LANGLEY

2017

Langley Holdings plc
Annual Report & Accounts 2017

langleyholdings.com

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Langley and Ainslie: eyes on the America's Cup

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Competitive sailing at the highest level is very much in line with Langley business culture

Group

Langley Holdings plc is a diverse, globally operating engineering group headquartered in the United Kingdom.

The group comprises 5 divisions based principally in Germany, France and the United Kingdom, with a substantial presence in the United States and more than 80 subsidiaries worldwide.

Established in 1975 by the current Chairman and CEO, Mr Tony Langley, the Langley group is financially independent and remains under family ownership. The group employed around 4,300 people world wide in 2017.

Competitive sailing at the highest level is very much in line with Langley business culture and towards the end of 2017 the group agreed to partner with Sir Ben Ainslie's Land Rover BAR programme, in support of his challenge for the 36th America's Cup.

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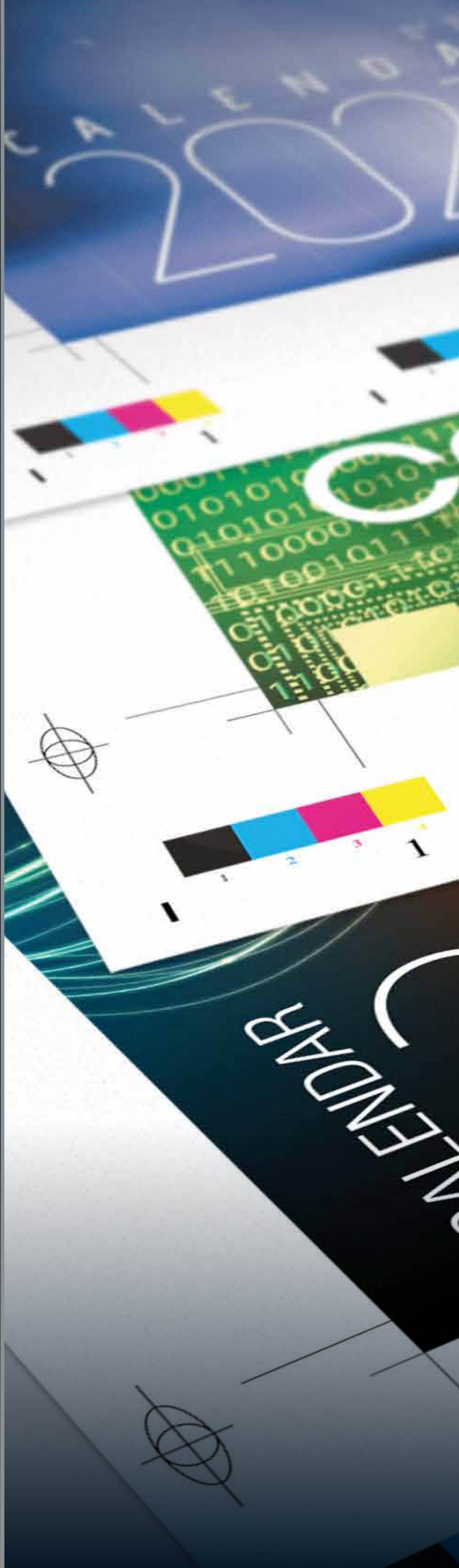
Manroland Sheetfed

manrolandsheetfed.com

Manroland Sheetfed is a leading producer of sheetfed offset litho printing presses. Founded in 1871, the company is a watchword for quality and reliability to printers around the world.

Manroland Sheetfed GmbH became part of the Langley group in 2012. The company is headquartered and produces all of its iconic presses in Offenbach am Main, across the river Main from Frankfurt, in Germany.

ROLAND 700 *EVOLUTION*



Location: Germany

Activity: Printing press builder

Revenue 2017: €286.3m

Employees: 1,545

manroland
sheetfed

a watchword for quality and
reliability to printers worldwide

5

Piller

piller.com

Piller is Europe's leading producer of uninterruptable power supply (UPS) systems for high-end data centres. Piller also manufactures ground power systems for civil and military airports and on-board electrical systems for naval vessels.

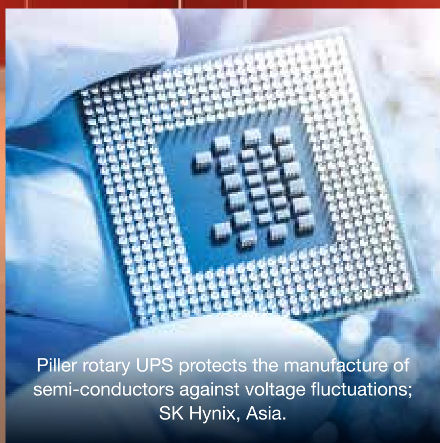
Piller installed its UPS technology at the Shanghai Stock Exchange.

Location: Germany

Activity: Power protection systems, airport ground power systems, naval military systems

Revenue 2017: €249.4m

Employees: 949



Piller rotary UPS protects the manufacture of semi-conductors against voltage fluctuations; SK Hynix, Asia.

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The company was founded in 1909 and acquired by Langley in 2004. Piller is headquartered at Osterode am Harz, near Hanover, in Germany.

In 2016, Piller acquired the business and assets of Texas based Active Power Inc. the kinetic energy storage specialist.

A world first: Tier IV Design & Construction Certification of a Piller IP-Bus system was awarded in 2017 to colocation provider NEXTDC in Australia, for its B2 data centre in Brisbane.

Location: France

Activity: Welding technology

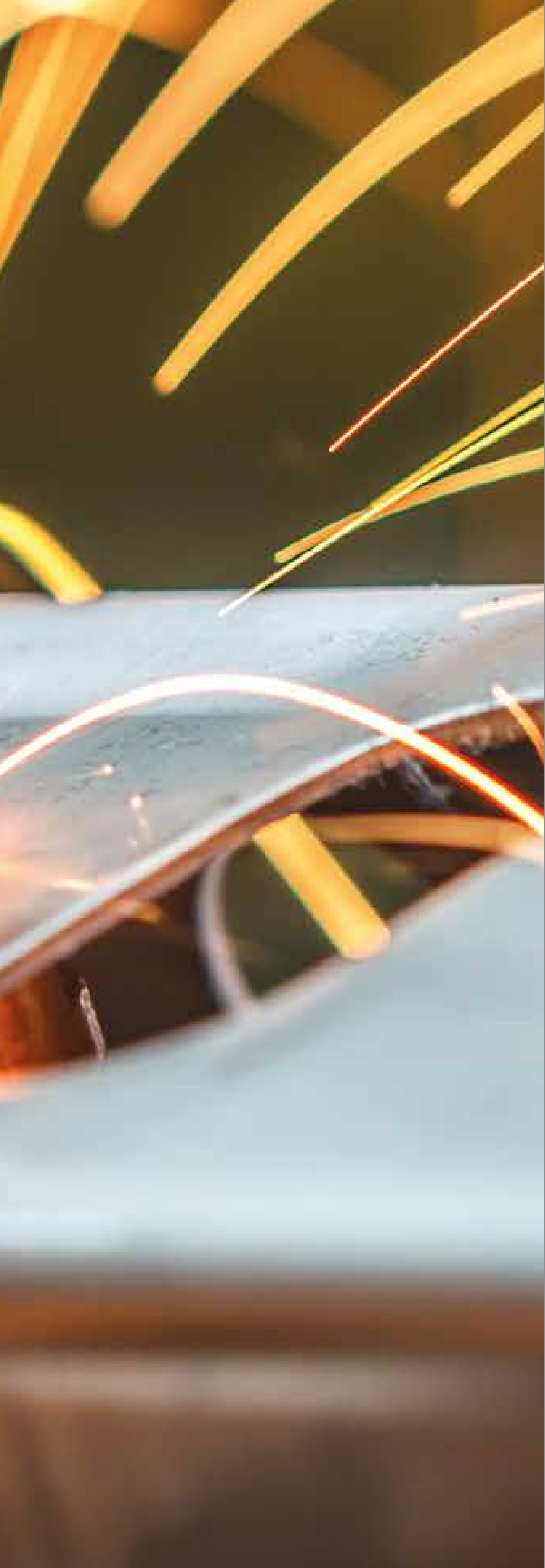
Revenue 2017: €145.6m

Employees: 548

ARO

WELDING TECHNOLOGIES

8 world leaders in automotive welding technology



ARO

arotechnologies.com

ARO is widely regarded as the world leader in resistance welding to the automotive industry.

The company was founded in 1949 and acquired by Langley in 2006.

The ARO group is headquartered between Tours and Le Mans, in the Loire region of France. The company also produces in the US, in Detroit, and Wuhan, China.

Reduced new model development times, increasingly complex structures and the use of aluminium in car production to reduce weight have all led to strong demand for ARO's products.

ARO 3G robotic gun technology employed at a Jaguar Land Rover plant in the UK.

ARO's success is driven by a strong and growing demand for resistance welding solutions from the world's automotive giants where performance, reliability, and competitiveness are key factors.

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Claudius Peters

claudiuspeters.com

For more than a century Claudius Peters has produced innovative materials handling and processing systems for the global cement, gypsum, steel and alumina industries.

The company's aerospace division manufactures aircraft stringers, several kilometres of which are found in every Airbus aircraft ever built.

Established in 1906, Claudius Peters is headquartered near Hamburg, in Germany and was acquired by Langley in 2001.

Claudius Peters Limestone Bridge Reclaimer, North Africa

Claudius Peters, our plant machinery specialist, produces equipment for cement plants.

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CLAUDIUS PETERS

Location: Germany

Activity: Plant machinery, aerospace components

Revenue 2017: €95.6m

Employees: 535

process technology for cement, gypsum, steel and alumina

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Other Businesses

langleyholdings.com

Other businesses operating at locations in Germany, the UK and USA, are Druck Chemie, a printing chemicals manufacturer, Bradman Lake, a food packaging machinery specialist;

- print chemicals
- food packaging
- specialist handling equipment

Druck Chemie


Bradman Lake


Clarke Chapman

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Reader Cement Products, a blender and packer of cement and cement products; Clarke Chapman a specialist materials handling equipment company and; Oakdale Homes a small new houses builder.


Reader Cement Products


Oakdale Homes

Location: Germany, UK, USA & various.

Activity: Diverse capital equipment, Construction, Chemicals

Revenue 2017: €126.6m

Employees: 755

- cement products
- house building




...5 divisions, more than
80 subsidiaries,
circa 4,300 employees...

Global Locations

• ARGENTINA BUENOS AIRES • ASIA PACIFIC SINGAPORE • AUSTRALIA SYDNEY • AUSTRIA WIENER NEUDORF • BELGIUM BRUSSELS, WEMMEL • BRAZIL SÃO PAULO • BULGARIA SOFIA • CANADA TORONTO • CHILE SANTIAGO • CHINA BEIJING, CHENGDU, GUANGZHOU, HONG KONG, SHANGHAI, SHENZHEN, WUHAN • COLUMBIA BOGOTA • CROATIA ZAGREB • CZECH REPUBLIC PRAGUE, KUŘIM • DENMARK BALLERUP • FINLAND VANTAA • FRANCE LE MANS, MULHOUSE, PARIS, SOPPE LE BAS • GERMANY FRANKFURT, HAMBURG, HANOVER, AUGSBURG, STUTTGART • HUNGARY BUDAPEST • INDIA MUMBAI INDONESIA JAKARTA • IRELAND DUBLIN • ITALY BERGAMO, MILAN • JAPAN SAITAMA • MALAYSIA SELANGOR • MEXICO PUEBLO • NETHERLANDS AMSTERDAM, HELMOND • PERU LIMA • POLAND NADARZYN, GNIEZNO • PORTUGAL SINTRA • ROMANIA BUCHAREST, SIBIU • RUSSIA MOSCOW • SLOVAKIA BRATISLAVA • SLOVENIA LJUBLJANA • SOUTH AFRICA CAPE TOWN • SPAIN BARCELONA, MADRID • SWEDEN FJÄRÅS, TROLLHÄTTAN • SWITZERLAND KIRCHBERG, ROGGLISWIL • TAIWAN NEW TAIPEI CITY • THAILAND BANGKOK • UNITED KINGDOM VARIOUS LOCATIONS • USA DALLAS, DETROIT, NEW YORK, ROCK HILL (SOUTH CAROLINA), WESTMONT • VENEZUELA CARACAS

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Company Information
IFRS Annual Report & Accounts **2017**

Year ended 31 December **2017**

DIRECTORS:	A J Langley - Chairman B J Langley B A Watson
SECRETARY:	B A Watson
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7HH England
REGISTERED NUMBER:	01321615
AUDITOR:	Nexia Smith & Williamson Chartered Accountants Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA England
PRINCIPAL BANKERS:	Barclays Bank plc PO Box 3333 One Snowhill Snowhill Queensway Birmingham B4 6GN England Deutsche Bank AG Adolphsplatz 7 20457 Hamburg Germany Commerzbank AG Sand 5-7 21073 Hamburg Germany

Key Highlights

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Year ended 31 December **2017**

	Year ended 31 December 2017 €'000	Year ended 31 December 2016 €'000
REVENUE	903,529	900,925
OPERATING PROFIT	110,274	121,472
PROFIT BEFORE TAXATION	111,808	122,730
NET ASSETS	647,350	587,377
CASH AND CASH EQUIVALENTS	323,036	296,923
ORDERS ON HAND	275,841	288,589
	No.	**No.**
EMPLOYEES	4,332	4,320

> Another remarkably successful year for the group

Anthony J Langley
Chairman

Chairman's Review

LANGLEY

Year ended 31 December **2017**

> Underlying profits increased 7% from €113.1 million to €120.8 million

In the year to 31 December 2017 the group recorded revenues of €903.5 million (2016: €900.9 million) and generated a profit before tax of €111.8 million (2016: €122.7 million) and a profit after tax of €74.5 million (2016: €82.5 million). There were no shareholder dividends paid during the period (2016: €90.0 million) and at the year end net assets stood at €647.4 million (2016: €587.4 million). The group had nil debt throughout the period (2016: nil) and at the year end the consolidated cash balance stood at €323.0 million (2016: €296.9 million). Orders on hand were €275.8 million (2016: €288.6 million).

