated by £73k, in respect of The Noisy Drinks Co. Limited (Noisy) acquisition in 2016. This adjustment was identified in the hindsight period post acquisition on 8 January 2016.

All goodwill relates to the Out of Home business which is considered by management to be two independent Out of Home cash-generating units (CGU's) sitting below each of the Still and Carbonate operating segments. The goodwill has been allocated to these CGU's and not to the named subsidiaries.

	2017 £'000	2016 £'000
Still		
Out of Home	**14,602**	14,409
Carbonate		
Out of Home	**8,846**	8,652
	23,448	23,061

The £7.2m goodwill recognised in the year in respect of the acquisition of 100% of the issued share capital of DJ remains unallocated to a cash-generating unit (CGU) at 31 December 2017. Management are able to review the performance of the acquisition at the operating segment level (Still and Carbonate) however will formalise the allocation to a specific CGU , which is lower than an operating segment in line with IAS 36, in the forthcoming financial year.

Brand names with indefinite lives were recognised as part of the fair value exercise on the acquisition of Noisy in 2016 (£2.6m) and the trade and assets of Feel Good Drinks in 2015 (£1.3m). Both have been allocated to the Still Out of Home CGU above for impairment testing. In respect of the Parent Company's goodwill, the entire goodwill is allocated to the Still Out of Home CGU in both 2016 and 2017.

Impairment review

Goodwill and intangible assets with indefinite lives are tested at least annually for impairment and whenever there are indications that the assets might be impaired. The recoverable amount of a CGU is based on its value in use. Value in use is the present value of the projected cash flows of the CGU. The key assumptions regarding the value in use calculations were forecast growth in revenues and the discount rate applied. Budgeted revenue growth is estimated based on actual performance over the past two years and expected market changes.

The discount rate of 15% is a pre-tax rate and reflects the risks specific to the relevant CGU. Out of Home business cash flow projections are based on the most recent financial budgets approved by management. Management have applied an annual growth rate in projecting the cash flows for a period of five years in line with these budgets. Further periods have been included in the impairment test based on growth into perpetuity of 2% per annum. Management consider the annual growth projections for 5 years and into perpetuity to be reasonable in light of company growth in the current year and economic growth rates.

Management have considered the allocation of the excess of the fair value of the consideration transferred over the fair value of the Group's share of the identifiable assets acquired to other intangibles and are satisfied that is it correctly allocated to goodwill.

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12. Investments: shares in Group undertakings

Parent

Cost and net book amount	£'000
At 1 January 2016, 1 January 2017 and at 31 December 2017	**16,566**

All non current investments relate to Group undertakings. Listed below are the trading subsidiaries and the ownership of their ordinary share capital by the Group.

	%
Beacon Drinks Limited *	100
Ben Shaws Dispense Drinks Limited	100
Cabana Soft Drinks Limited **	100
Dayla Liquid Packing Limited	100
Dispense Solutions Limited *****	100
Festival Drinks Limited ***	100
Vimto (Out of Home) Limited	100
Nichols Dispense (S.W.) Limited ****	100
The Noisy Drinks Co. Limited ******	100
DJ Drink Solutions Limited *******	100

"The Company directly owns Ben Shaws Dispense Drinks Limited, Dayla Liquid Packing Limited and Vimto (Out of Home) Limited.

*Beacon Drinks Limited is directly owned by Vimto (Out of Home) Limited.

**Cabana Soft Drinks Limited is directly owned by Vimto (Out of Home) Limited.

*** Festival Drinks Limited is directly owned by Vimto (Out of Home) Limited.

**** Nichols Dispense (S.W.) Limited is directly owned by Vimto (Out of Home) Limited.

***** Dispense Solutions (Wales) Limited is directly owned by Nichols Dispense (S.W.) Limited.

****** The Noisy Drinks Co. Limited is directly owned by Vimto (Out of Home) Limited.

******* DJ Drink Solutions Limited is directly owned by Vimto (Out of Home) Limited.

All Group undertakings are consolidated.

The above companies and the Parent Company were all incorporated and operate in the United Kingdom. Particulars of non-trading companies are filed with the annual confirmation statement.

All companies in the Group are engaged in the supply of soft drinks and other beverages.

The registered address of each of the above is Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, WA12 0HH.

