LPA GROUP PLC

Preliminary results for the year ended 30 September 2017

LPA Group plc ("LPA" or the "Group"), the LED lighting and electro-mechanical system manufacturer and distributor, announces record results for the year ended 30 September 2017 and a strong start to the new financial year.

KEY POINTS

- Sales up 4.9% at £22.482m (2016: £21.422m)
- Operating profit before exceptional items up 23.6% at £1.895m (2016: £1.533m)
- Exceptional and non-underlying items £73,000 (2016: £14,000)
- Profit before tax up 26.3% at £1.914m (2016: £1.516m)
- Basic earnings per share up 17.1% at 14.40p (2016: 12.30p)
- Final dividend increased 10% to 1.65p (2016:1.50p), total for the year 2.70p (2016: 2.50p)
- Gearing 25.7% (2016: 29.2%)
- Order entry £26.1m (2016: £20.7m) up 26%
- Order book £21.6m (2016: £18.0m) up 20%
- LPA Lighting Systems successfully relocated to new facility during the year

Peter Pollock, Chief Executive, commented:

"The 2016 financial year marked a step change in the performance of the Group, and these record results for the 2017 financial year are confirmation that we are now established at this substantially increased level of activity. We have indeed moved on.

"Strong order entry during the year reflects the current buoyancy in the UK and export rail and other markets which the Group serves and underpins our expectation of further progress during the current financial year.

"Sales output in the first quarter is significantly ahead of the same period last year confirming the continuing growth potential of the business.

"Per Staehr, Non-Executive Director, and Stephen Brett, Finance Director, will retire at the AGM. Chris Buckenham FCCA, who has been working with us since October, is expected to succeed Stephen Brett as Chief Financial Officer and Company Secretary.

"We look forward to continuing progress this year and for the future."

23 January 2018

ENQUIRIES:

LPA Group plc
Peter Pollock, Chief Executive — Tel: 07881 626123 or 01799 512844
Steve Brett, Finance Director — Tel: 07881 626127 or 01799 512860

Cairn Financial Advisers (Nominated Adviser) — Tel: 020 7213 0880
James Caithie / Tony Rawlinson

WH Ireland (Broker) — Tel: 0113 394 6600
Tim Feather / Ed Allsopp

Instinctif Partners (PR Adviser) — Tel: 020 7457 2020
Mark Garraway / Helen Tarbet

Chairman's Statement

Overview

In my interim statement I reported that the Group had established itself on a new trading level and that this continued to be sustained by excellent levels of orders and sales. Output during the first quarter of this financial year was at record levels. We have moved on.

Sales for the year were up 4.9% at £22.482m (2016: £21.422m) and operating profit before exceptional and non-underlying items was up 23.6% at £1.895m (2016: £1.533m). Profit before tax, after an exceptional gain of £73,000 (2016: £14,000), amounted to £1.914m (2016: £1.516m). Basic earnings per share for the year were 14.40p (2016: 12.30p) up 17.1%. Gearing was 25.7% (2016: 29.2%).

Order entry was very strong at £26.1m (2016: 20.7m) up 26.1% and the order book at the end of the year grew 20% to £21.6m (2016: £18.0m).

Dividends

As a consequence of the continuing improved trading performance and our confidence in the future, subject to shareholder approval at the forthcoming annual general meeting to be held at the offices of Instinctif Partners, 65 Gresham Street, London EC2V 7NQ at 12 noon on Wednesday 21 March 2018 - your Board proposes to increase the final dividend by 10% to 1.65p (2016: 1.50p), making a total for the year of 2.70p (2016: 2.50p). The dividend, if approved, will be paid on 29 March 2018 to shareholders registered at the close of business on 9 March 2018.

Board and management

The Board and Group Executive have remained unchanged during the year.

Stephen Brett, our Finance Director and Company Secretary of seventeen years, together with Per Staehr, who has completed ten years as Non-Executive Director, will both retire from the Board at the close of the forthcoming annual general meeting. I wish to thank them both for their service and commitment to the Company.

Following the retirement of Per Staehr, the role of Senior Non-Executive Director of the Group and Chairman of the Remuneration and Audit Committees of the Board will be assumed by Len Porter. A further NED appointment may be made in due course. Stephen Brett will be succeeded by Christopher Buckenham FCCA, who has been understudying him for several months, in the role of Chief Financial Officer and Company Secretary.