Although on the face of it 2017 was not as profitable a year as 2016, the underlying trading profit before tax actually increased by some 7%, from €113.1 million in 2016 to €120.8 million in 2017, the reported result in both years being skewed somewhat by currency effects.

Under IFRS reporting rules, variations in foreign exchange rates in our non-euro cash holdings are reflected in the Income Statement and the effect of translating our US dollar, pounds sterling and various other cash holdings into euro values at year end resulted in a foreign exchange gain of €9.6million in 2016 and a foreign exchange loss of €8.9 million in 2017. The gain / loss was not realized in either year, as there was no actual conversion to euros, merely a translated value at 31 December.

Chairman's Review

Year ended 31 December **2017**

The trading divisions have performed largely in line with expectations since my half year review and overall substantially ahead of the budgeted profit for the year, meaning that 2017 was another remarkably successful year for the group.

MANROLAND SHEETFED DIVISION

Revenue: €286.3m. (2016: €314.8m). Orders on hand: €41.3m. (2016: €52.8m). Headquarters: Germany. Employees: 1,545.

In terms of revenue and employee numbers Manroland Sheetfed GmbH, the German builder of printing presses acquired six years ago, is the largest of our operating divisions and accounts for almost a third of group revenues.

Within the first five of these six years the business steadily returned our investment in full and continues to contribute positively to the overall result. However, although contributing positively in 2017 and every year prior, that contribution is below par when comparing percentage profit on revenue to our other operating divisions. The reason for this is that the facility in Offenbach am Main, situated across the Main river from Frankfurt and with a manufacturing footprint of over a million square feet, although modern and efficient, is substantially under-utilized. Despite satellite locations having been closed and the operations consolidated onto a single site, volumes are still a way short of the optimum and as the facility is now fully integrated, no further rationalization is possible.

> ‘Investment recouped in first five of six year ownership… continued positive contribution in 2017’

The printing industry is still very much in a state of flux and through the course of 2017, the division underwent something of a roller coaster of order intake with a very good first quarter, only to be followed by a very weak second quarter. The second half of the year started strongly but lost momentum in late summer and the volatile pattern continued in the last quarter of 2017, only to see a new record high for order intake, during our six-year tenure, in January 2018.

New products continued to be developed and the Roland 700 Evolution Ultima® was announced to the market towards the end of the year. This was a further progression of the Roland 700 Evolution platform, itself developed in record time under our stewardship, which offers multiple specialist coatings and foils in a single pass of the press.

During the period an agreement was made to sell off several acres of surplus land for redevelopment as data centres. Offenbach is on the “Fibre Backbone”, one of the major arteries for the internet, and as such attractive to data centre operators. Also, the former Manroland headquarters office building situated a short distance away from the factory, was partially let to the region's police force for training accommodation. This has prompted a relocation of the company's functions remaining in that building to the main factory site - where they came from originally - later this year. This will release the remainder of the former headquarters building to let.

Former Manroland HQ: to let.

In conclusion, I am satisfied that the cost structure at Manroland is correct and with the performance of the division overall, I am also satisfied with the investment in the print sector. This year we will explore suitable bolt-on acquisitions to fuller utilize this flagship of manufacturing and its excellent world wide sales and service organisation.

PILLER POWER SYSTEMS DIVISION

Revenue: €249.4m (2016: €225.8m). Orders on hand: €84.7m. (2016: €112.7m). Headquarters: Germany. Employees: 949.

Piller Group, the German parent of the Piller network of companies, which principally produces uninterruptible power (UPS) systems for data centres globally, was once again the largest contributor to the overall group result. Management concerns over a possible slow down in the data centre sector, following a record year in 2016 - a record not only during our tenure since 2005, but also over the one hundred year history of the company- failed to materialise and 2017 was another bumper year.

Piller UPS systems are built exclusively at the company's facilities in Germany and since 2017, with the acquisition of Active Power in November 2016, in Austin, TX. The principal facilities, in Osterode and Bilshausen near Hanover in Germany, once again saw optimum utilisation throughout 2017, a factor contributing greatly to the excellent results in both 2017 and also in the prior year.

On the product development front,Piller announced its PB60 Powerbridge®. The company introduced its original Powerbridge® concept to the market in 1996 and since then over 2,000 units have since been installed in data centres around the world. During this time data centre capacity has grown exponentially, demanding more and more UPS capacity and the latest incarnation of Powerbridge® produces a full one megawatt of power, and around four times the energy of the original.

Chairman's Review

Year ended 31 December **2017**

Demand for Piller systems was strong across all major territories, particularly the United States. The Far East and Europe were also buoyant, although less so the UK, whereas Piller Australia experienced continued record demand from its burgeoning data centre sector. In other relatively undeveloped data centre markets such as South America and India, Piller now has an established presence and continues to develop China, as yet a virtually untapped market save for a cornerstone installation at the Shanghai Stock Exchange. Meanwhile, Piller's aircraft ground power and military business made a solid contribution to an excellent overall result.

‘ Active Power - integrated and profitable ’

Active Power

Active Power, the kinetic energy storage business, acquired by Piller in late 2016, had its first full year under our stewardship. The freehold of Active Power's operating facilities in Austin, Texas, was acquired by the group during the period and the company, now a subsidiary of Piller Power Systems Inc, completed its reorganisation in the first quarter. Under Piller management, the former NASDAQ business made a profit for the first time since its IPO in 2001.

Active Power: freehold acquired by the group

ARO WELDING TECHNOLOGIES DIVISION

Revenue: €145.6m. (2016: €120.9m). Orders on hand: €37.8m. (2016: €44.0m). Headquarters: France. Employees: 548.

The ARO Welding Technologies Division, headquartered between Tours and Le Mans in the Loire region of central France, recorded a new all-time record high in both revenue and profit terms in 2017.

Demand for the company's state-of-the-art automotive welding technology continued unabated in 2017 as European, US and Chinese car makers alike continued to boom. ARO's principal manufacturing facilities in France and the United States reported exceptionally high utilization throughout the period. Global car and light commercial vehicle production came close to 100 million units in 2017 and over 90%, of those vehicles were produced from steel using resistance welding technology, of which ARO is widely regarded the technological

Chairman's Review

Year ended 31 December **2017**

> Car and light vehicle production reached almost 100 million units in 2017

leader. The company estimates that at least 20% of all cars produced world-wide are welded using ARO equipment.

Notably, ARO's success to date is without any business from Japanese car makers, that sector of the market effectively closed to non-Japanese producers due to protectionism.

Although the market has now been booming for over five years, it is prudent to remember that the automotive sector was among the hardest hit following the Financial Crisis a decade ago and continued growth should not be taken for granted. With this in mind, ARO operates flexible manufacturing and is capable of adjusting its production down, should it be necessary, without major cost impact.

Development wise, the industry is continually striving to save weight in cars and the use of lightweight composites is currently applicable only to the very high end of the market, due to cost constraints. Similarly aluminium, although less expensive than composites, is still more expensive to use than steel and is notoriously difficult to weld with satisfactorily quality in the volumes required.

Ford F-150 aluminium body welded by ARO technology

Therefore the more expensive method of riveting aluminium is commonplace, making aluminium the reserve of higher end vehicle production. Hence steel remains the staple material for producing cars and to save weight whilst preserving strength, structures have become increasingly more complex, which requires ever more complex welding procedures. In parallel, for several years now, ARO has been working on the challenges of high-volume aluminium welding with the Ford Motor Company and following satisfactory pilot trials, ARO equipment is today deployed in full production on Ford's F-150 lines in the United States, the first volume produced aluminium vehicles to be all welded.

> more than 20% of all cars welded with ARO equipment

Chairman's Review

Year ended 31 December **2017**

CLAUDIUS PETERS DIVISION

Revenue: €95.6m (2016: €106.3m). Orders on hand: €81.8m (2016: €50.3m). Headquarters: Germany. Employees: 535.

Claudius Peters, our plant machinery specialist based in Buxtehude, near Hamburg, in northern Germany, had a disappointing year.

However, the business, which supplies materials handling equipment and machinery, principally to the cement and gypsum industry, was profitable although the problem being very low volumes at the headquarters in Germany.

' overseas subsidiaries and aircraft components profitable as expected '

Subsidiaries in France, the United States and China all performed in line with expectations. Despite slightly lower revenue, they achieved or exceeded budgeted profitability; as did the smaller outposts in Spain, Italy, the United Kingdom and Romania, only Brazil posting a loss due to exceptional reasons. The aerospace division, which manufactures components for Airbus, also performed satisfactorily and in line with expectations.

It would be convenient to explain the underperformance by citing a still subdued cement and gypsum sector. However, despite the market being depressed, there were missed opportunities which would have transformed the outcome and therefore management changes have been made.

On a positive note, Claudius Peters came into 2018 with a much healthier order book than previously, and I expect 2018 will see a significant improvement on 2017.

OTHER BUSINESSES DIVISION

Revenue: €126.6m. (2016: €133.1m). Orders on hand: €30.2m. (2016: €28.8m). Located: United Kingdom, Europe & United States. Employees: 755.

Druck Chemie (DC), our German print chemicals business, had another satisfactory year, its third since we acquired the business at the end of 2014. Germany and France were the main drivers, whereas the small DC subsidiary in the UK posted a loss, although contributed positively to the overall result with margin on inter-company purchases. Subsidiaries in Belgium, Italy, Switzerland, the Czech Republic, Brazil and Poland all contributed positively to an acceptable overall result.

Chairman's Review

Year ended 31 December **2017**

Bradman Lake, the food packaging machinery business, celebrated ten years of Langley stewardship in October and once again performed satisfactorily. The US operation returned an acceptable result following management changes.

In the U.K., Ibonhart Ltd, a specialist in bakery machinery was acquired and relocated to Bradman Lake's Beccles facility, thereby broadening Bradman Lake's offering to the bakery sector. At the other UK facility, in Bristol, delays in relocating to new premises, acquired by the group just over a year ago, were finally overcome and the move is now underway.

Clarke Chapman, the specialist materials handler, also had a very satisfactory year with contracts for nuclear handling equipment for Sellafield, the nuclear fuel reprocessing and nuclear decommissioning site, and an operating contract for rail delivery systems originally provided by the company to the UK railways authority, securing work into 2018 and beyond.

Reader's state of the art production facility

Reader Cement Products, with my son William at the helm for the second year, had its first full year of production at the six acre facility we acquired two years ago and invested in state-of-the-art plant, producing almost 100,000 tonnes of packed cement and cement products from bulk. It was a very satisfactory trading year for Reader with more potential still to be realised.

> ‘ Reader: new plant comes on stream 100,000 tonnes produced ’

Oakdale Homes, the small local house builder, which has been part of the group since 1985, ticked over steadily working through its land bank, which will take several years at current build rates. The business made a small operating loss in the period, although this should be recovered as margin in work in progress unwinds.

Finally, whist reviewing other businesses, I should just mention our property holding activities. Over the years,the group has taken every opportunity to acquire the freeholds to its principal operating locations and today over 98% of the freehold operating locations are owned by the group. The majority of these locations around the world are held in group owned holding entities with our operating companies as arms-length tenants.

Chairman's Review

Year ended 31 December **2017**

Additionally, the group is developing and holding either as an investment or selling property surplus to existing and foreseeable operating requirements. Under development at the moment is surplus land at the Clarke Chapman site in Gateshead, UK. The former Manroland headquarters, now only partly occupied by the company, is being vacated and the business relocated. The entire building is offered to let, following the securing of an anchor tenant during the period.

In 2017 the total group rental income was €7.5 million.

> Over 98% of all operating locations now owned by the group

OUR PEOPLE

As is customary, no review would be complete without mention of our employees, at year end numbering 4,332 worldwide and I would like to take this opportunity to welcome any newcomers to our family of businesses. It is the hard work and diligence of all our employees, that makes the group the success it is today. The results produced by our companies, often substantially exceeding corporate and private equity owned peers, are no accident. They come about by our community knowing that the Langley culture is forged not from short-term profits, or from creating 'shareholder value' by buying and selling companies, but from long-term development of our businesses. I believe that this not only gives our people the will to excel, but also fosters confidence amongst our many customers, suppliers and other stakeholders.

In 2015 we introduced a policy whereby the group equally matches any charitable donations made by employees. Last year I extended the match funding to include money raised for charity by the immediate family of our employees. During the year the company matched €86,828 of employee donations to a variety of causes.

Chairman's Review

Year ended 31 December **2017**

BRITISH AMERICA'S CUP CHALLENGE

For some years now the group has sponsored the Gladiator sailing programme. Competitive sailing at the highest level is very much in line with Langley business culture and towards the end of 2017 the group agreed to partner with Sir Ben Ainslie's Land Rover BAR programme, in support of his challenge for the 36th America's Cup.

Langley and Ainslie: eyes on the America's Cup

In 2018 Sir Ben Ainslie, the most successful Olympic sailor in history, and his team will join the core Gladiator team to campaign in the TP52 Super Series, the world's foremost yacht racing circuit and other events as a precursor to the 36th America's Cup, to be held in Auckland in January 2021.

CONCLUSION & OUTLOOK

2017 was, once again, an outstandingly good year for the group. Ignoring currency effects, operating performance surpassed 2016, itself a record performance and the group continued to strengthen an already robust balance sheet and cash position. The main drivers in 2016 and 2017 were our Piller and ARO divisions, themselves achieving new records in both years. The performance of both these divisions is way above my expectations, not only a few years ago but inconceivable more than a decade earlier, when these businesses were acquired, barely breaking even.

The group goes into 2018 with healthy order books across all divisions and whereas I expect 2018 will be another successful year, clear visibility more than a few months beyond the next quarter is notoriously difficult in our businesses - hence my Interim Review at the half year.