13. Intangibles

Group

Cost	Brand name £'000	Customer list £'000	Total £'000
At 1 January 2016	1,316	0	1,316
Acquisitions	2,573	2,352	4,925
At 1 January 2017	**3,889**	**2,352**	**6,241**
Acquisitions (see note 19)	0	2,066	2,066
At 31 December 2017	**3,889**	**4,418**	**8,307**

Amortisation			
At 1 January 2016	0	0	0
Charge in the year	0	157	157
At 1 January 2017	**0**	**157**	**157**
Charge in the year	0	157	157
At 31 December 2017	**0**	**314**	**314**

Carrying value at 31 December 2017	**3,889**	**4,104**	**7,993**
Carrying value at 31 December 2016	3,889	2,195	6,084

Parent

	Brand name £'000
At 1 January 2016, 1 January 2017 and 31 December 2017	**1,316**

14. Deferred tax assets and liabilities

Movement in temporary differences during the year

Group

	Net balance at 1 January 2017 £'000	Arising on business combination £'000	Recognised in income £'000	Recognised in other comprehensive income £'000	Net balance at 31 December 2017 £'000
Property, plant and equipment	(199)	0	(230)	0	**(429)**
Goodwill and intangibles	(670)	(360)	39	0	**(991)**
Employee benefits	1,169	0	(200)	(113)	**856**
Provisions	35	0	8	0	**43**
	335	(360)	(383)	(113)	**(521)**

Group

	Net balance at 1 January 2016 £'000	Arising on business combination £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	Net balance at 31 December 2016 £'000
Property, plant and equipment	(41)	0	(158)	0	**(199)**
Goodwill and intangibles	247	(886)	(31)	0	**(670)**
Employee benefits	770	0	(202)	601	**1,169**
Provisions	36	0	(1)	0	**35**
	1,012	(886)	(392)	601	**335**

Parent

	Net balance at 1 January 2017 £'000	Arising on business combination £'000	Recognised in income £'000	Recognised in other comprehensive income £'000	Net balance at 31 December 2017 £'000
Property, plant and equipment	16	0	(49)	0	**(33)**
Goodwill and intangibles	216	0	(17)	0	**199**
Employee benefits	1,169	0	(200)	(113)	**856**
Provisions	35	0	8	0	**43**
	1,436	0	(258)	(113)	**1,065**

Parent

	Net balance at 1 January 2016 £'000	Arising on business combination £'000	Recognised in income £'000	Recognised in other comprehensive expense £'000	Net balance at 31 December 2016 £'000
Property, plant and equipment	45	0	(29)	0	**16**
Goodwill and intangibles	247	0	(31)	0	**216**
Employee benefits	770	0	(202)	601	**1,169**
Provisions	36	0	(1)	0	**35**
	1,098	0	(263)	601	**1,436**

14. Deferred tax assets and liabilities (continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group

	Assets		Liabilities		Net	
	Current year £'000	Prior year £'000	**Current year £'000**	Prior year £'000	**Current year £'000**	Prior year £'000
Property, plant and equipment	**0**	16	**(429)**	(215)	**(429)**	(199)
Goodwill and intangibles	**166**	216	**(1,157)**	(886)	**(991)**	(670)
Employee benefits	**856**	1,169	**0**	0	**856**	1,169
Provisions	**43**	35	**0**	0	**43**	35
	1,065	1,436	**(1,586)**	(1,101)	**(521)**	335

Parent

	Assets		Liabilities		Net	
	Current year £'000	Prior year £'000	**Current year £'000**	Prior year £'000	**Current year £'000**	Prior year £'000
Property, plant and equipment	**0**	16	**(33)**	0	**(33)**	16
Goodwill and intangibles	**199**	216	**0**	0	**199**	216
Employee benefits	**856**	1,169	**0**	0	**856**	1,169
Provisions	**43**	35	**0**	0	**43**	35
	1,098	1,436	**(33)**	0	**1,065**	1,436

15. Inventories

	Group		Parent	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Finished goods	**3,990**	5,452	**2,342**	3,914
Raw materials	**825**	1,265	**0**	0
Total inventories	**4,815**	6,717	**2,342**	3,914

In 2017, the Group write-down of inventories to net realisable value amounted to £176,000 (2016: £389,000).

16. Trade and other receivables

	Group		Parent	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Trade receivables	**31,293**	28,808	**24,087**	21,018
Amounts owed by Group undertakings	**0**	0	**6,967**	3,031
Other receivables	**1,460**	1,515	**11**	367
Prepayments and accrued income	**1,987**	1,185	**677**	604
	34,740	31,508	**31,742**	25,020

All amounts above are short-term debt. The difference between the carrying value and fair value of all receivables is not considered to be material.

All trade and other receivables have been reviewed for indicators of impairment and a provision of £2,102,000 (2016: £1,805,000) has been recorded accordingly.

In addition, some of the unimpaired trade receivables are past due at the reporting date. The age of receivables past due but not impaired is as follows:

Group	**2017 £'000**	2016 £'000
Up to 30 days overdue	**4,921**	4,139
Over 30 days and up to 60 days overdue	**623**	781
Over 60 days and up to 90 days overdue	**336**	948
	5,880	5,868

Parent	**2017 £'000**	2016 £'000
Up to 30 days overdue	**3,380**	2,972
Over 30 days and up to 60 days overdue	**389**	311
Over 60 days and up to 90 days overdue	**116**	26
	3,885	3,309

Group	At 1 January 2017 £'000	Charge in the year £'000	Utilised £'000	**At 31 December 2017 £'000**
Bad debt provision	1,805	367	(70)	**2,102**