Peter Pollock has recently been appointed Chairman of the Small and Medium Sized Enterprises Council of the Rail Supply Group (RSG), which attracts a seat on the Council of RSG. This is a very significant public appointment which reflects very well upon the Group and in which we fully support him.

The Board proposes to introduce a replacement executive performance share plan, summary details of which will be circulated to shareholders with the Annual Report. A resolution to implement the new scheme will be put to the Annual General Meeting.

Employees

Our people have always been our most valuable asset. Staff turnover across the Group remains remarkably low. We are very pleased that retirements are now being more closely matched by the appointment of apprentices and trainees and that the unprecedented growth we are currently experiencing has allowed us to recruit more people to our team.

Outlook

Our order book and prospects in our home and export markets are very positive indicators. The current financial year has started well. We look forward to our medium and longer term future with great confidence.

Michael Rusch
Chairman
23 January 2018

Chief Executive's Review

Trading results

The year to 30 September 2017 confirmed that we are now operating at a new, much higher, level and this is being sustained into the new financial year. Our challenge is to maintain this progress into 2019 and beyond.

Order entry during the year increased 26.1% to £26.1m (2016: £20.7m), a near-record level, as our exceptionally strong pipeline matured into order entry. The funnel which feeds the pipeline includes many opportunities and our challenge is to convert them into firm prospects and then orders. Our inclusion on several 'platforms', that is railway rolling stock and aerospace and defence project models, puts us in a very strong position for the medium and longer term. The order book grew 20% during the year to close at £21.6m.

Group sales in the year advanced 4.9% to a record £22.482m (2016: £21.422m) with electro-mechanical being the principal contributor to this growth. Operating profit before exceptional and non-underlying items increased 23.6% to £1.895m (2016: £1.533m), profit before tax grew 26.3% to £1.914m (2016: £1.516m) and basic earnings per share were 14.40p up 17.1% on last year (2016: 12.30p). If approved by shareholders the total dividend for the year will increase 8.0% to 2.70p (2016: 2.50p).

During the year gearing fell from 29.2% to 25.7%, this despite a large capital expenditure program, in particular associated with the refurbishment of the new manufacturing facility in Normanton West Yorkshire.

The first half was taken at a steady pace. Electro-mechanical started well, gradually accelerated throughout the year and finished with output running at record levels: this has continued into the new financial year, at times exceeding designed capacity, which has necessitated investment in additional facilities. Lighting Systems also started well but had to cope with the relocation of their manufacturing facilities around the half year: despite this output barely faltered and then accelerated in the second half so that they are now challenging their enlarged capacity in the new financial year. In contrast Engineered component distribution had a less exciting year, but still delivered a good performance that should be sustained through 2018 with potential growth in 2019 and beyond.

Electro-mechanical activities had a very strong year. Now that we have nearly withdrawn from third party sub contract fabrication, our enhanced production facility has focussed on connection systems for rail vehicles, rail infrastructure and aircraft ground support. Deliveries for new build rail vehicle projects in the UK and China were very strong, Crossrail provided good demand for infrastructure and aircraft ground power continued to progress both in the UK and many export markets. Reflecting a move by Government to the procurement of new build rail vehicles, rather than renewals and refurbishment of existing vehicles, Transport+ had a quiet year, however growing demand for retrofit of Ethernet Backbones and LED lighting should provide opportunities in the future.

At Lighting Systems output of new build rail vehicle projects continued at record levels despite the challenge of relocating production to a new facility during the year. Non-rail activities recovered their position in the hazardous area lighting market when the business of one of our main customers, who had been placed into administration in the early part of the year, was acquired by a US Group and recommenced trading. Lighting for highways and pedestrian walkways is a developing market for our LED based lighting products.

Engineered component distribution supports all Group activities, particularly rail business at depot level. The switch by Government to new build rail vehicle procurement adversely affected this activity. However, during the year, it traded very successfully and delivered a good result. It has positioned itself for significant growth on new rail, aerospace and defence projects which should come to fruition over the next two years and be sustained for the long term.

Markets

The Group has been focussed on the UK transportation market (including rail, aircraft ground support and latterly highways) together with selected export markets for many years. Rail and aircraft ground support remain expanding global markets to which the Group seeks to export.