The outstandingly good performance of recent years is not something that should be taken for granted or expected as the norm. The only thing that can be relied on is that nothing stays the same and when businesses do as well as most of ours are doing and keep doing, it is easily possible to be lulled into thinking that this is the new normal. Experience tells me that is not the case, evidenced by Claudius Peters, our strongest performing division in 2012 being the weakest in 2017. Rest assured that I always have a weather eye to a possible downturn in any of our businesses and management are prepared to respond as and when necessary.

Chairman's Review

Year ended 31 December **2017**

In the meantime with my eldest son Bernard, five years in the business and on the main board for two of those years, younger son William two years cutting his teeth in our Reader operating company and daughter Charlotte set to join Piller on the west coast of the USA this year, the next generation of family is now firmly established in the business and I continue to eye the future with confidence as we continue to seek out opportunities to develop the group still further for the long term.

Although no major acquisitions were made in 2017 a number of possible opportunities were reviewed and efforts to find more opportunities were re-doubled. Like my resolve, our reserves available for such transactions have only strengthened in the meantime.

Anthony J Langley

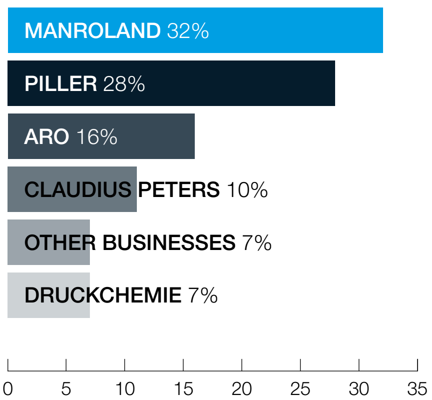
Chairman

8 February 2018

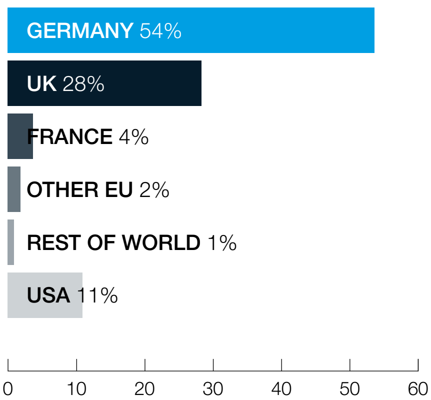
Geographical Distribution

Year ended 31 December **2017**

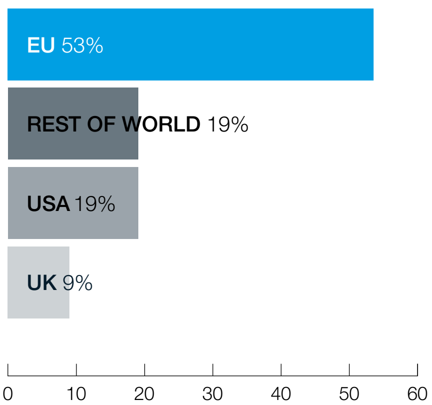
REVENUE BY DIVISION



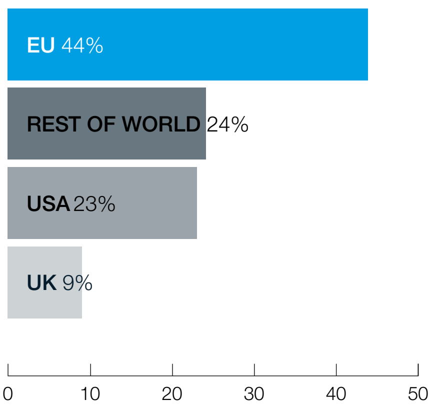
SITU OF FIXED ASSETS



REVENUE BY ORIGIN



REVENUE BY DESTINATION



Directors' Report

Year ended 31 December **2017**

The Directors present their report together with the audited Accounts of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company continued to be that of a managing and parent company for a number of trading subsidiaries organised in divisions and business units engaged principally in the design, manufacture, supply and servicing of capital equipment. The specific activities of the subsidiary undertakings are as disclosed in note 13 to the Accounts.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out on page 37. The profit attributable to the shareholder for the financial year was €74,448,000 (2016 - €82,502,000).

Dividends of €nil were paid to the ordinary shareholder during the year (2016 - €90,000,000). No final dividend was proposed at the year end.

Financial risk management, research and development and the Group's employment policy is considered within the Strategic Report.

POLICY ON THE PAYMENT OF CREDITORS

The Group seeks to maintain good relations with all of its trading partners. In particular, it is the Group's policy to abide by the terms of payment agreed with each of its suppliers. The average number of days' purchases included within trade creditors for the Group at the year end was 24 days (2016 - 24 days).

DIRECTORS' INTERESTS

The Directors of the Company in office during the year and up to the date of signature of the accounts and their beneficial interests in the issued share capital of the Company were as follows:

	At 31 Dec 2017 Ordinary shares of £1 each	At 31 Dec 2016 Ordinary shares of £1 each
A J Langley (Chairman)	60,100,010	60,100,010
B J Langley	-	-
B A Watson	-	-

The shareholding of Mr A J Langley represents 100% of the issued share capital of the Company.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

LANGLEY

Year ended 31 December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Chairman's Review and the Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare Accounts for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company Accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the Parent Company Accounts, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In preparing these Accounts, 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 applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the Accounts; and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Group 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 Accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

By order of the Board

B A WATSON

Company Secretary

Langley Holdings plc

Registered in England and Wales

Company number 01321615

8 February 2018

Strategic Report

Year ended 31 December **2017**

The Directors present their Strategic Report for the year ended 31 December 2017 to provide a review of the Group's business, principal risks and uncertainties and performance and position alongside key performance indicators.

(a) Development performance and position

The Directors are satisfied with the trading results of the Group for the year. The Chairman's Review on pages 18 to 28 contains an analysis of the development and performance of the Group during the year and its position at the end of the year.

(b) Principal risks and uncertainties

There are a number of risks and uncertainties which may affect the Group's performance. A risk assessment process is in place and is designed to identify, manage and mitigate business risks. However it is recognised that to identify, manage and mitigate risks is not the same as to eliminate them entirely. The Group ensures that it limits its exposure to any downturn in its traditional trading sector by continuing to diversify its activities, identifying opportunities for existing product offerings into new markets and for new products for all markets. The Group has a wide range of customers which limits exposure to any material loss of revenue. The Group's exposure to the volatility of exchange rates is mitigated through its geographical spread of operations.

(c) Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Review on pages 18 to 28. The financial position of the Group, its cash flows and liquidity position are also described in the Chairman's Review. In addition, note 29 to the Accounts includes the Group's policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments, and its exposures to credit risk and interest rate risk.

The Group's subsidiaries are for the most part either market leaders or niche operators in their particular field and operate across numerous different geographic areas and industries. None of the subsidiaries are reliant on any individual supplier or customer and the Group has considerable financial resources. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully and thus they continue to adopt the going concern basis of accounting in preparing the annual Accounts.

(d) Financial Risk Management

Prudent liquidity risk management implies maintaining sufficient cash on deposit and the availability of funding through an adequate amount of committed credit facilities. The Directors are satisfied that cash levels retained in the business, committed credit facilities and surety lines are more than adequate for future foreseeable requirements. Further details are set out in note 29 to the Accounts.

Year ended 31 December **2017**

(e) **Key performance indicators (KPI's)**

The Board uses a number of tools to monitor the Group's performance including a review of key performance indicators (KPI's) on a regular and consistent basis across the Group. Examples of KPI's currently used include:

Targets

- Regular monthly monitoring of sold and developed contract margins
- Orders on hand
- Cash held

	2017 **€'000**	2016 **€'000**
Orders on hand	275,841	288,589
Cash held	323,036	296,923

The Board also considers the following non-financial key performance indicator:

- Staff turnover

These are reviewed monthly through information provided to the Board and details are shown on page 17.

(f) **Research and development**

The Group is committed to innovation and technical excellence. The Group, through its divisions, maintains a programme of research and development to ensure that it remains at the forefront of respective technologies in its key sectors.

(g) **Employment Policy**

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability, without discrimination of any kind, and to training for the existing and likely needs of the business.

It is the Group's policy to keep its employees informed on matters affecting them and actively encourage their involvement in the performance of the Group.

By order of the Board

B A WATSON

Company Secretary

Langley Holdings plc

Registered in England and Wales

Company number 01321615

8 February 2018

Independent Auditor's Report to the Member

Year ended 31 December **2017**

Opinion

We have audited the accounts of Langley Holdings 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 Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company accounts, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the parent company's member, 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 parent company's member 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 parent company and the parent company's member, for our audit work, for this report, or for the opinions we have formed.

In our opinion:

- the accounts 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 accounts have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company accounts 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 accounts 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 accounts section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, 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.

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 accounts is not appropriate; or
- the directors have not disclosed in the accounts 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 accounts are authorised for issue.

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Other information

The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinion 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 accounts are prepared is consistent with the accounts; 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report, the directors' report or the chairman's review.

We have nothing to report in respect of the following matters where 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 accounts 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 statement of directors' responsibilities set out on page 31, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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.

Independent Auditor's Report to the Member

(Continued)

Year ended 31 December **2017**

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

Fiona Westwood
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol
BS1 6NA

8 February 2018

Consolidated Income Statement

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Year ended 31 December **2017**

	Note	2017 €'000	2016 €'000
REVENUE	2	903,529	900,925
Cost of sales		(593,513)	(587,673)
GROSS PROFIT		310,016	313,252
Net operating expenses	3	(199,742)	(191,780)
OPERATING PROFIT	4	110,274	121,472
Finance income	5	1,582	1,502
Finance costs	6	(48)	(244)
PROFIT BEFORE TAXATION		111,808	122,730
Income tax expense	10	(37,360)	(40,228)
PROFIT FOR THE YEAR		74,448	82,502

Profit for the year is attributable to the Equity holder of the Parent Company.

The notes on pages 45 to 95 form part of these accounts

Consolidated Statement of Comprehensive Income

Year ended 31 December **2017**

	Note	2017 €'000	2016 €'000
Profit for the year		74,448	82,502
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Remeasurement loss on defined benefit pension schemes	9	(48)	(361)
Deferred tax relating to remeasurement	27	10	72
		(38)	(289)
Other deferred tax movements	27	(500)	35
Gain on revaluation of properties		1,782	-
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	35	(15,719)	(28,510)
Other comprehensive expense for the year		(14,475)	(28,764)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		59,973	53,738

Total comprehensive income for the year is attributable to the Equity holder of the Parent Company.

The notes on pages 45 to 95 form part of these accounts

Consolidated Statement of Financial Position

LANGLEY

As at 31 December **2017**

	Note	2017 €'000	2017 €'000	2016 €'000	2016 €'000
NON-CURRENT ASSETS					
Intangible assets	11		2,985		3,255
Property, plant and equipment	12		206,863		200,894
Investments	13		14		14
Trade and other receivables	14		3,724		3,041
Deferred income tax assets	27		16,483		23,781
			230,069		230,985
CURRENT ASSETS					
Inventories	15	163,720		160,973	
Trade and other receivables	17	177,961		182,120	
Cash and cash equivalents	18	323,036		296,923	
Current income tax recoverable	19	7,437		4,827	
		672,154		644,843	
CURRENT LIABILITIES					
Current portion of long term borrowings	23	54		86	
Current income tax liabilities	22	7,892		10,375	
Trade and other payables	20	180,831		204,721	
Provisions	21	17,565		27,168	
		206,342		242,350	
NET CURRENT ASSETS			465,812		402,493
Total assets less current liabilities			695,881		633,478
NON-CURRENT LIABILITIES					
Provisions	21	1,633		2,426	
Long term borrowings	24	39		91	
Trade and other payables	25	17,350		13,214	
Retirement benefit obligations	26	11,970		13,021	
Deferred income tax liabilities	27	17,539		17,349	
			48,531		46,101
NET ASSETS			647,350		587,377
EQUITY					
Share capital	32		71,227		71,227
Merger reserve	33		4,491		4,491
Revaluation reserve	34		4,935		3,768
Retained earnings	35		566,697		507,891
TOTAL EQUITY			647,350		587,377

Approved and authorised for issue by the Board of Directors on 8 February 2018 and signed on its behalf by

A J LANGLEY
Director

B J LANGLEY
Director

The notes on pages 45 to 95 form part of these accounts

Consolidated Statement of Changes in Equity

Year ended 31 December **2017**

	Share Capital €'000	Merger Reserve €'000	Revaluation Reserve €'000	Retained Earnings* €'000	Total €'000
AT 1 JANUARY 2016	71,227	4,491	3,849	544,072	623,639
Profit for the year	-	-	-	82,502	82,502
Depreciation transfer	-	-	(81)	116	35
Currency exchange difference arising on retranslation	-	-	-	(28,510)	(28,540)
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	(289)	(289)
TOTAL COMPREHENSIVE INCOME	-	-	(81)	53,819	53,738
Dividends paid	-	-	-	(90,000)	(90,000)
AT 31 DECEMBER 2016	71,227	4,491	3,768	507,891	587,377
Profit for the year	-	-	-	74,448	74,448
Depreciation transfer	-	-	(80)	115	35
Currency exchange difference arising on retranslation	-	-	-	(15,719)	(15,719)
Remeasurement of defined benefit schemes net of deferred tax	-	-	-	(38)	(38)
Revaluation gain net of deferred tax	-	-	1,247	-	1,247
TOTAL COMPREHENSIVE INCOME	-	-	1,167	58,806	59,973
AT 31 DECEMBER 2017	71,227	4,491	4,935	566,697	647,350

* Movements in foreign currency translation reserves are detailed in note 35.