Group	At 1 January 2016 £'000	Charge in the year £'000	Utilised £'000	At 31 December 2016 £'000
Bad debt provision	737	1,374	(306)	1,805

Parent	At 1 January 2017 £'000	Charge in the year £'000	Utilised £'000	**At 31 December 2017 £'000**
Bad debt provision	1,801	334	(65)	**2,070**

Parent	At 1 January 2016 £'000	Charge in the year £'000	Utilised £'000	At 31 December 2016 £'000
Bad debt provision	736	1,371	(306)	1,801

17. Trade and other payables and current tax liabilities

	Group		Parent	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Trade payables	**6,827**	5,254	**4,491**	4,298
Amounts owed to Group undertakings	**0**	0	**852**	2,721
Other taxes and social security	**1,119**	1,239	**544**	726
Accruals and deferred income	**13,085**	14,963	**9,068**	13,263
	21,031	21,456	**14,955**	21,008
Current tax liabilities	**2,536**	2,355	**232**	357
	23,567	23,811	**15,187**	21,365

All amounts shown above are short-term. The carrying values are considered to be a reasonable approximation of fair value.

At 31 December 2017, liabilities have contractual maturities which are summarised below:

	2017		2016	
Group	**Within 6 months £'000**	**Within 6 to 12 months £'000**	Within 6 months £'000	Within 6 to 12 months £'000
Trade payables	**6,827**	**0**	5,254	0
Other short-term financial liabilities	**13,085**	**0**	14,963	0
	19,912	**0**	20,217	0

	2017		2016	
Parent	**Within 6 months £'000**	**Within 6 to 12 months £'000**	Within 6 months £'000	Within 6 to 12 months £'000
Trade payables	**4,491**	**0**	4,298	0
Other short-term financial liabilities	**9,068**	**852**	13,263	2,721
	13,559	**852**	17,561	2,721

18. Share capital

	2017 £'000	2016 £'000
Allotted, issued and fully paid 36,968,772 (2016: 36,968,772) 10p ordinary shares	**3,697**	3,697

The share capital of Nichols plc consists only of ordinary 10p shares. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

There were no movements in the Group's authorised and allotted, issued and fully paid share capital for the financial years ending 31 December 2017 and 31 December 2016.

19. Acquisitions

2017 Acquisition

On 2 June 2017, the Group acquired 100% of the issued share capital of DJ Drink Solutions Limited (DJ), the largest of our Out of Home dispensed soft drinks distributors covering the North West, North East and North Wales regions. This acquisition consolidates the Group's route to market in the two regions and is consistent with our successful business model already operating in other regions in the UK.

Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are as follows:

	Book value £'000	**Adjustment £'000**	**Fair value £'000**
Property, plant and equipment	780		780
Inventory	121		121
Trade and other receivables	734		734
Cash	187		187
Trade and other payables	(1,585)		(1,585)
Tax liabilities	(226)		(226)
Customer list		2,066	2,066
Deferred tax on acquired intangibles		(360)	(360)
Total assets acquired	**11**	**1,706**	**1,717**

Fair value of consideration	**Fair value £'000**
Cash paid	6,568
Contingent cash consideration (see below)	2,367
Total fair value of consideration	**8,935**
Goodwill arising on acquisition (note 11)	**7,218**

The goodwill recognised above includes certain intangible assets that cannot be separately identified and measured due to their nature. This includes control over the acquired business, the opportunities for growth within the territory in which DJ operated, the skills and experience of the assembled workforce, and the wider scale and future growth opportunities that it provides to the Group's operations. The goodwill recognised is not deductible for tax purposes.

Acquisition costs of £145,807 arose as a result of the transaction. These have been recognised as exceptional items within administrative expenses.

The contingent cash consideration is payable in June 2018 based on profitability targets established with the vendor. The amount payable is linked to growth in gross profit in the 12 month period following acquisition, with a maximum amount payable of £3.2m.

Since the acquisition, DJ has contributed £4.5m to revenue and £0.9m to net profit for the Group.

19. Acquisitions (continued)

2016 Acquisition

On 8 January 2016, the Group acquired the remaining 51% of the issued share capital of The Noisy Drinks Co. Limited, the UK's leading frozen drinks business, supplying the Starslush brand to a number of prestigious customers in both the UK and mainland Europe. In addition to enhancing the Group's product portfolio, the acquisition also strengthens the Group's supply chain capabilities as the business has an established UK network facilitating direct access to customers on a national basis.

Details of the fair value of identifiable assets acquired, purchase consideration and goodwill are as follows:

	Book value £'000	Adjustment £'000	Fair value £'000
Property, plant and equipment	1,177		1,177
Inventory	390	(133)	257
Trade and other receivables	519		519
Cash	600		600
Trade and other payables	(2,267)		(2,267)
Tax liabilities	(131)		(131)
Brand		2,573	2,573
Customer list		2,352	2,352
Deferred tax on acquired intangibles		(886)	(886)
Total assets acquired	**288**	**3,906**	**4,194**

Fair value of consideration	Fair value £'000
Cash paid	3,165
Contingent cash consideration (see below)	1,000
Fair value of previously held interest	3,982
Total fair value of consideration	**8,147**
Goodwill arising on acquisition (note 11)	**3,953**

Acquisition costs of £30,032 arose as a result of the transaction, recognised within administrative expenses.