In Chinese and Asian markets, lowest initial cost, rather than whole life cost, tends to be the driving factor. In developed economies, like Europe and the UK, where rail and aircraft ground support are also growing fast, maintenance costs and, in particular, the availability of maintenance engineers are more significant factors and as such whole life cost and through life support are becoming strong criteria in supplier selection. The Group's commitment to quality and reliability, together with its innovation and industry-leading technology, is now being more widely recognised.

Chief Executive's Review (continued)

Markets (continued)

Previously the UK Government had asked train builders to provide maintenance for up to thirty years making whole life cost and availability of parts for through-life support, rather than initial cost, the major factors in supplier selection. Unfortunately, the application of this policy has been inconsistent. Also the switch to purchasing new-build trains rather than the refurbishment and renewal of cascaded rolling stock was unexpected. Fortunately, our position in export and other markets continue to provide the Group with very significant opportunities.

The Group has continued to support the train builders and refurbishers supplying the UK market and all of them are customers to a greater or lesser extent. We have continued to support Japanese train builders for their export products and, consequently, we continue to work with Hitachi, now in the UK also, Kinki Sharyo for Asia and Middle East, and Nippon Sharyo for Taiwan. In Taiwan, we also work with Taiwan Rolling Stock Company. In Australia, where the availability of maintenance engineers and whole life cost are major factors, we endeavour to work with all the train builders in Queensland, New South Wales and Victoria. The Group has identified the Gulf Cooperation Council area as being likely to appreciate our commitment to whole life cost and so we have focussed effort on the region and its established suppliers: we have won some business and are presently submitting several significant tenders for product which is to be supplied into the region from elsewhere. Unfortunately, the weak oil price and other factors have undermined this market's appetite for investment.

The worldwide air transportation market remains a very significant customer of the Group. This continues to grow with substantial investment in new airports and new larger aircraft, which are particularly demanding of ground power, which benefits our ground power support products.

Design and development

Our design and development effort last year continued to focus on satisfying the technical requirements of the large rail projects which the Group had won, including Intercity Express Programme, Abellio ScotRail, Queensland New Generation Rail, Crossrail, London Overground and China Northern Rail for Sydney. Standard products also received attention including LED lighting products, high fire performance connection systems for use in emergency egress tunnels, enhanced aircraft ground power connectors and systems, Ethernet backbones and USB seat back charging outlets for rail passengers' phones, notebooks and laptops.

Structure and costs

Light & Power House in Saffron Walden is the Group's headquarters and centre of excellence for electro-mechanical design and manufacture, including LPA Connection Systems.

LPA House, in Normanton in West Yorkshire, houses LPA Lighting Systems our LED lighting centre of excellence.

The latter part of the year saw unusually high levels of activity which have continued into the new financial year. We anticipate that this will settle down into a sustainable level of activity in the future. The core workforce has been reinforced by quality temporary employees, providing the business flexibility to achieve the higher demand.

Outlook

Last year finished full bore and this has continued into the current financial year. We expect business to settle down to a higher level than that previously achieved, but probably not as high as we are presently experiencing. We have orders on hand and projects for which we have been selected which, together with substantial opportunities for new business, will allow us to maintain and grow the business over the next few years. As we have won more business, we have had the very pleasant task of enhancing our capabilities to satisfy this demand. We look forward to similar opportunities in the future.

The strong start to the current financial year bodes well for the year as a whole, sustaining the progress we have made over the last two years.

We look forward to the future with increasing optimism and confidence.

Peter Pollock
Chief Executive
23 January 2018

Financial Review

Trading performance

Revenue in the current year rose by £1.060m (4.9%) to £22.482m (2016: £21.422m) with increased rail project activity the main factor. Gross margins fell 1.1% to 28.2% (2016: 29.3%), reflecting the higher content of lower margin rail projects and lower distribution activity, such that a gross profit of £6.337m (2016: £6.280m) resulted. With other operating expenses £0.305m below last year at £4.442m (2016: £4.747m) - accounted for by lower bonuses at £98,000 (2016: £220,000), a bad debt expense of £13,000 (2016: £129,000) and share option related credit of £6,000 (2016: cost of £74,000) - an operating profit before exceptional and non-underlying items of £1.895m (2016: £1.533m) was achieved, up £362,000 (23.6%).