The notes on pages 45 to 95 form part of these accounts

Company Statement of Financial Position

LANGLEY

As at 31 December **2017**

	Note	2017 €'000	2017 €'000	2016 €'000	2016 €'000
NON-CURRENT ASSETS					
Property, plant and equipment	12		27,315		27,215
Investments	13		76,475		79,520
			103,790		106,735
CURRENT ASSETS					
Inventories	15	9		4	
Trade and other receivables	17	129,382		145,680	
Cash and cash equivalents	18	177,381		117,139	
Current income tax recoverable	19	1,539		60	
		308,311		262,883	
CURRENT LIABILITIES					
Current income tax liabilities	22	-		1,599	
Trade and other payables	20	3,955		3,255	
		3,955		4,854	
NET CURRENT ASSETS			304,356		258,029
Total assets less current liabilities			408,146		364,764
NON-CURRENT LIABILITIES					
Deferred income tax liabilities	27		189		141
NET ASSETS			407,957		364,623
EQUITY					
Share capital	32		71,227		71,227
Merger reserve	33		4,491		4,491
Retained earnings	35		332,239		288,905
TOTAL EQUITY			407,957		364,623

During the year ended 31 December 2017, the Company generated a profit of €54,126,000 (2016 - €66,126,000).

Approved and authorised for issue by the Board of Directors on 8 February 2018 and signed on its behalf by

A J LANGLEY
Director

B J LANGLEY
Director

The notes on pages 45 to 95 form part of these accounts

Company Statement of Changes in Equity

As at 31 December **2017**

	Share capital €'000	Merger reserve €'000	Retained* earnings €'000	Total €'000
AT 1 JANUARY 2016	71,227	4,491	352,912	428,630
Profit for the year	-	-	66,126	66,126
Currency exchange differences arising on retranslation	-	-	(40,133)	(40,133)
TOTAL COMPREHENSIVE INCOME	-	-	25,993	25,993
Dividends paid	-	-	(90,000)	(90,000)
AT 31 DECEMBER 2016	71,227	4,491	288,905	364,623
Profit for the year	-	-	54,126	54,126
Currency exchange differences arising on retranslation	-	-	(10,792)	(10,792)
TOTAL COMPREHENSIVE INCOME	-	-	43,334	43,334
AT 31 DECEMBER 2017	71,227	4,491	332,239	407,957

* Movements in foreign currency translation reserves are detailed in note 35.

The notes on pages 45 to 95 form part of these accounts

Consolidated Statement of Cash Flows

LANGLEY

Year ended 31 December **2017**

	Note	2017		2016	
		€'000	€'000	€'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	37		95,927		134,430
Bank and loan interest paid			(48)		(244)
Interest received			1,582		1,502
Income taxes paid			(36,259)		(39,641)
NET CASH FROM OPERATING ACTIVITIES			61,202		96,047
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash acquired on business combinations		-		2,229	
Purchase of intangible assets		(800)		(202)	
Purchase of property, plant and equipment		(24,536)		(19,964)	
Proceeds from sale of intangible assets		-		81	
Proceeds from sale of property, plant and equipment		975		623	
NET CASH USED IN INVESTING ACTIVITIES			(24,361)		(17,233)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of amounts borrowed		(84)		(125)	
Dividends paid to the shareholder		-		(90,000)	
NET CASH USED IN FINANCING ACTIVITIES			(84)		(90,125)
Net increase/(decrease) in cash and cash equivalents			36,757		(11,311)
Cash and cash equivalents at 1 January 2017			296,923		329,634
Effects of exchange rate changes on cash and cash equivalents			(10,644)		(21,400)
Cash and cash equivalents at 31 December 2017			323,036		296,923
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	18		323,036		296,923

The notes on pages 45 to 95 form part of these accounts

Company Statement of Cash Flows

Year ended 31 December **2017**

		2017		2016	
	Note	€'000	€'000	€'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	37		1,000		11,995
Interest received			5,680		5,921
Income taxes received/(paid)			110		(3,409)
NET CASH FROM OPERATING ACTIVITIES			6,790		14,507
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		66,192		54,902	
Purchase of property, plant and equipment		(2,971)		(8,738)	
Proceeds from sale of property, plant and equipment		163		26	
NET CASH GENERATED BY INVESTING ACTIVITIES			63,384		46,190
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to the shareholder		-		(90,000)	
NET CASH USED IN FINANCING ACTIVITIES			-		(90,000)
Net increase/(decrease) in cash and cash equivalents			70,174		(29,303)
Cash and cash equivalents at 1 January 2017			117,139		162,969
Effects of exchange rate changes on cash and cash equivalents			(9,932)		(16,527)
Cash and cash equivalents at 31 December 2017			177,381		117,139
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short term deposits	18		177,381		117,139

The notes on pages 45 to 95 form part of these accounts

Year ended 31 December 2017

1 ACCOUNTING POLICIES

a Basis of preparation

Langley Holdings plc (registered number 01321615) is a public limited company incorporated in the United Kingdom and limited by shares. The address of its registered office is Enterprise Way, Retford, Nottingham, DN22 7HH.

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006.

The Accounts have been prepared on a historical cost basis, except for the revaluation of property, plant and equipment and measurement of defined benefit pension schemes.

New and amended Standards and Interpretations adopted by the Group

There were a number of Amendments to Standards adopted in the current year, but none of these had a material impact on the Company in the current period.

New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2017

At the date of authorisation of these accounts, the following standards and interpretations which have not been applied in these accounts were in issue but not yet effective:

- IFRS 9 "Financial instruments" will be effective for the year ending December 2018 onwards, the main impact being the impairment assessment methodology used to value trade receivables, an assessment of the full impact of this standard is in progress.
- IFRS 15 "Revenue from contracts with customers" will be effective for the year ending December 2018 onwards, an assessment of the full impact of this standard is in progress.
- IFRS 16 "Leases" will be effective for the year ending December 2019 onwards and the impact on the accounts is expected to be insignificant.

The effect of all other new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

Year ended 31 December 2017

1 ACCOUNTING POLICIES (continued)

b Consolidation

The Consolidated Accounts incorporate the Accounts of the Company and all of its subsidiary undertakings for the year ended 31 December 2017 using the acquisition method, except for common control transactions, and exclude all intra-group transactions. Assets, liabilities and contingent liabilities of acquired companies are measured at fair value at the date of acquisition.

Any excess or deficiency between the cost of acquisition and fair value is treated as positive goodwill or a gain on bargain purchase as described below. Where subsidiary undertakings are acquired or disposed of during the year, the results and turnover are included in the Consolidated Income Statement from, or up to, the date control passes.

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 from presenting its own Income Statement. The profit generated by the Company is disclosed under the Company Statement of Financial Position.

c Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is recognised as an asset at cost and reviewed for impairment annually. Any impairment is recognised immediately in the Consolidated Income Statement and is not reversed in subsequent years.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is credited to the Consolidated Income Statement in the year of acquisition.

Year ended 31 December **2017**

1 **ACCOUNTING POLICIES (continued)**

d **Impairment of intangible assets**

Assets that have an indefinite useful life are not subject to amortisation and are reviewed for impairment annually and when there are indications that the carrying value may not be recoverable. Assets that are subject to amortisation are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The amortisation on those intangible assets that do not have an indefinite useful life is charged to net operating expenses in the Income Statement and is calculated as follows:

Patents and licenses	-	2 to 10 years straight line

e **Property, plant and equipment**

Property, plant and equipment is stated at cost of purchase or valuation, net of depreciation and any impairment provision.

Freehold land	-	not depreciated
Freehold buildings	-	50 years straight line
Vehicles	-	4 to 20 years straight line
Plant and machinery	-	4 to 20 years straight line
Computers	-	3 to 8 years straight line

Revaluations of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the year end.

Notes to the Accounts
(Continued)

Year ended 31 December **2017**

1 ACCOUNTING POLICIES (continued)

f Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are initially measured at their fair value, and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

Borrowings

Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest rate method.

Trade payables

Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost.

g Investments

Investments represent the Parent Company's holdings in its subsidiaries and are presented as non-current assets and stated at cost less any impairment in value. Any impairment is charged to the Company Income Statement.

h Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	-	cost of purchase on first in, first out basis.
Finished goods	-	cost of raw materials and labour together with attributable overheads.
Work in progress	-	cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1 ACCOUNTING POLICIES (continued)

i Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to either the contract costs incurred up to the year end as a percentage of total estimated costs for each contract, or by reference to milestone conditions as defined in the contracts, as appropriate to the circumstances of the particular contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion, and are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

j Taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Accounts. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantially enacted at the balance sheet date.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Year ended 31 December 2017

1 ACCOUNTING POLICIES (continued)

k Foreign currencies

(a) Transactions and balances

Transactions in currencies other than euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

(b) Accounts of overseas operations

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Preparation of Accounts

These Accounts have been presented in euro because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.14 (2016 - €1.22) to the Pound Sterling. The opening exchange rate was €1.17 (2016 - €1.36) to the Pound Sterling and the closing exchange rate was €1.13 (2016 - €1.17) to the Pound Sterling.

l Revenue recognition

Revenue from sale of goods is recognised when the Group has delivered the products and the customer has accepted them, and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts, net of discounts, VAT and other sales related taxes.

1 ACCOUNTING POLICIES (continued)

m Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with banks and similar financial institutions with a maturity of six months or less, and bank overdrafts.

n Post-employment benefit obligations

For defined benefit post-employment schemes, the difference between the fair value of the scheme assets (if any) and the present value of the scheme liabilities is recognised as an asset or liability in the Statement of Financial Position.

Any asset recognised is restricted, if appropriate, to the present value of any amounts the Group expects to recover by way of refunds from the plan or reductions in future contributions. Remeasurements of the net surplus/deficit arising in the year are taken to the Statement of Comprehensive Income.

Other movements in the net surplus or deficit are recognised in the Income Statement, including the current service cost and any past service cost. The net interest cost on the net defined benefit liability is also charged to the Income Statement. The amount charged to the Income Statement in respect of these schemes is included within operating costs.

The most significant assumptions used in accounting for pension schemes are the discount rate and the mortality assumptions. The discount rate is used to determine the interest cost and net present value of future liabilities. The discount rate used is the yield on high quality corporate bonds with maturity and terms that match those of the post employment obligations as closely as possible. Where there is no developed corporate bond market in a country, the rate on government bonds is used. Each year, the unwinding of the discount on the net liabilities is charged to the Group's Income Statement as the interest cost. The mortality assumption is used to project the future stream of benefit payments, which is then discounted to arrive at a net present value of liabilities.

Valuations of liabilities are carried out using the projected unit method.

The values attributed to scheme liabilities are assessed in accordance with the advice of independent qualified actuaries.

The Group's contributions to defined contribution pension schemes are charged to the Income Statement in the period to which the contributions relate.

o Leased assets

All leases are "operating leases" and the relevant annual rentals are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Year ended 31 December **2017**

1 ACCOUNTING POLICIES (continued)

p Dividend policy

Dividend distribution to the Company's Shareholder is recognised as a liability in the Group's Accounts in the period in which the dividends are approved by the Company's Shareholder.

q Key assumptions and significant judgements

The preparation of the Accounts in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Accounts. The areas where the most judgement is required are highlighted below:

i Pensions

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 9 for further details.

ii Property, plant and equipment

The property, plant and equipment used within the Group have estimated service lives of between 3 and 20 years, with the exception of property which has an estimated service life of 50 years, and the depreciation charge is clearly sensitive to the lives allocated to the various types of asset. Asset lives are reviewed regularly and changed where necessary to reflect the current view on their remaining lives in light of the technological change, prospective economic utilisation and the physical condition of the assets.

iii Revenue recognition

Revenue and profit are recognised for contracts undertaken based on estimates of the stage of completion of the contract activity. The Group's policies for the recognition of revenue and profit are set out above.

1 **ACCOUNTING POLICIES (continued)**

q **Key assumptions and significant judgements (continued)**

iv Impairment of assets

Property, plant and equipment, and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

v Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes in each territory. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the income tax and deferred tax provision in the period to which such determination is made. See notes 10 and 27 for further information.

vi Provisions

Provision is made for liabilities that are uncertain in timing or amount of settlement. These include provision for rectification and warranty claims. Calculations of these provisions are based on cash flows relating to these costs estimated by management supported by the use of external consultants where needed and discounted at an appropriate rate where the impact of discounting is material.

r **Research and development**

Research expenditure is charged to the Income Statement in the period in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset is met. Other development expenditure is recognised in the Income Statement as incurred.

Notes to the Accounts
(Continued)

Year ended 31 December **2017**

2 REVENUE

An analysis of the Group's revenue between each significant category is as follows:

	2017	2016
	€'000	**€'000**
Revenue from construction contracts	175,400	186,075
Sale of goods	728,129	714,850
	903,529	900,925

3 ANALYSIS OF NET OPERATING EXPENSES

	2017	2016
	€'000	**€'000**
Distribution costs	50,898	49,709
Administrative expenses	154,709	147,760
Other operating income	(5,865)	(5,689)
Net operating expenses	199,742	191,780

4 OPERATING PROFIT

		2017	2016
		€'000	**€'000**
Operating profit has been arrived at after charging			
Directors' emoluments (note 7)		4,268	3,245
Depreciation of owned assets (note 12)		14,173	13,369
Impairment of owned assets (note 12)		1,513	146
Amortisation of intangibles (note 11)		736	527
Research and development costs		7,234	7,179
Loss/(profit) on sale of property, plant and equipment		154	(95)
Fees payable to the Group's auditor for the audit of the Group's Accounts		153	179
Fees payable to the Group's auditor and its associates for other services			
- the auditing of Subsidiary Accounts		962	1,163
- other services relating to taxation compliance		197	133
- all other services		216	165
Operating lease	- land and buildings	2,889	4,749
	- other	421	924
Impairment of trade receivables		229	1,356
Cost of inventories recognised as an expense (included in cost of sales)		413,971	403,555
Net loss/(profit) on foreign currency translation		9,013	(8,240)

Year ended 31 December **2017**

5 FINANCE INCOME

	2017	2016
	€'000	**€'000**
Bank interest receivable	1,362	1,281
Other interest receivable	220	221
	1,582	1,502

6 FINANCE COSTS

	2017	2016
	€'000	**€'000**
Other interest	48	244

7 KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
	€'000	**€'000**
Salaries and short-term employee benefits	4,800	3,654
Post-employment benefits	8	31
	4,808	3,685

All of the above key management personnel compensation relates to Directors.