The contingent cash consideration payable was originally payable in February 2018 based on profitability targets established with the vendor. During 2016, a deed of variation was signed and the contingent consideration settled for a reduced amount of £550,000. The difference between the £1,000,000 and £550,000 paid was taken as a credit within administrative expenses.

In line with the requirements of IFRS 3 *Business Combinations*, the acquisition of the remaining 51% of the issued shared capital of The Noisy Drinks Co. Limited was accounted for as a step-acquisition. As a result, the original 49% holding was treated as though disposed and subsequently re-acquired as part of the acquisition of the full 100% of the issued share capital. This gave rise to a deemed profit on disposal of the previously held interest of £1,087,000, presented as an exceptional item in the income statement (see note 5). In 2015, the previously held 49% interest was equity accounted for as an investment in associate.

20. Cash and cash equivalents

Group	At 1 January 2017 £'000	Cash flow £'000	At 31 December 2017 £'000
Cash at bank and in hand	39,754	(3,696)	**36,058**

Parent	At 1 January 2017 £'000	Cash flow £'000	At 31 December 2017 £'000
Cash at bank and in hand	25,768	(10,346)	**15,422**

21. Financial instruments

Exposure to treasury management, liquidity, credit and currency risks arise in the normal course of the Group's business.

Treasury management

The Group's treasury activities are targeted to provide suitable, flexible funding arrangements to satisfy the Group's requirements. Interest rate and liquidity risk are managed at a Group level. Foreign currency risk is managed, in consultation with Group management, in subsidiaries which are responsible for the majority of purchases. The Group's policy for investing any surplus cash balances is to place such amounts on deposit.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs. The acquisition of companies and the continuing investment in non-current assets will be achieved by a mix of operating cash and where required, short-term borrowing facilities.

Credit risk

The Group has no significant concentrations of credit risk. The Group has implemented stringent policies that ensure that credit evaluations are performed on all potential customers before sales commence. Credit risk is managed by limiting the aggregate exposure to any one individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary.

Accordingly, the possibility of material loss arising in the event of non-performance by counterparties is considered to be unlikely. Cash at bank is held only with major UK banks with high quality external credit ratings or government support.

Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily US Dollars and Euros. During 2017, the Group entered into foreign currency transactions that over the course of the year resulted in the Group having a natural hedge. This then meant the Group did not need to enter into forward contracts to minimise the impact of movements in foreign currency rates on the spot market.

Foreign currency assets:	2017 £'000	2016 £'000
US Dollar	**3,686**	2,769
Euro	**3,864**	2,541
Swiss Franc	**61**	304
	7,611	5,614

21. Financial instruments (continued)

Foreign currency sensitivity

Some of the Group's transactions are carried out in US Dollars and Euros. As a result, management have undertaken sensitivity analysis to consider the financial impact if Sterling had both strengthened and weakened against the US Dollar and the Euro.

If Sterling had strengthened against the US Dollar and Euro by 5% (2016: 5%), then this would have had the following impact:

	2017			2016		
	US Dollar £'000	**Euro £'000**	**Total £'000**	US Dollar £'000	Euro £'000	Total £'000
Net result for the year	**(175)**	**(184)**	**(359)**	(72)	(114)	(186)

If Sterling had weakened against the US Dollar and Euro by 5% (2016: 5%), then this would have had the following impact:

	2017			2016		
	US Dollar £'000	**Euro £'000**	**Total £'000**	US Dollar £'000	Euro £'000	Total £'000
Net result for the year	**195**	**204**	**399**	212	141	353

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

22. Summary of financial assets and liabilities by category

The IAS 39 categories of financial assets included in the statement of financial position and the headings in which they are included are as follows:

Current assets

	Group		Parent	
Loans and other receivables	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000
Trade receivables and other receivables	**32,753**	30,323	**31,065**	24,416
Cash and cash equivalents	**36,058**	39,754	**15,422**	25,768
Total financial assets	**68,811**	70,077	**46,487**	50,184

The IAS 39 categories of financial liability included in the statement of financial position and the headings in which they are included are as follows:

Current liabilities

	Group		Parent	
Other financial liabilities at amortised cost	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000
Trade and other payables	**6,827**	5,254	**5,343**	7,019
Total financial liabilities	**6,827**	5,254	**5,343**	7,019

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23. Capital management policies and procedures

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. This strategy remains unchanged from 2016.

At 31 December 2017, the Group had no debt and therefore the capital structure consists of equity only.