In the first half of the year sales of £10.807m (2016: £10.483m) produced an operating profit before exceptional and non-underlying items of £772,000 (2016: £782,000) with sales up £0.324m on the corresponding period last year but with profits down £10,000. The second half was much stronger with sales of £11.675m (2016: £10.939m) delivering an operating profit before exceptional and non-underlying items of £1.123m (2016: £751,000) with sales and profits ahead of prior year by £0.736m and £372,000 respectively. Compared to the first half sales in the second were up by £0.868m and profits up by £351,000.

Exceptional and non-underlying items

The sale of the Group's former lighting factory in Normanton, West Yorkshire was completed in March with sale proceeds of £525,000 realising an exceptional gain of £341,000. The prior year included a £14,000 gain, being the final part of the property disposal gain arising on the redevelopment of the Group's former Tudor Works site.

In addition the period included £268,000 of non-underlying costs comprising: (i) reorganisation costs of £45,000 - largely associated with the relocation of the Group's lighting activities to its new premises; (ii) extra centre costs arising from Board succession planning including duplicated finance function costs of £102,000 and other associated costs of £60,000; and (iii) £61,000 of corporate finance costs.

Finance costs and income

Within finance costs the interest on borrowings fell to £75,000 (2016: £85,000) with, despite average borrowings being marginally higher, weighted average interest rates falling year on year (at 2.4% as opposed to 3.0%). Finance income, which comprises the net interest income on the pension asset, was £21,000 (2016: £54,000).

Profit before tax, taxation and earnings per share

Profit before tax was £1.914m (2016: £1.516m) resulting in a tax charge of £146,000 (2016: £54,000). The effective tax rate in the year was 7.6% (2016: 3.6%), significantly below the UK corporation tax rate of 19.5% (2016: 20.0%), with the reduction largely the consequence of tax loss utilisation 3.4% (2016: -2.2%), qualifying R&D expenditure 4.0% (2016: 16.9%) and that no tax is anticipated on the exceptional property gain 3.4% (2016: nil): the effective tax rate on profit before tax, exceptional and non-underlying items was 10.8% (2016: 3.4%). The profit for the year was £1.768m (2016: £1.462m) representing basic earnings per share of 14.40p (2016: 12.30p).

Balance sheet

Shareholders' funds rose by £2.032m (23%) in the year to £10.721m (2016: £8.689m) giving a net asset value per ordinary share of 86.6p (2016: 72.7p). The tangible net asset value per share (calculated excluding intangibles and pension asset, net of deferred tax, from the calculation) was 68.5p (2016: 57.0p). Net debt rose £0.212m to £2.753m (2016: £2.541m) with gearing (net debt as a % of total equity) falling to 25.7% (2016: 29.2%).

Intangible assets, which comprise goodwill and capitalised development costs, were £1.185m (2016: £1.194m). Goodwill relates to the Group's investment in Excil Electronics and was unchanged at £1.149m. Capitalised development costs, associated with the development of LED lighting products, were £36,000 (2016: £45,000).

Property, plant and equipment at 30 September was £6.851m (2016: £5.624m), of which property made up £4.316m (2016: £3.642m) and plant and equipment £2.535m (2016: £1.982m). Additions in the year were £1.974m (2016: £1.345m), including £934,000 in respect of the new lighting facility (2016: £1.050m), disposals amounted to £204,000 (2016: £nil) and the depreciation charge was £543,000 (2016: £442,000).

The IAS19 actuarial surplus recognised at 30 September 2017 on the Group's closed defined benefit pension arrangement was £1.311m (2016: £841,000). Changes over the course of the year comprised an income statement credit of £21,000 (2016: £54,000), employer contributions received of £100,000 (2016: £100,000) plus an actuarial gain of £349,000 (2016: loss of £692,000) recognised in the statement of comprehensive income. The actuarial gain resulted from changes in financial assumptions of £292,000 (primarily reflecting the higher discount rate applicable at September 2017, 2.6% as opposed to 2.4%) plus an experience gain on liabilities of £98,000 less a worse than expected return on plan assets of £41,000.

Financial Review (continued)

Balance sheet (continued)

Net trading assets (defined as inventories plus trade and other receivables, less trade and other payables and current tax) were higher at £4.348m (2016: £3.764m).

Cash flow

Net cash from operating activities was £1.492m (2016: £1.222m) made up of a trading cash inflow of £2.230m (2016: £2.033m) less an increase in working capital of £526,000 (2016: £711,000), tax payments of £112,000 (2016: £nil) and pension contributions of £100,000 (2016: £100,000).

