

Growing
Good Business



Musgrave

Financials



*Annual Report
& Review 2018*



Summary Financial statements

Consolidated profit & loss account

	Notes	2018 Total €m	2017 Total €m
Turnover		3,850.4	3,713.2
Cost of sales		(3,171.8)	(3,066.8)
Gross profit		678.6	646.4
Distribution costs		(470.1)	(437.6)
Administration expenses		(127.1)	(133.7)
Other operating income		9.2	12.6
Operating profit	2	90.6	87.7
Net interest expense		(6.1)	(7.7)
Profit before taxation		84.5	80.0
Tax charge on profit		(9.1)	(8.3)
Profit for the financial year		75.4	71.7

Consolidated balance sheet

	2018	2017
	€m	€m
Fixed assets		
Intangible assets	103.1	55.6
Tangible assets	400.2	366.2
Investment properties	37.3	37.4
	540.6	459.2
Current assets		
Stocks	146.2	144.0
Debtors – amounts falling due within one year	486.6	478.3
Debtors – amounts falling due after more than one year	29.3	28.2
Cash at bank and in hand	54.3	145.7
	716.4	796.2
Debt and finance leases – amounts falling due within one year	(13.6)	(75.1)
Other creditors – amounts falling after more than one year	(691.1)	(673.0)
	(704.7)	(748.1)
Net current assets	11.7	48.1
Total assets less current liabilities	552.3	507.3
Debt and finance leases – amounts falling due after more than one year	(25.1)	0.2
Other creditors – amounts falling due after more than one year	(8.7)	(7.5)
Provisions for liabilities	(42.3)	(48.6)
Pension liability	(66.4)	(121.0)
Net assets	409.8	330.4
Capital and reserves		
Share capital, share premium and capital reserves	34.0	34.0
Revaluation and other reserves	22.6	25.7
Profit and loss account	353.2	270.7
Equity shareholders' funds	409.8	330.4

On behalf of the Board

Chris Martin
Group Chief Executive Officer

David O'Flynn
Chief Financial Officer

Consolidated cash flow statement

	Notes	2018 €m	2017 €m
Cash flows from operations	4	124.3	77.0
Corporation tax paid		(7.5)	(6.4)
Net cash generated from operating activities		116.8	70.6
Cash flows from investing activities			
Purchase of fixed assets		(69.9)	(96.2)
Disposal of fixed assets		1.6	4.5
Purchase of subsidiaries	5	(73.3)	–
Interest received		2.3	1.2
Net cash used in investing activities		(139.3)	(90.5)
Cash flows from financing activities			
Dividends paid		(17.9)	(17.0)
Interest paid		(5.0)	(5.2)
Payments to acquire own shares		(7.1)	(7.1)
Other cash flows		(2.3)	(1.3)
Net cash used in financing activities		(32.3)	(30.6)
Decrease in net cash		(54.8)	(50.5)
Opening net cash		70.8	121.3
Cash and finance leases acquired during year		(0.4)	–
Closing net cash		15.6	70.8

1 Statement of compliance

The Group's reporting period ends on the Saturday closest to 31 December, being 29 December 2018 for the current year and 30 December 2017 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"). The entity has chosen to early adopt the provisions of "Amendments to FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' – Triennial Review 2017 – Incremental Improvements and Clarifications" (December 2017). They are presented in the currency units of the Republic of Ireland, the euro (€).

2 Operating profit

	2018	2017
	€m	€m
Operating profit of the Group has been arrived at after charging/(crediting):		
Staff costs	323.3	303.4
Amortisation of intangible assets	12.3	7.5
Depreciation and impairment of tangible assets	44.5	39.2
Operating lease expense	30.5	29.8
Operating lease income	(7.9)	(7.2)
Surplus on revaluation of investment properties	(1.0)	(0.8)
Defined benefit pension gains – net	(8.9)	–

During the year, the Musgrave Limited defined benefit pension scheme members were offered the option to transfer their accumulated benefits, plus an enhancement, to a personal defined contribution scheme. As a result employer contributions of €14.0 million were paid to the scheme for member fund value enhancements and a €10.0 million settlement gain arose. The costs associated with this programme were €0.7 million. In addition an adjustment was made to the valuation of defined benefit scheme liabilities in Northern Ireland to reflect a change in legislation in relation to guaranteed minimum pensions and a curtailment loss arose of €0.4 million. The net impact of these two matters was a gain of €8.9 million.

3 Dividends

	2018 €m	2017 €m
Dividends paid on ordinary shares:		
Ordinary dividends of 31.8 cent (2017: 29.9 cent) per share	17.9	17.0

4 Cash flows from operations

	€m	€m
Group operating profit	90.6	87.7
Depreciation and impairment of tangible assets	44.5	39.2
Amortisation of intangible assets	12.3	7.5
Loss/(profit) arising on disposals	0.1	(3.3)
Surplus on the revaluation of investment properties	(1.0)	(0.8)
Share-based payments charge	4.7	4.0
Net movement in working capital	(26.7)	(57.2)
Currency translation adjustment	(0.2)	(0.1)
Cash flows from operations	124.3	77.0

5 Purchase of subsidiaries

The Group made two acquisitions during the year – La Rousse Foods on 26 January 2018 and Donnybrook Fair on 12 November 2018. The total amount paid during the year for both acquisitions was €73.3 million.

Our values

- ◆ Long term stable relationships
- ◆ Working hard
- ◆ Not being greedy
- ◆ Achievement
- ◆ Honesty

Musgrave Group plc

Musgrave House, Ballycurreen, Airport Road, Cork, Ireland, T12 TN99

Tel +353 (0)21 452 2100 ◆ **Email** group@musgrave.ie ◆ **Follow** Musgrave on LinkedIn and Twitter

www.musgravegroup.com