24. Operating leases

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Parent	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Within one year	**1,023**	963	**534**	553
Between two and five years	**2,042**	1,804	**743**	762
More than five years	**705**	398	**0**	0
	3,770	3,165	**1,277**	1,315

The Group leases its operating depots under non-cancellable operating lease agreements and certain other plant and equipment under non-cancellable operating lease agreements.

25. Related party transactions

Parent Company

The Parent Company entered into the following transactions with subsidiaries during the year:

	Transaction value Year ended 31 December		**Balance outstanding as at 31 December**	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Sale of goods and services (including recharge of costs)	**842**	1,254	**6,115**	240

All sales noted above with the related parties are conducted in line with similar transactions with external parties.

Details of key management personnel compensation have been disclosed in note 6, no other transactions were entered into with key management personnel in the year.

Two family members of the Non-Executive Chairman are employed in management roles within the business. The total remuneration paid in the year was £157,000 (2016: £119,500). An accrued amount of £20,000 (2016: £33,000) will be paid in the subsequent financial year.

26. Pension obligations and employee benefits

The Group operates two employee benefit plans, a defined benefit plan which provides benefits based on final salary which is now closed to new members and a defined contribution group personal plan. The Group personal plan consists of individual contracts with contributions from both the employer and employee. The charge for the year for the Group personal plan was £410,000 (2016: £319,000).

The Company operates a defined benefit plan in the UK. A full actuarial valuation was carried out on 5 April 2017 and updated at 31 December 2017 by an independent qualified actuary.

The assets of the defined benefit plan are managed by a pension fund that is legally separated from the Group. Governance of the plan is the responsibility of appointed trustees, acting on professional advice. The plan is exposed to a number of risks, including changes to long-term UK interest rates and inflation expectations, movements in global investment markets, changes in UK life expectancy rates and regulatory risk from changes in UK pension legislation.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in sterling. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

The plan assets at 31 December 2017 are predominantly equity and debt instruments.

Longevity risk

The Group is required to provide benefits for life for the members of the defined benefit liability. Increases in the life expectancy of the members, where the pension payments are linked to CPI, will increase the defined benefit liability.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

A reconciliation of the pension obligation and plan assets to the amounts presented in the statement of financial position for 2017 and 2016 is shown below.

	31 December 2017 £'000	31 December 2016 £'000
Present value of funded obligations	**(30,167)**	(30,380)
Fair value of plan assets	**27,246**	23,985
Deficit in the plan	**(2,921)**	(6,395)
Related deferred tax asset	**654**	1,098
Net liability recognised	**(2,267)**	(5,297)

Defined benefit obligation

The details of the Group's defined benefit obligation are as follows:

	31 December 2017 £'000	31 December 2016 £'000
Opening defined benefit obligation	**30,380**	27,593
Current service cost (Company only)	**41**	29
Interest cost	**754**	971
Actual contributions paid by plan participants	**6**	6
Experience adjustment	**362**	(335)
Actuarial losses from changes in financial assumptions	**646**	6,185
Actuarial gains from changes in demographic assumptions	**(409)**	0
Benefits paid - including insurance premiums	**(1,613)**	(4,069)
Closing defined benefit obligation	**30,167**	30,380

Plan assets

The reconciliation of the balance of the assets held for the Group's defined benefit plan is presented below:

	31 December 2017 £'000	31 December 2016 £'000
Fair value of plan assets at start of accounting period	**23,985**	23,700
Interest income	**600**	845
Return on plan assets (excluding amounts included in net interest)	**1,714**	2,377
Contributions paid by the employer	**2,554**	1,126
Actual contributions paid by plan participants	**6**	6
Benefits paid	**(1,613)**	(4,069)
Fair value of plan assets at end of accounting period	**27,246**	23,985

The actual return on plan assets was £2,314,000 (2016: £3,222,000). Plan assets do not comprise any of the Group's own financial instruments or any assets used by Group companies. Plan assets can be broken down into the following category of investments.

The major categories of plan assets, measured at fair value are:	**31 December 2017 £'000**	31 December 2016 £'000
Equities	**19,006**	16,970
Gilts	**1,616**	1,582
Bonds	**2,429**	2,393
Other, including cash	**2,327**	3,040
Total fair value of assets	**25,378**	23,985

Assets included which do not have a quoted market value:	**31 December 2017 £'000**	31 December 2016 £'000
Property	**1,868**	0
Gilts	**0**	0
Other, including cash	**0**	0
Total	**1,868**	0

The property was acquired following a special contribution made by Nichols plc on 21 December 2017. As such, the price paid is considered to be market value.

The significant actuarial assumptions used for the valuations are as follows:	**31 December 2017 £'000**	31 December 2016 £'000
Future salary increases	**3.20%**	3.25%
Rate of increase in (post 1997) pensions in payment (a)	**3.30%**	3.30%
Discount rate at 31 December	**2.40%**	2.55%
Expected rate of inflation - RPI	**3.20%**	3.25%

26. Pension obligations and employee benefits (continued)

Other actuarial assumptions were the rate of salary increases and mortality assumptions. In terms of future salary increases, the actuary is assuming salaries will increase in line with the RPI inflation assumption.