Directors' emoluments

	2017	2016
	€'000	**€'000**
Aggregate emoluments as Directors of the Company	4,260	3,214
Value of Group pension contributions to money purchase schemes	8	31
	4,268	3,245
Emoluments of the highest paid Director	3,687	2,683

Number of Directors who are accruing benefits under money purchase pension schemes	**No.** 2	**No.** 2

Year ended 31 December **2017**

8 EMPLOYEE NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2017 **No**	2016 **No**
Management, office and sales	2,166	2,162
Manufacturing and direct labour	2,063	2,039
	4,229	4,201

The aggregate payroll costs of these persons were as follows:

	2017 **€'000**	2016 **€'000**
Wages and salaries	239,218	226,416
Social security costs	48,771	44,689
Other pension costs	2,215	4,750
	290,204	275,855

The average number of persons employed by the Company (including Directors) during the year was as follows:

	2017 **No**	2016 **No**
Management, office and sales	29	31

The aggregate payroll costs of these persons were as follows:

	2017 **€'000**	2016 **€'000**
Wages and salaries	1,177	1,222
Social security costs	790	597
Other pension costs	26	42
	1,993	1,861

9 POST-EMPLOYMENT BENEFITS

The table below outlines where the Group's post-employment amounts and activity are included in the Accounts.

	2017 €'000	2016 €'000
Balance sheet obligations for:		
Defined pension benefits	(9,012)	(9,603)
Post-employment medical benefits	(2,958)	(3,418)
Liability in the balance sheet	(11,970)	(13,021)
Income statement credit/(charge) included in operating expenses for:		
Defined pension benefits	736	96
Post-employment medical benefits	(118)	(129)
	618	(33)
Remeasurements charge for:		
Defined pension benefits	26	(238)
Post-employment medical benefits	(74)	(123)
	(48)	(361)

The income statement charge included within operating expenses includes current service costs, net interest costs and past service costs.

a) Defined benefit pension schemes

The group operates defined benefit pension plans in the UK (one defined benefits scheme and one hybrid scheme) and Eurozone under broadly similar regulatory frameworks. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Pensions in payment are generally updated in line with inflation. The plans face broadly similar risks, as described below. UK benefit payments are from trustee-administered funds and Eurozone benefit payments are from unfunded plans where the company meets the benefit payment obligation as it falls due. Assets held in UK trusts are governed by UK regulations and practice, as is the nature of the relationship between the group and the trustees (or equivalent) and their composition. Responsibility for governance of the schemes - including investment decisions and contribution schedules - lies jointly with the Group and the boards of trustees. The boards of trustees must be composed of representatives of the Group and scheme participants in accordance with the schemes' regulations.

Year ended 31 December **2017**

9 **POST-EMPLOYMENT BENEFITS (continued)**

The amounts recognised in the balance sheet are determined as follows:

	2017	2016
	€'000	**€'000**
Present value of funded obligations	(17,013)	(14,282)
Fair value of plan assets	16,870	17,274
Net (deficit)/surplus on funded plans	(143)	2,992
Present value of unfunded obligations	(8,650)	(9,488)
Total deficit of defined benefit pension plans	(8,793)	(6,496)
Impact of asset ceiling	(219)	(3,107)
Liability in the balance sheet	(9,012)	(9,603)

The UK defined benefit scheme has a surplus that is not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund.

The amount recognised in the income statement:

	2017	2016
	€'000	**€'000**
Current service cost	788	165
Net interest cost	(52)	(69)
	736	96

The above amounts are included as an employee cost within net operating expenses.

Year ended 31 December **2017**

9 POST-EMPLOYMENT BENEFITS (continued)

Remeasurement of the net defined benefit liability to be shown in other comprehensive income:

	2017 **€'000**	2016 **€'000**
Loss from changes in financial assumptions	(3,520)	(404)
Gain from change in demographic assumptions	43	23
Experience (losses)/gains	(136)	159
Return on assets, excluding interest income	530	1,501
Change in the effect of the asset ceiling excluding interest income	3,109	(1,517)
	26	(238)

Changes in present value of obligations:

	2017 **€'000**	2016 **€'000**
Present value of obligations at start of the year	(23,770)	(25,865)
Current service cost	788	165
Interest cost	(480)	(612)
Actuarial (loss)/gain on Scheme liabilities based on:		
Changes in financial assumptions	(3,520)	(404)
Changes in demographic assumptions	43	23
Experience (losses)/gains	(136)	159
Benefits paid	818	518
Exchange differences	594	2,246
Present value of obligation at end of the year	(25,663)	(23,770)

Year ended 31 December **2017**

9 POST-EMPLOYMENT BENEFITS (continued)

Changes in the fair value of scheme assets:

	2017	2016
	€'000	**€'000**
Fair value of scheme assets at the start of the year	17,274	18,105
Interest income	428	606
Remeasurement of scheme assets	530	1,501
Contributions by employers	78	83
Benefits paid	(775)	(476)
Exchange differences	(665)	(2,545)
Fair value of scheme assets at the end of the year	16,870	17,274

The significant actuarial assumptions were as follows:

		2017		2016
	UK	Eurozone	UK	Eurozone
Rate of increase in salaries	-	1.63%	-	1.77%
Discount rate	2.4%	1.25-1.45%	2.6%	1.3-1.36%
Inflation	3.3-3.5%	1.25-1.45%	3.4-3.5%	1.3-1.36%

The inflation assumption shown for the UK is for the Retail Price Index. The assumption for the Consumer Price Index at 31 December 2017 was 2.3-2.5%.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2017	2016
Retiring at the end of the reporting period:		
Male	22-23 years	22 years
Female	24-25 years	24-25 years
Retiring 20 years after the end of the reporting period:		
Male	24-25 years	24-25 years
Female	26-27 years	26-27 years

9 POST-EMPLOYMENT BENEFITS (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease obligation by 3.5 - 4.4%	Increase obligation by 3.5 - 4.4%
Inflation	0.25%	Decrease obligation by 0.2 - 3.0%	Increase obligation by 0.2 - 3.0%
Life expectancy	1 year	Increase obligation by 4.3%	Increase obligation by 4.3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

b) Post - employment medical benefits

The group operates a post-employment medical benefit scheme in the US. This scheme is unfunded. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 3.0% a year and claim rates of 5.5%.

The amounts recognised in the balance sheet are determined as follows:

	2017	2016
	€'000	**€'000**
Present value of unfunded obligations	(2,958)	(3,418)
Liability in the balance sheet	(2,958)	(3,418)

Year ended 31 December **2017**

9 POST-EMPLOYMENT BENEFITS (continued)

Changes in the present value of defined benefit obligations

	2017 **€'000**	2016 **€'000**
Present value of obligation at the start of the year	(3,418)	(3,406)
The amount recognised in the income statement:		
Current service cost	(109)	(168)
Past service cost	-	48
Interest expense	(8)	(9)
	(117)	(129)
Remeasurement of the net defined benefit liability to be shown in other comprehensive income:		
Loss from change in demographic assumptions	(23)	(49)
Loss from change in financial assumptions	(51)	(74)
	(74)	(123)
Other movement	73	40
Payments from scheme contributions - benefit payments	287	312
Exchange differences	291	(112)
Present value of obligation at the end of the year	(2,958)	(3,418)

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2017		**2016**	
	Total **€'000**	%	Total **€'000**	%
Equity instruments	**11,255**	**67%**	**11,223**	**65%**
Equities and equity funds	4,738		4,655	
Diversified growth fund	6,517		6,568	
Debt instruments	**5,459**	**32%**	**5,787**	**34%**
Government	3,402		3,926	
Corporate bonds (investment grade)	2,057		1,861	
Property	209	1%	198	1%
Cash and cash equivalents	(53)	-	66	-
Total	16,870	100%	17,274	100%

9 POST-EMPLOYMENT BENEFITS (continued)

Through its defined benefit pension schemes and post-employment medical plans, the Group is exposed to a number of risks, most of which are detailed below:

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if scheme assets underperform this yield, this will create a deficit. The UK schemes hold a significant proportion of equity instruments, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

The Group has reduced the level of investment risk by investing in assets that better match the liabilities. This has been done by the purchase of a mixture of government and corporate bonds. The government bonds represent investments in UK government securities only. The corporate bonds are global securities with an emphasis on the UK.

Changes in bond yield

A decrease in corporate bond yields will increase scheme liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk

Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against extreme inflation). The majority of the schemes' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the scheme's liabilities. This is particularly significant in the UK schemes, where inflationary increases result in higher sensitivity to changes in life expectancy.

In case of the Eurozone defined benefit scheme, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the scheme. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The UK hybrid scheme currently has no asset-liability matching strategy. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2017 consist of equities and bonds, although the Group also invests in property and cash.

The Group has agreed that it will aim to eliminate the deficit in the hybrid scheme over the next 15 years. There is no deficit in the defined benefits scheme. The next triennial valuations are due to be completed as at 5 April 2018 and 31 July 2018 for the defined benefits scheme and hybrid scheme respectively. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period.

9 POST-EMPLOYMENT BENEFITS (continued)

Expected contributions to post-employment benefit schemes for the year ending 31 December 2018 are €207,490.

The weighted average duration of the defined benefit obligation is 16.6 years.

10 INCOME TAX EXPENSE

(a) Charge for the year

	2017 **€'000**	2016 **€'000**
Current income tax:		
UK corporation tax at 19.25% (2016 - 20%)	3,410	7,686
Overseas tax	29,695	32,317
Adjustments to prior year UK tax	82	(100)
Adjustments to prior year overseas tax	(2,022)	1,495
Total current taxation	31,165	41,398
Deferred income tax:		
Movement in overseas deferred tax	6,233	(1,484)
Movement in UK deferred tax	(38)	314
Total deferred taxation	6,195	(1,170)
Income tax expense	37,360	40,228

(b) Factors affecting tax expense

	2017 €'000	2016 €'000
Profit before taxation	111,808	122,730
Profit before taxation multiplied by the standard rate of tax of 19.25% (2016 - 20%)	21,523	24,546
Expenses not deductible for tax purposes	4,353	4,449
Income not taxable	(1,047)	(285)
Timing differences	(3,897)	(1,362)
Effect of foreign tax rates	16,701	11,726
Utilisation of losses brought forward	(2,413)	(2,652)
Deferred tax assets not recognised	4,801	1,666
Exchange adjustment	(721)	745
Adjustment to tax charge in previous period	(1,940)	1,395
Tax expense	37,360	40,228

10 INCOME TAX EXPENSE (continued)

(c) Factors that may affect future tax charges

The Group had UK tax losses of approximately €5,445,000 at 31 December 2017 (2016 - €1,860,000) available for carry forward against future trading profits. In addition the Claudius Peters Group had overseas tax losses of approximately €1,174,000 at 31 December 2017 (2016 - €600,000), the Manroland Group €129,084,000 (2016 - €139,461,000), the Druck Chemie Group €7,368,000 (2016 - €7,013,000), the Bradman Lake Group €1,998,000 (2016 - €1,793,000) and the Active Power Group €2,431,000 (2016 - €1,641,000) available for carry forward against future trading profits of that Group.

(d) Impact of future tax rate changes

Finance Act 2016, which received Royal Assent on 15 September 2016, includes legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. Accordingly, deferred tax has been calculated at the tax rate of 17%.

Notes to the Accounts

(Continued)

Year ended 31 December **2017**

11 INTANGIBLE ASSETS

GROUP

	Positive Goodwill €'000	Patents and Licences €'000	Total €'000
Cost			
At 1 January 2017	2,768	4,843	7,611
Additions	5	795	800
Exchange adjustment	(334)	(157)	(491)
At 31 December 2017	2,439	5,481	7,920
Aggregate impairment and amortisation			
At 1 January 2017	-	4,356	4,356
Amortisation charge for the year	-	736	736
Exchange adjustment	-	(157)	(157)
At 31 December 2017	-	4,935	4,935
Net book values			
At 31 December 2017	2,439	546	2,985
At 31 December 2016	2,768	487	3,255
Cost			
At 1 January 2016	2,652	4,655	7,307
Additions	-	202	202
Disposals	-	(164)	(164)
Exchange adjustment	116	150	266
At 31 December 2016	2,768	4,843	7,611
Aggregate impairment and amortisation			
At 1 January 2016	-	3,954	3,954
Amortisation charge for the year	-	527	527
Disposals	-	(91)	(91)
Exchange adjustment	-	(34)	(34)
At 31 December 2016	-	4,356	4,356
Net book values			
At 31 December 2016	2,768	487	3,255
At 31 December 2015	2,652	701	3,353