Capital expenditure was again increased at £1.643m (2016: £1.294m) and included £934,000 spent on the new lighting facility (2016: £1.050m). The year contained asset disposal proceeds of £525,000 relating to the sale of the Group's old lighting facility (2016: overage on the sale of Tudor Works at £601,000). Capitalised development expenditure was £27,000 (2016: £11,000).

The Group utilised a £500,000 development loan to assist in the refurbishment of its Lighting factory (2016: £2.475m) and made loan repayments of £702,000 (2016: £1.750m) which included repayment of the aforementioned development loan: the higher prior year figures reflect the Group's 2016 decision to change its banking arrangements and included the drawdown of a new Barclays loan facility and the repayment of existing Lloyds facilities. Finance lease repayments were £81,000 (2016: £40,000). Interest payments on borrowings amounted to £23,000 (2016: £72,000). Dividend payments were higher in the year at £315,000 (2016: £238,000) and £166,000 (2016: £51,000) was received from the exercise of share options.

Overall there was a net decrease in the cash position of £108,000 (2016: increase of £944,000).

Net debt

An analysis of the change in net debt is shown below:

	Bank loans £'000	Finance lease obligations £'000	Cash and cash equivalents £'000	Net debt £'000
At 1 October 2016	2,457	95	(11)	2,541
New finance lease obligations	-	331	-	331
Draw down of bank loans	500	-	(500)	-
Interest and arrangement fee	56	-	-	56
Repayment of borrowings	(702)	(81)	783	-
Cash generated	-	-	(175)	(175)
At 30 September 2017	2,311	345	97	2,753

The Group's main bank finance is a £2.475m bank loan drawn down in 2016 and repayable over 5 years. As at September 2017 the amount outstanding was £2.311m (2016: £2.457m); the loan is to be repaid through 14 quarterly instalments of £48,600, from October 2017, with the residual balance repayable in April 2021: interest is payable at base rate plus 1.95%. A second £500,000 loan facility was utilised in full in the year to part finance the extension of the Group's new Lighting factory and was repaid out of proceeds from the sale of the Group's original lighting premises: interest was payable at base rate plus 2.15%.

In the year £331,000 of plant and equipment additions were financed through new finance leases.

Interest on the overdraft facility is payable at base rate plus 2.0% and headroom within the facility at 30 September was £1.24m (2016: £1.18m).

Treasury

The Group's treasury policy has not changed in the year.

Stephen Brett
Finance Director
23 January 2018

Consolidated Income Statement

For the year ended 30 September 2017

	Note	2017 £'000	2016 £'000
Revenue		22,482	21,422
Cost of sales		(16,145)	(15,142)
Gross profit		6,337	6,280
Distribution costs		(1,580)	(1,697)
Administrative expenses - before exceptional and non-underlying items		(2,862)	(3,050)
Operating profit before exceptional and non-underlying items		1,895	1,533
Exceptional and non-underlying items		73	14
Operating profit		1,968	1,547
Finance costs		(75)	(85)
Finance income		21	54
Profit before tax		1,914	1,516
Taxation		(146)	(54)
Profit for the year		1,768	1,462
Attributable to:			
- Equity holders of the parent		1,768	1,462
Earnings per share	1		
Basic		14.40p	12.30p
Diluted		13.42p	11.35p

All activities are continuing.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2017

	2017 £'000	2016 £'000
Profit for the year	1,768	1,462
Other comprehensive income / (expense)		
Items that will not be reclassified to profit or loss		
Actuarial gain / (loss) on pension scheme	349	(692)
Deferred tax on actuarial gains and losses	(77)	119
Other comprehensive income / (expense) net of tax	272	(573)
Total comprehensive income for the year	2,040	889
Attributable to:		
- Equity holders of the parent	2,040	889

Consolidated Balance Sheet

At 30 September 2017

	2017 £'000	2016 £'000
Non-current assets		
Intangible assets	1,185	1,194
Property, plant and equipment	6,851	5,624
Retirement benefits	1,311	841
	9,347	7,659
Current assets		
Inventories	4,417	3,030
Trade and other receivables	5,054	4,678
Cash and cash equivalents	119	149
	9,590	7,857
Total assets	18,937	15,516
Current liabilities		
Bank overdraft	(216)	(138)
Bank loans and other borrowings	(277)	(247)
Current tax payable	(64)	(122)
Trade and other payables	(4,969)	(3,803)
	(5,526)	(4,310)
Non-current liabilities		
Bank loans and other borrowings	(2,379)	(2,305)
Deferred tax liabilities	(221)	(193)
Other payables	(90)	(19)
	(2,690)	(2,517)
Total liabilities	(8,216)	(6,827)
Net assets	10,721	8,689
Equity		
Share capital	1,238	1,196
Share premium account	628	504
Un-issued shares reserve	134	183
Merger reserve	230	230
Retained earnings	8,491	6,576
Equity attributable to shareholders of the parent	10,721	8,689