Assumptions regarding future mortality experience are set based on the advice of actuaries and in accordance with published statistics. For members not yet retired, life expectancies have been estimated as 89 years for men (2016: 90 years) and 90 years for women (2016: 92 years). For current pensioners life expectancies have been estimated as 87 years for men (2016: 87 years) and 89 years for women (2016: 90 years).

(a) Increases on pre-6 April 1997 pensions are fixed at 3% per annum. Post-6 April 1997 increases are in line with price inflation, subject to a minimum of 3% and a maximum of 5%.

Over the year the Company contributed to the plan at the rate of 18.6% of salaries. The Company will continue to contribute at this rate pending the results of the next actuarial valuation. The plan is now closed to new entrants. This means that the average age of the membership can be expected to rise which in turn means that the future service cost (as a percentage of scheme members' pensionable salaries) can be expected to rise.

Defined benefit plan expenses

Amounts recognised in profit or loss are:	31 December 2017 £'000	31 December 2016 £'000
Current service cost (Company)	**41**	29
Net interest cost (on net defined benefit liability)	**154**	126
Total amount recognised in the consolidated income statement	**195**	155

The current service cost is included in employee benefits expense and the net interest expense is included in finance costs. Amounts recognised in other comprehensive income relating to the Group's defined benefit plan are as follows:

Remeasurements recognised in other comprehensive income:	31 December 2017 £'000	31 December 2016 £'000
Actuarial gains on the assets	**1,714**	2,378
Experience adjustment	**(362)**	335
Actuarial losses from changes in financial assumptions	**(646)**	(6,185)
Changes in demographic assumptions	**409**	0
Other movements	**25**	0
Total gain/ (loss) recognised in other comprehensive income	**1,140**	(3,472)

Other defined benefit plan information

Employees of the Group are required to contribute a fixed 6% of their pensionable salary.

The remaining contribution is partly funded by the Group's subsidiaries. The funding requirements are based on the pension funds actuarial measurement framework as set out in the funding policies.

Based on historical data, the Group expects contributions of £900,000 to be paid in 2018.

The weighted average duration of the defined benefit obligation at 31 December 2017 is 18 years (2016: 18 years).

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the inflation assumption and life expectancy.

The calculation of the net defined benefit liability is sensitive to these assumptions.

The table below summarises the sensitivity of the obligation to changes to these assumptions:

	31 December 2017 £'000	31 December 2017 %	31 December 2016 £'000	31 December 2016 %
Increase in discount rate by 0.5%	**204**	**-7.00**	512	-8.00
Increase in price inflation adjustment by 0.5%	**58**	**2.00**	256	4.00
1 year increase in life expectancy	**88**	**3.00**	192	3.00

The method and assumptions used in this analysis are similar to those used in the previous year.

27. Audit exemption statement

Under section 479A of the Companies Act 2006 the Group is claiming exemption from audit for the subsidiary companies listed below. The parent undertaking, Nichols plc, registered number 238303, guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year (being the year ended 31 December 2017 for each company unless otherwise stated). The guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.

	Company Number
Beacon Drinks Limited	1732905
Ben Shaws Dispense Drinks Limited	231218
Cabana Soft Drinks Limited	938594
Dayla Liquid Packing Limited	603111
Festival Drinks Limited	1256006
Vimto (Out of Home) Limited	8795779
Nichols Dispense (S.W.) Limited	8766560
Dispense Solutions (Wales) Limited (year ended 30 September 2018)	8671127
The Noisy Drinks Co. Limited	5905631
DJ Drink Solutions Limited (year ended 31 May 2018)	5787898

28. Contingent liability

The Company had previously entered into contracts with some of its senior management relating to incentive schemes which were designed to motivate, retain and engage those key employees. HMRC have written to the Company with their initial view that the arrangements should have been taxed as employment income which the Company and its advisors dispute. If HMRC pursues its current position and is successful in its argument then the Company may have to pay up to £3.2m in income tax and national insurance. The employees who are party to the contracts have formally indemnified the Company in relation to income tax and employees' national insurance and an amount of up to £2.4m can be requested from them.

The directors have obtained external advice and on the basis of this do not believe that the Company has a liability for any additional tax or national insurance. In common with such disputes with HMRC it may take some time to settle and the directors are unable to assess how long this will take and the timing of any potential settlement if required. As at the date of this report, there has been no significant progress in the case to note since this time last year.

29. Post balance sheet events

On 15 February 2018, the Group acquired 75% of the issued share capital of The Noisy Drink Company North West Limited (NNW) for £1.5m. NNW is one of our Out of Home frozen soft drinks distributors covering the North West region and is an entirely separate company with separate ownership to The Noisy Drinks Co. Limited previously acquired by the Group. This acquisition further consolidates our route to market in the region and is consistent with our successful business model already operating in other regions in the UK.