Year ended 31 December **2017**

12 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land & buildings €'000	Plant and machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2017	157,292	123,891	54,990	17,075	353,248
Additions	13,294	6,063	4,220	959	24,536
Disposals	-	(1,658)	(1,825)	(334)	(3,817)
Revaluation	1,782	-	-	-	1,782
Exchange adjustments	(3,826)	(1,061)	(1,819)	(534)	(7,240)
At 31 December 2017	168,542	127,235	55,566	17,166	368,509
Depreciation					
At 1 January 2017	46,186	77,242	14,015	14,911	152,354
Charge for the year	3,218	5,968	4,026	961	14,173
Impairment	-	-	1,513	-	1,513
Disposals	-	(1,283)	(1,413)	(300)	(2,996)
Exchange adjustments	(712)	(1,482)	(495)	(709)	(3,398)
At 31 December 2017	48,692	80,445	17,646	14,863	161,646
Net book amount					
At 31 December 2017	119,850	46,790	37,920	2,303	206,863
At 31 December 2016	111,106	46,649	40,975	2,164	200,894
Cost or valuation					
At 1 January 2016	152,351	117,673	59,380	16,198	345,602
Additions	5,356	9,779	3,522	1,307	19,964
On acquisition	-	1,853	-	161	2,014
Disposals	(33)	(2,330)	(1,239)	(501)	(4,103)
Reclassification	2,038	(2,038)	-	-	-
Exchange adjustments	(2,420)	(1,046)	(6,673)	(90)	(10,229)
At 31 December 2016	157,292	123,891	54,990	17,075	353,248
Depreciation					
At 1 January 2016	42,789	74,269	11,815	14,515	143,388
Charge for the year	3,094	5,403	4,027	845	13,369
On acquisition	-	357	-	61	418
Impairment	18	101	-	27	146
Disposals	(33)	(2,047)	(790)	(498)	(3,368)
Reclassification	427	(427)	-	-	-
Exchange adjustments	(109)	(414)	(1,037)	(39)	(1,599)
At 31 December 2016	46,186	77,242	14,015	14,911	152,354
Net book amount					
At 31 December 2016	111,106	46,649	40,975	2,164	200,894
At 31 December 2015	109,562	43,404	47,565	1,683	202,214

12 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Freehold land & buildings	Plant and machinery	Vehicles	Computers	Total
Cost or valuation	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2017	23,502	6,972	2,251	441	33,166
Additions	1,473	410	1,075	13	2,971
Disposals	-	-	(569)	(68)	(637)
Exchange adjustments	(920)	(272)	(92)	(18)	(1,302)
At 31 December 2017	24,055	7,110	2,665	368	34,198
Depreciation					
At 1 January 2017	1,793	2,083	1,657	418	5,951
Disposals	-	-	(544)	(68)	(612)
Charge for the year	776	585	415	11	1,787
Exchange adjustments	(80)	(88)	(61)	(14)	(243)
At 31 December 2017	2,489	2,580	1,467	347	6,883
Net book amount					
At 31 December 2017	21,566	4,530	1,198	21	27,315
At 31 December 2016	21,709	4,889	594	23	27,215
Cost or valuation					
At 1 January 2016	23,175	2,769	2,486	500	28,930
Additions	3,638	4,761	330	9	8,738
Disposals	-	-	(220)	-	(220)
Exchange adjustments	(3,311)	(558)	(345)	(68)	(4,282)
At 31 December 2016	23,502	6,972	2,251	441	33,166
Depreciation					
At 1 January 2016	1,311	2,005	1,827	440	5,583
Disposals	-	-	(219)	-	(219)
Charge for the year	687	366	303	41	1,397
Exchange adjustments	(205)	(288)	(254)	(63)	(810)
At 31 December 2016	1,793	2,083	1,657	418	5,951
Net book amount					
At 31 December 2016	21,709	4,889	594	23	27,215
At 31 December 2015	21,864	764	659	60	23,347

12 PROPERTY, PLANT AND EQUIPMENT (continued)

If these assets had not been revalued they would have been included at the following historical cost amounts:

	Group	
	2017	2016
	€'000	**€'000**
Freehold land and buildings		
Cost	160,981	151,385
Aggregate depreciation and impairment	45,877	43,435

13 NON-CURRENT INVESTMENTS

	Group Shares in unlisted undertakings	**Company** Shares in group undertakings
	€'000	**€'000**
COST		
At 1 January 2017	14	79,520
Exchange adjustment	-	(3,045)
At 31 December 2017	14	76,475
Carrying amount		
At 31 December 2017	14	76,475
At 31 December 2016	14	79,520

	Group Shares in unlisted undertakings	**Company** Shares in group undertakings
	€'000	**€'000**
COST		
At 1 January 2016	14	92,144
Exchange adjustment	-	(12,624)
At 31 December 2016	14	79,520
Carrying amount		
At 31 December 2016	14	79,520
At 31 December 2015	14	92,144

Notes to the Accounts

(Continued)

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

A list of wholly owned unlisted subsidiary companies at 31 December 2017 is provided below.
The registered office of each subsidiary is detailed in italics.

Company	Country of Registration	Principal Activity
The Clarke Chapman Group Limited *PO Box 9 Saltmeadows Road, Gateshead, Tyne & Wear NE8 1SW*	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical handling equipment
JND Technologies Limited Enterprise Way, Retford, Nottinghamshire DN22 7HH	England	Design, manufacture and refurbishment of process plant, road tankers and cementitious grouts
Reader Cement Products Limited Enterprise Way, Retford, Nottinghamshire DN22 7HH	England	Processing of cementitious grouts
Oakdale Homes Limited *Enterprise Way, Retford, Nottinghamshire DN22 7HH*	England	House builders
Oakdale Properties Limited *Enterprise Way, Retford, Nottinghamshire DN22 7HH*	England	Residential property
Claudius Peters Group GmbH *Schanzenstraße 40, DE-21614, Buxtehude, Germany*	Germany	Parent company (see below)
Piller Holding GmbH *Abgunst 24, 37520 Osterode, Germany*	Germany	Parent company (see below)
Pressure Engineering International Limited *Enterprise Way, Retford, Nottinghamshire DN22 7HH*	England	Manufacture of process plant and equipment, steel structures, heat exchangers, tankage and pressure vessels
Langley Aviation Limited *Enterprise Way, Retford, Nottinghamshire DN22 7HH*	England	Aircraft transport
ARO Welding Technologies SAS *1, Avenue de Tours, BP 40161, Château du Loir, 72500 Montval-sur-Loir, France*	France	All of the ARO companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems
ARO Welding Technologies Inc *48500 Structural Drive, Chesterfield Township, MI 48051*	United States of America	
Bradman Lake Group Limited *Common Lane North, Beccles, Suffolk NR34 9BP*	England	Parent company (see below)

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

A list of wholly owned unlisted subsidiary companies at 31 December 2017 is provided below. The registered office of each subsidiary is detailed in italics.

Company	Country of Registration	Principal Activity
Retford Investments LLC *3050 Southcross Blvd Rock Hill, SC 29730*	United States of America	Holder of real estate for other group companies
CPVA GmbH *Muehlheimer Strase 341, 63075 Offenbach am Main, Germany*	Germany	Property rental
Sheetfed Holdings Limited	England	Parent company (see below)
Mikenboard Limited	England	Dormant subsidiary
H Q Engineers Limited	England	Dormant subsidiary
JND Wefco Limited	England	Dormant subsidiary
All of the above: *Enterprise Way, Retford, Nottinghamshire DN22 7HH*		
Sail Cruising Limited	Antigua	Dormant subsidiary

The following companies are wholly owned unlisted subsidiaries of ARO Welding Technologies SAS, at 31 December 2017:

Company	Country of Registration	Principal Activity
ARO Welding Technologies AB *AB Timotejvägen, 7 439 71, Fjärås*	Sweden	All of the companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems.
ARO Welding Technologies SA de CV *43B Sur 4720 Estrella del Sur C.P. 72190 Puebla, Pue*	Mexico	
ARO Welding Technologies SAU *C/ Cuzco, 26-28, nave 2 08030 Barcelona*	Spain	
ARO Welding Technologies Limited *Unit 15, Planetary Industrial Estate, Planetary Road, Willenhall, Wolverhampton, WV13 3XA*	England	

Notes to the Accounts

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Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
ARO Welding Technologies SA-NV *Koningin Astridlaan 61, 1780 Wemmel*	Belgium	
ARO Welding Technologies s.r.o *Karloveská 63 84104 Bratislava*	Slovakia	
ARO Welding Technologies GmbH *Senefelderstraße 4 86368 Gersthofen*	Germany	
ARO Welding Technologies (Wuhan) Ltd *M Building - West District, MinYing Industry Park, 81 CheChengNan Road, Economic & Technology Developing Zone 430056 WUHAN*	China	
ARO Welding Technologias Ltda. *Rua das Figueiras 474 - 3° andar Bairro Jardim, 09080-300 - Santo André SP São Paulo*	Brazil	

The following companies are wholly owned unlisted subsidiaries of The Clarke Chapman Group Limited, at 31 December 2017:

Company	Country of Registration	Principal Activity
Clarke Chapman Facilities Management *Office 104 Golborne Enterprise Park, Kid Glove Road, Golborne, Warrington, Cheshire, WA3 3GR*	England	Provision of facilities management services
Clarke Chapman Aftermarket Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Clarke Chapman Machining Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Clarke Chapman Manufacturing Ltd *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Mackley Pumps Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
Cowans Sheldon Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Wellman Booth Limited *Unit 2, Kirkfield Industrial & Commercial Centre, Kirk Lane, Yeadon, Leeds, LS19 7LX*	England	Dormant subsidiary
Stothert and Pitt Limited *1-9 Yelverton Road, Brislington, Bristol, BS4 5HP*	England	Dormant subsidiary
Butterley Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Dormant subsidiary

The following companies are wholly owned unlisted subsidiaries of Bradman Lake Group Limited, at 31 December 2017:

Company	Country of Registration	Principal Activity
Bradman-Lake Limited *Common Lane North, Beccles, Suffolk, NR34 9BP*	England	Both of the companies are involved in the design and manufacture of packaging equipment.
Bradman-Lake Inc *3050 Southcross Boulevard, Rock Hill, SC 29730*	United States of America	

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2017:

Company	Country of Registration	Principal Activity
Claudius Peters Projects GmbH *Claudius Peters Projects GmbH, Schanzenstraße, 40 DE-21614, Buxtehude, Germany*	Germany	All of the companies are involved in the design, manufacture, maintenance, refurbishment and repair of materials processing and handling equipment.
Claudius Peters Technologies SAS *Claudius Peters Technologies SAS 34, Avenue de Suisse F-68316 Illzach France*	France	
Claudius Peters (Italiana) srl *Via Verdi 2 1-24121 Bergamo, Italy*	Italy	

Notes to the Accounts
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Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
Claudius Peters (Iberica) SA *Paseo de la Habana 202 bis, 28036, Madrid, Spain*	Spain	
Claudius Peters (China) Limited *Unit 1705-1706, 17/F Laws Commercial Plaza, 788 Cheung Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong SAR*	Hong Kong	
Claudius Peters (UK) Limited *Unit 10, Thatcham Business Village, Colthrop Way, Thatcham Berkshire, RG19 4LW*	England	
Claudius Peters (Americas) Inc *445 W. President George Bush Hwy Richardson, TX 75080*	United States of America	
Claudius Peters do Brasil Ltda *Rua das Figueiras, 474 - 3 º andar - Bairro Jardim 09080-300 - Santo André / SP Brazil*	Brazil	
Claudius Peters Romania srl *Str. Oituz Nr. 25C, et 2 550337, Sibiu, Romania*	Romania	
Claudius Peters (Beijing) Machinery Services Limited *7/G Hong Kong Macau Centre, No 2 Chaoyangmen Bei Da Jie, Beijing 100027, China*	China	
Claudius Peters India Pvt. Limited *Unit 408, 4th. Floor, Peninsula Plaza A/16 Fun Republic Lane Off Link Road, Andheri West Mumbai 400 053 India*	India	
Claudius Peters (Asia Pacific) Pte Ltd *25 International Business Park, #01-65/66 German Centre, Singapore, 609916*	Singapore	
Claudius Peters Automation srl *Str. Oituz Nr. 25C, et 2 550337, Sibiu, Romania*	Romania	

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

The following company is a wholly owned unlisted subsidiary of Piller Holding GmbH, at 31 December 2017:

Company	**Country of Registration**	**Principal Activity**
Piller Group GmbH *Abgunst 24 37520, Osterode, Germany*	Germany	See below

The following companies are wholly owned unlisted subsidiaries of Piller Group GmbH and its subsidiaries at 31 December 2017:

Company	**Country of Registration**	**Principal Activity**
Piller Australia Pty Limited *2/3 Salisbury Road, Castle Hill, NSW, 2154, Sydney, Australia*	Australia	All of the companies are involved in producing electrical machinery, specialising in high capacity uninterruptible power supply (UPS) systems. The Group is also involved in the production of converters for aircraft ground power and naval military applications.
Piller France SAS *1 Avenue du Président Pompidou, CS 70073 - BAT A F-92508 Rueil-Malmaison cedex, France*	France	
Piller USA Inc *45 Wes Warren Drive, Middletown, New York 10941-2047, USA*	United States of America	
Piller UK Limited *Westgate, Phoenix Way, Cirencester, Gloucestershire, GL7 1RY*	England	
Piller Italia Srl *Centro Direzionale Colleoni, Palazzo Pegaso, 3 Viale Colleoni, 25 20864, Agrate Brianza (MB) Italy*	Italy	
Piller Iberica SL *U, Paseo de la Habana, 202 Bis Bj E-28036 Madrid, Spain*	Spain	
Piller Power Singapore Pte. Limited *25 International Business Park, #01-65/66 German Centre, Singapore, 609916*	Singapore	
Piller Germany GmbH & Co KG *Abgunst 24, 37520, Osterode, Germany*	Germany	
Piller Management GmbH *Abgunst 24, 37520, Osterode, Germany*	Germany	

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Principal Activity
Endurance Power Protection Pvt Ltd *B-4, 2nd Floor, Plot No. 422, Nav Bhavana Premises, Co-op Society Ltd, S V Savarkar Marg, Prabhadevi Mumbai, Maharashtra, India, 400025*	India	
Active Power Beijing *Rm 506-7, Tower A, COFCO Plaza, 8 Jianguomen Nei Ave, Beijing, China*	China	
Active Power HongKong (Holding) *A95, Unit A, s/F, Hung To Centre, 94-96 How Ming Street, Kwun Tong, Kowloon, Hong Kong*	Hong Kong	
Active Power Swiss (Holding) *Schöneich 1,6265 Roggliswil, Swiss*	Switzerland	
Active Power Germany *An der Leege 22, 37520 Osterode am Harz, Osterode, Germany*	Germany	
Active Power UK Ltd. *Unit 1.2, Lauriston Business Park, Pitchill, Evesham, Worcestershire, WR11 8SN*	England	