Consolidated Cash Flow Statement

For the year ended 30 September 2017

	2017 £'000	**2016 £'000**
Profit before tax	1,914	1,516
Finance costs	75	85
Finance income	(21)	(54)
Operating profit	1,968	1,547
Adjustments for:		
Depreciation	543	442
Amortisation of intangible assets	36	39
Gain on sale of property, plant and equipment	(321)	(14)
Loan arrangement fees	4	19
	2,230	2,033
Movements in working capital and provisions:		
Change in inventories	(1,387)	(372)
Change in trade and other receivables	(376)	(1,212)
Change in trade and other payables	1,237	873
Cash generated from operations	1,704	1,322
Income taxes paid	(112)	
Retirement benefits (pension contributions)	(100)	(100)
Net cash from operating activities	1,492	1,222
Purchase of property, plant and equipment	(1,643)	(1,294)
Proceeds from sale of property, plant and equipment	525	601
Capitalised development expenditure	(27)	(11)
Net cash used in investing activities	(1,145)	(704)
Drawdown of bank loans	500	2,475
Repayment of bank loans	(702)	(1,750)
Repayment of obligations under finance leases	(81)	(40)
Interest paid	(23)	(72)
Proceeds from issue of share capital	166	51
Dividends paid	(315)	(238)
Net cash (used in) / from financing activities	(455)	426
Net (decrease) / increase in cash and cash equivalents	(108)	944
Cash and cash equivalents at start of the year	11	(933)
Cash and cash equivalents at end of the year	(97)	11

	2017 £'000	**2016 £'000**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents in current assets	119	149
Bank overdraft in current liabilities	(216)	(138)
Cash and cash equivalents at end of the year	(97)	11

Notes

1 – EARNINGS PER SHARE

The calculation of earnings per share is based upon the profit for the year of £1.768m (2016: £1.462m) and the weighted average number of ordinary shares in issue during the year of 12.276m (2016: 11.884m). The weighted average number of ordinary shares diluted for the effect of outstanding share options was 13.179m (2016: 12.887m).

	Earnings £'000	2017 Weighted average number of shares Million	Earnings per share Pence	Earnings £'000	2016 Weighted average number of shares Million	Earnings per share Pence
Basic earnings per share	1,768	12.276	14.40	1,462	11.884	12.30
Effect of share options	-	0.903	(0.98)	-	1.003	(0.95)
Diluted earnings per share	1,768	13.179	13.42	1,462	12.887	11.35

2 - INFORMATION

The preceding information does not constitute the Company's statutory accounts for the years ended 30 September 2017 or 30 September 2016 but is derived from those accounts. The 2017 accounts are expected to be posted to shareholders on 16 February 2018 and will be available from the Company Secretary, LPA Group Plc, Light & Power House, Shire Hill, Saffron Walden, Essex, CB11 3AQ and on LPA's website (www.lpa-group.com), shortly thereafter. Statutory accounts for 2016 have been delivered to the Registrar of Companies, and those for 2017 will be delivered following the annual general meeting. The auditors have reported on these accounts and their reports were unqualified and did not contain statements under the Companies Act.

The Chairman's Statement, the Chief Executive's Review, and the Financial Review included in this preliminary announcement form part of the Strategic Report included in the 2017 accounts. The Strategic Report and other content of this preliminary announcement have been prepared solely for the shareholders of the Company as a body. To the extent permitted by law the Company, its directors, officers and employees disclaim liability to any other persons in respect of the information contained in this preliminary announcement. Sections may include statements containing risks and uncertainties facing the Group, and other forward-looking statements, which by their nature involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The Company undertakes no obligation to update any forward-looking statements.

3 - ANNUAL GENERAL MEETING

The annual general meeting of the Company is to be held at 12 noon on Wednesday 21 March 2018 at the offices of Instinctif Partners, 65 Gresham Street, London EC2V 7NQ.