Details of the book value of identifiable assets acquired are as follows:

	£'000
Property, plant and equipment	713
Inventories	56
Receivables	192
Cash	20
Payables	(981)
Total	**0**

At the date of authorisation of these financial statements, a detailed assessment of the fair value of the identifiable net assets has not been completed.

	2017 £'000	2016 £'000	2015 £'000	Restated 2014 £'000	2013 £'000
Revenue	**132,789**	117,349	109,279	109,205	105,529
Operating profit before exceptional items, IAS 19 and Long-Term Incentive Scheme Charges	**30,884**	31,622	28,888	26,464	25,194
Exceptional items	**(1,801)**	0	0	(7,768)	(3,680)
IAS 19 operating profit charges	**(41)**	(29)	(37)	(103)	(96)
Long-Term Incentive Scheme operating profit charges	**(300)**	(1,268)	(1,017)	(764)	(2,671)
Operating profit after exceptional items, IAS 19 and Long-Term Incentive Scheme charges	**28,742**	30,325	27,834	17,829	18,747
Net finance (expense)/ income	**(20)**	1,167	12	93	83
Share of post-tax profits of equity accounted associate	**0**	0	190	0	0
Profit before taxation	**28,722**	31,492	28,036	17,922	18,830
Taxation	**(5,548)**	(6,015)	(5,803)	(3,776)	(4,721)
Profit after taxation	**23,174**	25,477	22,233	14,146	14,109
Dividends paid	**(11,213)**	(9,806)	(8,589)	(7,518)	(6,639)
Retained earnings	**11,961**	15,671	13,644	6,628	7,470
Earnings per share - (basic)	**62.88p**	69.13p	60.33p	38.39p	38.30p
Earnings per share - (diluted)	**62.81p**	69.07p	60.25p	38.34p	38.25p
Earnings per share - (basic) before exceptional items	**67.76p**	66.18p	60.33p	55.03p	45.79p
Earnings per share - (diluted) before exceptional items	**67.69p**	66.12p	60.25p	54.96p	45.72p
Dividends paid per share	**30.40p**	26.60p	23.30p	20.40p	18.02p

Notice is hereby given that the twenty sixth Annual General Meeting of Nichols plc ("Company") will be held at Nichols plc, Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, Merseyside, WA12 0HH on Wednesday, 25 April 2018 at 11:00 a.m. for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive the Company's annual accounts, strategic report and directors' and auditors' reports for the year ended 31 December 2017.
2. To declare a final dividend for the year ended 31 December 2017 of 23.4 pence per ordinary share of £0.10 in the capital of the Company, to be paid on 4 May 2018 to shareholders whose names appear on the register of members at the close of business on 6 April 2018.
3. To re-elect A Milne, who retires by rotation, as a director of the Company.
4. To re-elect T Croston, who retires by rotation, as a director of the Company.
5. To reappoint H Keays, who has been appointed by the Board since the last Annual General Meeting, as a director of the Company.
6. To reappoint BDO LLP as auditors of the Company.
7. To authorise the directors to determine the remuneration of the auditors.
8. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,228,135.90 (representing one third of the existing issued ordinary share capital of the Company), provided that, (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 25 July 2019 (whichever is the earlier), save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired. This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

To consider and, if thought fit, to pass the following resolutions as special resolutions:

9. That, subject to the passing of resolution 8 and pursuant to sections 570 and 573 of the Companies Act 2006 ("Act"), the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 8 and to sell ordinary shares held by the Company as treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares:

9.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):

9.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

9.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

9.2 otherwise than pursuant to paragraph 9.1 of this resolution, up to an aggregate nominal amount of £184,244,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 25 July 2019 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted or treasury shares to be sold for cash after this power expires and the directors may allot equity securities or sell treasury shares for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under sections 570 and 573 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

10. That, pursuant to section 701 of the Companies Act 2006 ("Act"), the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company ("Shares"), provided that:

10.1 the maximum aggregate number of Shares which may be purchased is 3,684,882:

10.2 the minimum price (excluding expenses) which may be paid for a Share is 10p; and

10.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made, and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 25 July 2019 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the Board

Tim Croston
Secretary

28 February 2018

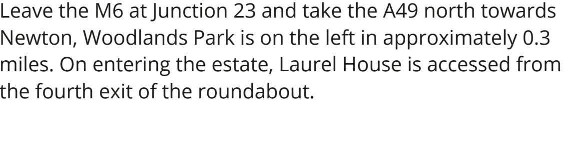
Registered Office, Laurel House, Woodlands Park, Ashton Road, Newton-le-Willows, WA12 0HH.

Registered in England and Wales No. 238303.