The following companies are investments held by Sheetfed Holdings Limited and its subsidiaries, at 31 December 2017:

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Sheetfed GmbH *Muehlheimer Strasse 341, 63075 Offenbach am, Main, Germany*	Germany	100%	Note 1
Manroland Sheetfed Deutschland GmbH *Muehlheimer Strasse 341, 63075 Offenbach am, Main, Germany*	Germany	100%	Note 2
Manroland Used Equipment GmbH *Muehlheimer Strasse 341, 63075 Offenbach am, Main, Germany*	Germany	100%	Note 2
Manroland Sheetfed (UK) Limited *1st Floor, Southerton House, Boundary Business Court, 92-94 Church Road, Mitcham, Surrey, CR4 3TD*	England	100%	Note 2
Manroland Latina S.A. *Mariano Sanchez, Fontecilla No.374, Las Condes, Santiago de Chile, 7550296*	Chile	100%	Note 2
Manroland Latina S.A. de C.V *Av. Rio San Joaquin, No. 6107, Col. Popo, Del. Miguel Hidalgo, C.P.11480, Mexico City*	Mexico	99.9%	Note 2

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland do Brasil Serviços Ltda Rua das Figueiras, 474 - 3 andar Edificio Eiffel Bairro Jardim, 09080-300, Santo Andre, SP	Brazil	99.9%	Note 2
Manroland Latina S.A. *Av. Regimiento de Patricios 1054 C1265AEQ* *CABA, Buenos Aires*	Argentina	100%	Note 2
Manroland Latina S.A.C *Los Geranios No.328, Lince, Lima*	Peru	100%	Note 2
PT Manroland Indonesia *Management Building 2nd Floor, JI Buncit Raya* *Kav.100, Jakarta*	Indonesia	100%	Note 2
Manroland Thailand Ltd *22/6 Ladprao Soi 21 Jomphol, Jatujak Bangkok* *10900, Thailand*	Thailand	100%	Note 2
Manroland Nordic Finland Oy *Valimotie 22, 01510 Vantaa*	Finland	100%	Note 2
Manroland Nordic Sverige AB *Nohabgatan 12H, Byggnad 33, SE-461*	Sweden	100%	Note 2
Manroland Nordic Danmark A/S *Lautruphøj, 1-3 DK-2750, Ballerup*	Denmark	100%	Note 2
Manroland Inc *800 East Oak Hill Drive, Westmont, Illinois, 60559.*	USA	100%	Note 2
Manroland Sheetfed Pvt Ltd *A-15, Phase - II, Naraina Industrial Area, New Delhi* *- 110028*	India	100%	Note 2
Manroland Canada Inc *120 Jevlan Dr., Unit #3, Vaughan, ON L4L 8G3*	Canada	100%	Note 2
Manroland Western Europe Group B.V. *Kuiperbergweg 50, NL-1101 AG, Amsterdam* *Zuidoost, Postbus 61007, NL-1005 HA,* *Amsterdam*	Netherlands	100%	Note 2
Manroland Österreich GmbH *IZ NÖ-Süd, Strasse 16, Objekt 70/1, Wiener* *Neudorf 2355*	Austria	100%	Note 2
Manroland Malaysia Sdn. Bhd *Unit 315, Laman Seri Industrial Park, Persiaran* *Sukan, Seksyen 13, 40000 Shah Alam, Selangor* *Darul Ehsan*	Malaysia	100%	Note 2

Notes to the Accounts

(Continued)

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Japan Co. Ltd *2-3-4, Niizo-Minami, Toda-shi, Saitama 335-0026*	Japan	100%	Note 2
Manroland (Korea) Ltd *2F,Gaya Building,570-1 Yeonnam-dong Mapo-Gu,Seoul 121-869*	Korea	100%	Note 2
Manroland (Taiwan) Ltd *17F-9, No. 738, Chung Cheng Road Chung-Ho District, New Taipei City 23511, Taiwan*	Taiwan	100%	Note 2
Manroland (China) Limited *7/F, Capella HTR, Kwun Tong, Kowloon, Hong Kong*	China	100%	Note 2
Guangzhou Printcom Printing Supplies Co. Ltd *1/F, 11# Building, Standard Industrial Garden, Taishi Industrial Park, Dongchung Town, Panyu District, 511475, Guangzhou, P.R. China*	China	100%	Note 2
Manroland Printing Equipment (Shanghai) Co. Ltd *Room 901, Bld A, HongKou Plaza, No. 388, West Jiang Wan Rd Hong Kou District, Shanghai, P.R. China*	China	100%	Note 2
Manroland Printing Equipment (Shenzhen) Ltd *Room 101-106, Block C, Huahan Chuangxin Park, LangShan Road, Nanshan District, Shenzhen, P.R. China*	China	100%	Note 2
Manroland Adriatic d.o.o. *Kovinska 4A, 10000 Zagreb*	Croatia	100%	Note 2
Manroland ROMANIA S.R.L *Str. Ziduri Intre Vii 19, Corp C, Parter, Spatiu C-5, Sector 2, Bucuresti, 023321*	Romania	100%	Note 2
Manroland Bulgaria EOOD *1766, Sofia, 251 Okolovrasten pat Street Delta center, floor 2, office 203*	Bulgaria	100%	Note 2
Manroland Magyaroszag Kft. *Táblás u., 36-38, 1097, Budapest*	Hungary	100%	Note 2
Manroland Polska Sp. z.o.o *Wolica Aleja, Katowicka, 11 PL-05 830, Nadarzyn*	Poland	100%	Note 2

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Czech s.r.o *Prumyslova 10/1428, Praha 10, 102 00*	Czech Republic	100%	Note 2
Manroland France S.A.S *Bat. M1 Les Aralias, Paris Nord, II 66 rue des Vanesses CS 53290, Villepinte 95958, Roissy, CDG Cedex*	France	100%	Note 2
Manroland Swiss A.G. *Schöneich 1, 6265 Roggliswil*	Switzerland	100%	Note 2
Manroland Ireland Ltd *Unit N2, North Ring Business Park, Santry, Dublin 9*	Ireland	100%	Note 2
Manroland Iberica Sistemas S.L *Centro de Negocios Eisenhower Avda. Sur Aeropuerto de Barajas, 24 - Edif. 5 - 5º C, 28042, Madrid*	Spain	100%	Note 2
Manroland Iberica Sistemas S.A *Rua de Pé de Mouro, Polígono Empresarial Pé de Mouro, 19 2710-335 Sintra*	Portugal	100%	Note 2
Manroland Italia S.R.L. *Via Lambretta 2, 20090, Segrate (MI)*	Italy	100%	Note 2
Manroland Benelux N.V. *Koningin Astridlaan, 61 1780, Wemmel*	Belgium	100%	Note 2
Manroland Nordic Norge A/S *Postboks 473, N-1473, Lørenskog*	Norway	100%	Note 2
Manroland Southern Africa (PTY) Ltd *15 Manhattan Street Airport, Industria Cape Town, 7490*	South Africa	100%	Note 2
Manroland IP GmbH *Muehlheimer Strasse 341, 63075 Offenbach am, Main, Germany*	Germany	50%	Note 4
Manroland Sheetfed (Thailand) Co. Ltd *22/6 Ladprao Soi 21, Jomphol, Jatujak Bangkok 10900 Thailand*	Thailand	100%	Note 2
Wood International Inc *333 Cedar Avenue, Middlesex NJ 08846, USA*	USA	100%	Dormant

Year ended 31 December **2017**

13 NON-CURRENT INVESTMENTS (continued)

Company	Country of Registration	Percentage Ownership	Principal Activity
DC Druck Chemie GmbH *Wiesenstraße 10, D-72119, Ammerbuch-Altingen*	Germany	100%	Note 5
DC Green France SAS *(Ouest) Route du Prouau, F-44980, Ste Luce Sur Loire*	France	100%	Note 5
DC Iberica SL Spain *C/ Tresols 11 bajos, Apartdo de correos, 109 E-08850 Gava (Barcelona)*	Spain	100%	Note 5
DC Druck Chemie Polska Sp.z.o.o. *Spichrzowa 16, 62-200, Gniezno*	Poland	100%	Note 5
DC Druck Chemie s.r.o *K AMP 1294, 664 34, Kuřim*	Czech Republic	100%	Note 5
DC Druck Chemie SAS *(Est) Route de Bretten, F-68780, Soppe le Bas*	France	100%	Note 5
DC Druck Chemie UK Limited *10th Floor, 133 Finnieston Street, Glasgow, G3 8HB*	Scotland	100%	Note 5
DC Druck Chemie Italia S.R.L *Via Tirso, 12 20098, San Giuliano, Milanese (MI)*	Italy	100%	Note 5
DC Druck Chemie Benelux BV *Gerstdijk 7, NL-5704 RG, Helmond*	Benelux	100%	Note 5
DC Druck Chemie Brazil LTDA *Rua Rosa Belmir Ramos 151, 13.275-400, Valinhos / Sao Paulo*	Brazil	100%	Note 5
DC Druck Chemie AG *Schöneich CH-6265, Roggliswil*	Switzerland	100%	Note 5

Note 1: The design, manufacture and sale of sheetfed offset litho printing presses and aftermarket services

Note 2: The sale of sheetfed offset litho printing presses and aftermarket services

Note 3: Property rental

Note 4: Intellectual Property

Note 5: The development, manufacture and supply of chemical and technical products and accessories for the printing industry, as well as providing waste processing and recycling services

The following subsidiaries have taken exemption from audit under s479a of Companies Act 2006:

Reader Cement Products Limited (03025049)
Oakdale Homes Limited (02922110)
Oakdale Properties Limited (07525468)

LANGLEY

Year ended 31 December 2017

14 NON-CURRENT TRADE AND OTHER RECEIVABLES

	Group	
	2017	2016
	€'000	**€'000**
Other receivables	3,057	2,306
Pension scheme prepayment	667	735
	3,724	3,041

15 INVENTORIES

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Raw materials	77,154	71,488	-	-
Work in progress	57,482	59,652	-	-
Finished goods	29,084	29,833	9	4
	163,720	160,973	9	4

16 CONSTRUCTION WORK IN PROGRESS

Contracts in progress at the year end:

	Group	
	2017	2016
	€'000	**€'000**
Amounts due from contract customers included in trade and other receivables (note 17)	18,280	20,301
Amounts due to contract customers included in trade and other payables (note 20)	(6,543)	(4,808)
	11,737	15,493
Contract costs incurred plus recognised profit less recognised losses to date	156,511	150,147
Less: Progress billings	(144,774)	(134,654)
	11,737	15,493

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Year ended 31 December **2017**

17 CURRENT TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Trade receivables	132,985	133,355	211	181
Retentions	2,332	3,241	-	-
Amounts recoverable on construction contracts	18,280	20,301	-	-
Amounts owed by Group undertakings	-	-	126,891	142,797
Directors' current accounts (note 31)	-	665	-	665
Other receivables	5,541	6,556	441	136
VAT recoverable	5,034	4,107	572	480
Prepayments	13,789	13,895	1,267	1,421
	177,961	182,120	129,382	145,680

For terms and conditions relating to related party receivables, refer to note 31.

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	Group	
	2017	2016
	€'000	**€'000**
Balance at beginning of the year	18,450	18,538
Exchange differences	(11)	(23)
Charge for the year	229	1,356
Unused amounts reversed	(2,264)	(1,421)
Balance at end of the year	16,404	18,450

Trade receivables are non-interest bearing and are generally on 30 - 90 day terms.

At 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Past due but not impaired				
	<30 days	31-60 days	61-90 days	91-120 days	>121 days
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Group					
2017	29,285	6,559	2,512	1,233	1,326
2016	30,003	5,661	3,429	1,566	2,819
Company					
2017	4	-	-	-	203
2016	4	-	4	173	-

Year ended 31 December **2017**

18 CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Cash in hand, at bank and short term deposits	323,036	296,923	177,381	117,139

19 CURRENT INCOME TAX RECOVERABLE

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Income tax	7,437	4,827	1,539	60

20 CURRENT TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Trade payables	39,635	39,276	675	747
Other payables	9,459	12,056	72	75
Other taxes and social security	7,809	7,029	50	142
Accruals and deferred income	62,540	68,682	611	471
VAT payable	7,299	7,182	-	-
Amounts owed to Group undertakings	-	-	1,711	1,820
Payments on account	46,710	65,688	-	-
Amounts due on construction contracts	6,543	4,808	-	-
Directors' loan account	836	-	836	-
	180,831	204,721	3,955	3,255

21 PROVISIONS

GROUP	Warranty Provision	Other Provision	Total
	€'000	**€'000**	**€'000**
Balance at 1 January 2017	19,442	10,152	29,594
Additional provision recognised	13,724	1,273	14,997
Provision utilised during the year	(9,410)	(5,803)	(15,213)
Provision released during year	(7,264)	(1,772)	(9,036)
Foreign exchange difference	(521)	(623)	(1,144)
Balance at 31 December 2017	15,971	3,227	19,198
Current	14,412	3,153	17,565
Non-current	1,559	74	1,633

21 **PROVISIONS (continued)**

GROUP (continued)	Warranty Provision	Other Provision	Total
	€'000	**€'000**	**€'000**
Balance at 1 January 2016	19,314	5,652	24,966
Additional provision recognised	11,194	6,843	18,037
Provision utilised during the year	939	-	939
Provision released during year	(6,794)	(1,852)	(8,646)
Foreign exchange difference	(5,163)	(493)	(5,656)
	(48)	2	(46)
Balance at 31 December 2016	19,442	10,152	29,594
Current	17,100	10,068	27,168
Non-current	2,342	84	2,426

The warranty provision is arrived at using estimates from historical warranty data. The other provision includes specific claims, redundancy and restructuring provisions. There were no provisions in the Company.

