

Annual Report
& Review 2017

Financials

Musgrave

Summary financial statements

Consolidated profit & loss account

	Notes	2017 Total €m	2016 Total €m
Group turnover		3,713.2	3,731.3
Cost of sales		(3,066.8)	(3,094.3)
Gross profit		646.4	637.0
Distribution costs		(437.6)	(420.3)
Administration expenses		(133.7)	(134.2)
Other operating income		12.6	12.6
Group operating profit	2	87.7	95.1
Analysed as:			
Group operating profit before exceptional items		87.7	79.6
Pension gains – net	3	–	15.5
Group operating profit		87.7	95.1
Net interest payable		(7.7)	(6.6)
Profit on ordinary activities before taxation*		80.0	88.5
Tax charge on profit on ordinary activities		(8.3)	(8.8)
Profit for the financial year		71.7	79.7

* 2016 profit before taxation of €73.0 million before exceptional non-cash pension gains

Consolidated balance sheet

	2017 €m	2016 €m
Fixed assets		
Intangible assets	55.6	60.7
Investment properties	37.4	36.6
Tangible assets	366.2	340.3
	459.2	437.6
Current assets		
Stocks	144.0	137.1
Debtors – amounts falling due within one year	478.3	436.4
Debtors – amounts falling due after more than one year	28.2	20.2
Cash at bank and in hand	145.7	203.3
	796.2	797.0
Bank overdrafts and loans – amounts falling due within one year	(74.8)	(7.1)
Other creditors – amounts falling due within one year	(673.3)	(671.5)
	(748.1)	(678.6)
Net current assets	48.1	118.4
Total assets less current liabilities	507.3	556.0
Bank, other loans and other creditors – amounts falling due after more than one year	(7.3)	(87.7)
Provisions for liabilities	(48.6)	(54.5)
Pension liability	(121.0)	(165.0)
Net assets	330.4	248.8
Capital and reserves		
Share capital, share premium and capital reserves	34.0	34.0
Revaluation and other reserves	25.7	26.7
Profit and loss account	270.7	188.1
Equity shareholders' funds	330.4	248.8

On behalf of the Board

Chris Martin
Group Chief Executive Officer

David O'Flynn
Chief Financial Officer

Consolidated cash flow statement

	Notes	2017 €m	2016 €m
Cash flows from operations	5	77.0	193.8
Corporation tax paid		(6.4)	(9.4)
Net cash generated from operating activities		70.6	184.4
Cash flows from investing activities			
Purchase of tangible assets		(96.2)	(62.1)
Disposal of tangible assets		4.5	6.3
Purchase of subsidiaries		–	(4.0)
Disposal of subsidiaries		(0.2)	(2.6)
Interest received		1.2	2.4
Net cash used in investing activities		(90.7)	(60.0)
Cash flows from financing activities			
Dividends paid		(17.0)	(15.4)
Interest paid		(5.2)	(5.6)
Payments to acquire own shares		(7.1)	(3.1)
Other cash flows		(1.1)	(2.4)
Net cash used in financing activities		(30.4)	(26.5)
Net (decrease)/increase in net cash		(50.5)	97.9
Opening net cash		121.3	23.4
Closing net cash		70.8	121.3

1 Statement of compliance

The Group's reporting period ends on the Saturday closest to 31 December, being 30 December 2017 for the current year and 31 December 2016 for the prior year. There are 364 days in both years.

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS 102"). They are presented in the currency units of the Republic of Ireland, the euro (€).

2 Group operating profit

	2017	2016
	€m	€m
Group operating profit has been arrived at after charging/(crediting):		
Staff costs	303.4	277.4
Amortisation of intangible assets	7.5	6.7
Depreciation and impairment of tangible assets	39.2	41.3
Operating lease expense	29.8	33.0
Operating lease income	(7.2)	(8.5)
Surplus on revaluation of investment properties	(0.8)	(2.0)

3 Exceptional items

Exceptional items shown on the face of the profit and loss account in the prior year are analysed as follows:

	2017	2016
	€m	€m
Pension gains – net		
Curtailment gains – defined benefit schemes	–	22.1
Settlement gains – defined benefit schemes	–	3.0
Employer special contribution – defined contribution schemes	–	(8.7)
Administration costs associated with pension change	–	(0.9)
	–	15.5

4 Dividends

	2017 €m	2016 €m
Dividends paid on ordinary shares:		
Ordinary dividends of 29.9 cent (2016: 27.5 cent) per share	17.0	15.4

5 Cash flows from operations

	€m	€m
Group operating profit	87.7	95.1
Depreciation and impairment of tangible assets	39.2	41.3
Amortisation of intangible assets	7.5	6.7
(Profit)/loss arising on disposal of tangible assets and subsidiaries – net	(3.3)	0.4
Surplus on the revaluation of investment properties	(0.8)	(2.0)
Share-based payments charge	4.0	4.6
Net movement in working capital	(57.2)	46.3
Currency translation adjustment	(0.1)	1.4
	77.0	193.8

The adverse movement in working capital in 2017 is due in part to the one day movement in the year end date from 31 December in the prior year to 30 December in the current year.

Our values

Long term
stable
relationships

Working
hard

Not being
greedy

Achievement

Honesty

Musgrave Group plc

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