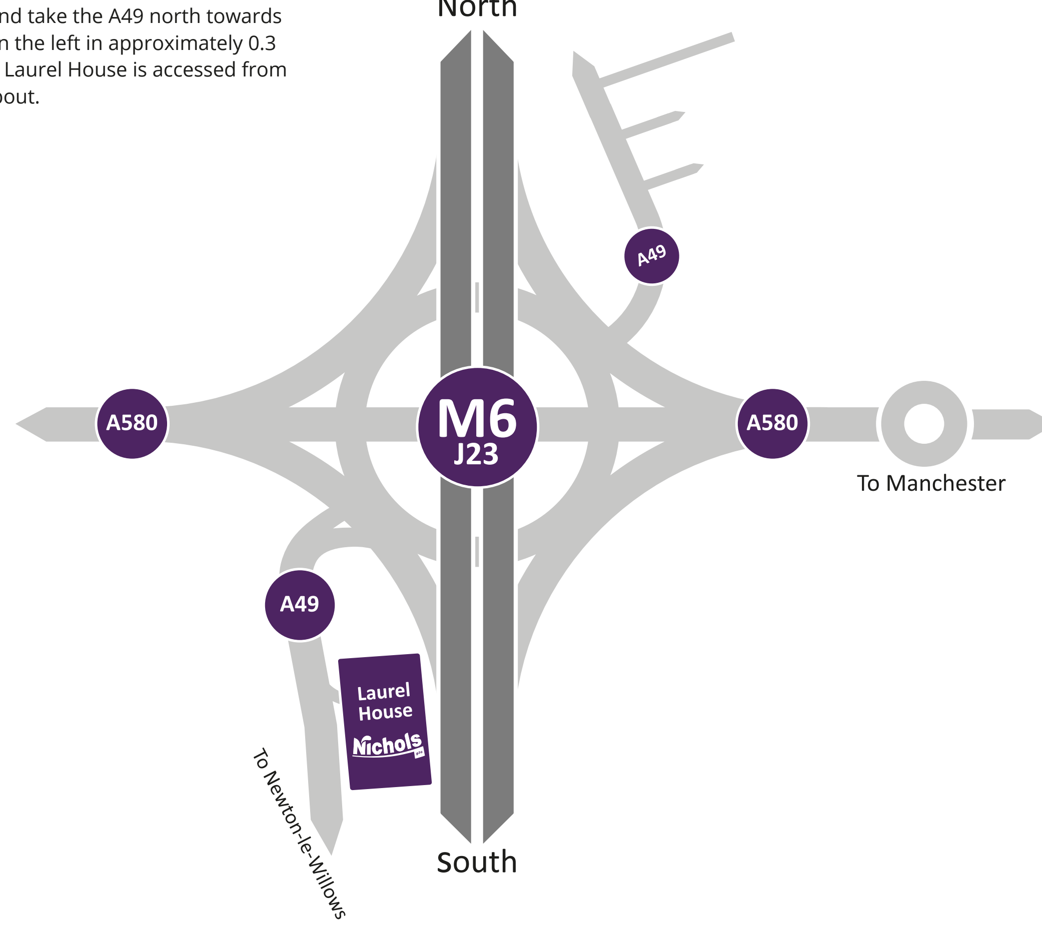
1. To receive the Company's annual accounts, strategic report and directors' and auditor's reports for the year ended 31 December 2017.
2. Biographical details of all those directors who are offering themselves for re-election at the meeting are set out on pages 40 to 41 of the enclosed annual report and accounts.
3. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on Monday, 23 April 2018 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
4. A member is entitled to appoint another person as his or her proxy to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained from the Company's registrar at shareholder.enquiries@linkgroup.com or on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 a.m. – 5:30 p.m., Monday - Friday) or you may photocopy the proxy form already in your possession. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the number of shares set out in the other proxy appointments is in excess of those held by the member, may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the procedures set out in notes 5 to 8 below and the notes to the form of proxy.
5. The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
6. A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 11:00 a.m. on Monday, 23 April 2018 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting).
7. CREST members who wish to appoint a proxy or proxies for the meeting or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's Registrar, Link Registrars (CREST ID RA10) no later than 11:00 a.m. on Monday, 23 April 2018 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Link Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
11. As at 16 March 2018 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 36,968,772 ordinary shares of 10 pence each, carrying one vote each. As the Company holds 85,039 ordinary shares in treasury, in respect of which it cannot exercise any votes, the total voting rights in the Company as at 16 March 2018 are 37,053,811.
12. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Directions to the Annual General Meeting

Car:



Leave the M6 at Junction 23 and take the A49 north towards Newton, Woodlands Park is on the left in approximately 0.3 miles. On entering the estate, Laurel House is accessed from the fourth exit of the roundabout.



Pubic Transport

Train:

Newton-le-Willows railway station is located 1.3 miles away from Woodlands Park on Southworth Road, WA12 9SF.

Bus:

The nearest bus service to Woodlands Park is located on Cobden Street, 0.8 miles from Woodlands Park, operating the number 22 service into Newton-le-Willows.

NOTES

FINANCIAL CALENDAR

Preliminary Results Announced	**Annual General Meeting**	**Interim Results Announced**
1 March 2018	25 April 2018	19 July 2018

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