22 **CURRENT INCOME TAX LIABILITIES**

	Group		**Company**	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Income tax	7,892	10,375	-	1,599

23 **CURRENT PORTION OF LONG TERM BORROWINGS**

	Group	
	2017	2017
	€'000	**€'000**
Loans	54	86

24 LONG TERM BORROWINGS

	Group	
	2017	2016
	€'000	**€'000**
Loans	93	177
Due within one year (included in current liabilities)	(54)	(86)
	39	91
Amounts payable:		
Between one and two years	39	49
Between two and five years	-	42
	39	91

The fair value of the loans are approximately equivalent to the book value disclosed above. Interest was charged at 7% (2016 - 7%) on those loans during the year.

25 NON-CURRENT TRADE AND OTHER PAYABLES

	Group	
	2017	2016
	€'000	**€'000**
Trade payables	264	263
Accruals and deferred income	17,086	12,951
	17,350	13,214

26 RETIREMENT BENEFIT OBLIGATIONS

GROUP

	2017	2016
	€'000	**€'000**
At 1 January 2017	13,021	13,004
Total expense recognised in the Income Statement in the year	(618)	33
Actuarial losses - financial assumptions	434	478
Actuarial losses - demographic assumptions	8	26
Actuarial gains - experience	(394)	(1,661)
Changes in the effect of asset ceiling	221	1,517
Contributions paid	(151)	(123)
Payments from the plan	(330)	(354)
Exchange differences	(221)	101
At 31 December 2017	11,970	13,021
UK defined benefit pension schemes	362	115
Overseas unfunded defined benefit pension obligations	8,650	9,488
Overseas unfunded medical benefits obligations	2,958	3,418
Retirement benefit obligation in balance sheet	11,970	13,021

27 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Deferred tax assets	16,483	23,781	-	-
Deferred tax liabilities	(17,539)	(17,349)	(189)	(141)
	(1,056)	6,432	(189)	(141)

27 DEFERRED INCOME TAX (continued)

The net movement on the deferred income tax account is as follows:

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
At 1 January 2017	6,432	4,799	(141)	76
Transfer to revaluation reserve	35	35	-	-
Exchange differences	(803)	356	7	(4)
Deferred tax on revaluation	(535)	-	-	-
Income Statement charge (note 10)	(6,195)	1,170	(55)	(213)
Release to equity on actuarial loss	10	72	-	-
At 31 December 2017	(1,056)	6,432	(189)	(141)

GROUP

The movement in net deferred tax assets and liabilities during the year is as follows:

	Accelerated Tax depreciation	tax losses	Other short term temporary differences	Retirement benefit obligations	Fair value gains	Total
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2016	3,915	(8,003)	(9,010)	(1,746)	10,045	(4,799)
Charge/(Credit) to income	(1,664)	(255)	264	224	261	(1,170)
Recognised in equity regarding remeasurement of defined benefit scheme	-		-	(72)	-	(72)
Transfer to revaluation reserve	-		-	-	(35)	(35)
Exchange differences	453	(743)	(837)	(162)	933	(356)
At 31 December 2016	2,704	(9,001)	(9,583)	(1,756)	11,204	(6,432)
Gross assets	(868)	(9,001)	(12,156)	(1,756)	-	(23,781)
Gross liabilities	3,572	-	2,573	-	11,204	17,349
(Credit)/charge to income	883	3,304	2,531	(162)	(361)	6,195
Recognised in equity regarding remeasurement of defined benefit scheme	-	-	-	(10)	-	(10)
Transfer to revaluation reserve	535	-	-	-	(35)	500
Exchange differences	(327)	1,123	1,186	219	(1,398)	803
At 31 December 2017	3,795	(4,574)	(5,866)	(1,709)	9,410	1,056
Gross assets	(726)	(4,574)	(9,474)	(1,709)	-	(16,483)
Gross liabilities	4,521	-	3,608	-	9,410	17,539

27 DEFERRED INCOME TAX (continued)

COMPANY

	Accelerated capital allowances €'000	Fair value gains €'000	Total €'000
At 1 January 2016	(76)	-	(76)
Charge to income	214	-	214
Exchange differences	3	-	3
At 31 December 2016	141	-	141
Charge to income	43	-	43
Exchange differences	5	-	5
At 31 December 2017	189	-	189

Unprovided deferred taxation

	Group		Company	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Accelerated tax depreciation	-	2	-	-
Tax losses available	31,452	38,989	-	-
Other short term timing differences	666	434	-	-
Retirement benefit obligation	219	367	-	-
	32,337	39,792	-	-

Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantially enacted at the balance sheet date.

No deferred tax asset has been recognised in respect of the above accelerated tax depreciation, other short term temporary differences, tax losses and retirement benefit obligations because there is uncertainty as to whether the Group will have sufficient relevant taxable profits to utilise these assets in the near future.

28 CONTINGENT LIABILITIES

Contingent liabilities exist at the balance sheet date in respect of:

	Group		Company	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
UK Group bank guarantees	-	-	1,780	1,524
UK Group value added tax	-	-	830	906
UK Bonds, guarantees and indemnities	6,280	7,792	6,242	7,752
Overseas bank guarantees	45,570	71,728	-	-
Overseas bonds, guarantees and indemnities	26,373	29,459	-	-
	78,223	108,979	8,852	10,182

28 CONTINGENT LIABILITIES (continued)

The Company has guaranteed the bank facilities of UK subsidiaries and is party to a group VAT registration. Throughout the Group, contingent liabilities exist in respect of guarantees, performance bonds and indemnities issued on behalf of Group companies by banks and insurance companies in the ordinary course of business.

In view of net cash position held with the same UK bank within the group, the Directors believe that the likelihood of the guarantees being invoked is unlikely, therefore no provision has been recognised in these Accounts.

29 FINANCIAL INSTRUMENTS

The Group and parent Company's principal financial instruments that arise directly from their operations and are detailed below:

	Group		Company	
	2017	2016	2017	2016
	€'000	**€'000**	**€'000**	**€'000**
Loans and receivables	175,984	180,319	127,543	143,779
Financial liabilities measured at amortised cost	119,370	125,262	3,905	3,113

The main purpose of these financial instruments is to fund the operations of the Group and the parent Company, as well as to manage their working capital, liquidity and surplus funds.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and interest rate risk. Liquidity risk is not considered to be a main risk to the Group given the Group's cash and cash equivalents balances being considerably higher than any bank borrowings.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of individual Group entities (which are principally sterling, euro and US dollars).

The Group publishes its Consolidated Accounts in euro and as a result, it is subject to foreign currency exchange translation risk in respect of the results and underlying net assets of its operations where the euro is not the functional currency of that operation.

29 FINANCIAL INSTRUMENTS (continued)

Financial risk

The following table demonstrates the sensitivity to a reasonably possible change in the sterling to euro and other currencies to euro exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of monetary assets and liabilities.

	Increase/decrease in sterling rate	Effect on profit before tax **€'000**	Increase/decrease in other exchange rates	Effect on profit before tax **€'000**
2017	+20%	1,194	+20%	(6,209)
	-20%	(1,790)	-20%	8,180
2016	+20%	(2,857)	+20%	(6,041)
	-20%	4,285	-20%	8,645

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Group, comprising of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's money on deposit.

Capital risk management

The Group defines capital as being share capital plus reserves and manages capital to ensure adequate resources are retained for continued growth of the Group. Access to capital includes the retention of cash on deposit and availability of funding through agreed capital facilities. Long term deposits are used to obtain more favourable rates of return only when adequate cash resources are maintained on shorter term deposit for the Group's working capital requirements.

Year ended 31 December **2017**

30 FAIR VALUE MEASUREMENTS

As at 31 December 2017 there were no significant differences between book values and fair values of financial assets and liabilities.

The following table categorises the Group's assets and liabilities held at fair value by the lowest level of the significant inputs used in determining their fair value:

1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
2) Inputs other than quoted prices included within level 1 that are observable either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	2017	2017	2017	2017
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	119,850	-	119,850
	-	119,850	-	119,850

Company	**Level 1**	**Level 2**	**Level 3**	**Total**
	2017	2017	2017	2017
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	21,566	-	21,566
	-	21,566	-	21,566

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	2016	2016	2016	2016
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	111,106	-	111,106
	-	111,106	-	111,106

Company	**Level 1**	**Level 2**	**Level 3**	**Total**
	2016	2016	2016	2016
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property	-	21,709	-	21,709
	-	21,709	-	21,709

30 FAIR VALUE MEASUREMENTS (continued)

For valuations based on a valuation technique the following information is provided about the technique used and significant inputs:

Group	Fair value at 31 Dec 2017 €'000	Valuation technique	Significant input
Property, plant and equipment - Freehold property	119,850	Market comparable approach	Market price per square metre for comparable properties

Company	Fair value at 31 Dec 2017 €'000	Valuation technique	Significant input
Property, plant and equipment - Freehold property	21,566	Market comparable approach	Market price per square metre for comparable properties

Group	Fair value at 31 Dec 2016 €'000	Valuation technique	Significant input
Property, plant and equipment - Freehold property	111,106	Market comparable approach	Market price per square metre for comparable properties

Company	Fair value at 31 Dec 2016 €'000	Valuation technique	Significant input
Property, plant and equipment - Freehold property	21,709	Market comparable approach	Market price per square metre for comparable properties

Year ended 31 December 2017

31 RELATED PARTY TRANSACTIONS

At 31 December 2017, A J Langley, a Director of the Company, was owed €836,000 by the Company (2016 - €665,000 owed to the Company). The maximum overdrawn balance during the year was €2,787,000 (2016 - €5,074,000).

During the year, the Company invoiced management charges of €8,808,000 (2016 - €8,654,000) and provided funding to Group companies with the following amounts outstanding at the year end:

	Amount outstanding at the year end	
	2017	2016
Company	**€'000**	**€'000**
The ARO group of companies	6	11
The Bradman Lake group of companies	204	78
The Claudius Peters group of companies	965	1,198
The Piller group of companies	9,235	11,101
The Manroland group of companies	26,773	33,669
CPVA GmbH	20,088	22,163
Sheetfed Holdings Limited	4,418	8,986
The Druck Chemie group of companies	102	88
Retford Investments LLC	20,181	10,779
Langley Aviation Limited	29,345	40,927
Other group companies	13,863	11,977

During the year, Langley Aviation Limited invoiced the company €1,271,000 (2016 - €1,842,000) in respect of the use of aircraft.

During the year, the company received interest on loans to other Group companies of €4,935,000 (2016 - €5,384,000) and dividends from other Group companies of €66,192,000 (2016 - €54,902,000).

Transactions with related parties are at market value, and are unsecured. The Company has recorded a €12,301,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2016 - €870,000) and reversed €1,342,000 (2016 - €1,900,000) against previous impairments.

The Company and Group are controlled by A J Langley, a Director of the Company.

Transactions between subsidiaries have been eliminated on consolidation and are disclosed in the individual company Accounts.

Notes to the Accounts

(Continued)

Year ended 31 December **2017**

32 SHARE CAPITAL

	2017	2016
Authorised:	**€'000**	**€'000**
60,100,010 ordinary shares of £1 each	71,227	71,227

	2017	2016
Allotted, issued and fully paid:	**€'000**	**€'000**
60,100,010 ordinary shares of £1 each	71,227	71,227

33 MERGER RESERVE

The merger reserve arose during the year ended 31 December 2013 on the business combination with Sheetfed Holdings Limited. The transaction qualified for merger relief under section 612 of the Companies Act 2006.

34 REVALUATION RESERVE

This reserve is used to reflect changes in the fair value of assets, net of deferred tax, as indicated in note 1(e). It is not available for the payment of dividends.

35 RETAINED EARNINGS

Included within the retained earnings of the Group are foreign currency translation deficits of €20,834,000 (2016 - €5,115,000). Included within the retained earnings reserve for the Company is €26,548,000 (2016 - €15,756,000) of foreign currency translation deficits.

The net currency exchange difference arising on retranslation in the year was a loss of €15,719,000 (2016 - loss of €28,510,000) for the Group and a loss of €10,792,000 (2016 - loss of €40,133,000) for the Company. The foreign currency translation reserve contains the accumulated foreign currency translation differences arising when the Accounts of the Company and Group operations are translated from their own functional currency to the euro, being the presentation currency for the group Accounts.

36 COMMITMENTS UNDER OPERATING LEASES

At the year end, the Group had outstanding commitments for future minimum lease payments and other costs under non-cancellable operating leases, which fall due as follows:

	2017	2016
	€'000	**€'000**
Within one year	3,494	5,062
In two to five years	5,054	10,530
After five years	821	1,758
	9,369	17,350

The lease commitments relate primarily to leases of land and buildings. The leases have various terms and renewal rights.

37 CASH GENERATED FROM OPERATIONS

GROUP	2017	2016
	€'000	**€'000**
Profit before taxation	111,808	122,730
Depreciation	14,173	13,369
Profit on sale of property, plant and equipment	(154)	(95)
Amortisation of intangibles	736	527
Interest income	(1,582)	(1,502)
Impairment of fixed assets	1,513	146
Interest expense	48	244
(Increase)/decrease in inventories	(2,747)	7,485
Decrease/(increase) in trade and other receivables	3,475	(10,963)
(Decrease)/increase in trade and other payables	(30,149)	1,817
Movement in retirement benefit obligations	(878)	(446)
Foreign exchange translation adjustments	(316)	1,118
Cash generated from operations	95,927	134,430

COMPANY	2017	2016
	€'000	**€'000**
Profit before taxation	54,236	71,993
Depreciation	1,787	1,397
Profit on sale of property, plant and equipment	(139)	(27)
Dividend income received	(66,192)	(54,902)
Interest income	(5,680)	(5,921)
Increase in inventories	(5)	(4)
Decrease in trade and other receivables	14,650	7,009
Decrease in trade and other payables	(875)	(44)
Foreign exchange translation adjustments	3,218	(7,506)
Cash generated from operations	1,000	11,995

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