Issued on behalf of Flowtech Fluidpower PLC
Date: Tuesday, 16 April 2019
Immediate Release

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

Flowtech Fluidpower plc (AIM: FLO), the leading specialist supplier of technical fluid power components and services announces its preliminary unaudited results for the year ended 31 December 2018. Audited results for this period are expected to be available later in April.

FLOWTECH FLUIDPOWER PLC

("Flowtech" or the "Group" or "Company")

Preliminary statement of results for the year ended 31 December 2018

"I call our increased induction of experienced and skilled managers as 'putting in a damp-proof course' where we can realistically achieve long-term prosperity as opposed to the short-term profitability that influences most PLC boards."

Malcolm Diamond MBE, Chairman

FINANCIAL HIGHLIGHTS	2018 Unaudited	2017 Audited
• GROUP REVENUE[1]	£111.1m	£78.3m
• GROSS PROFIT %	34.8%	33.9%
• GROUP OPERATING PROFIT[1]	£7.68m	£6.61m
• GROUP PROFIT BEFORE TAX[1]	£6.92m	£6.04m
• EARNINGS PER SHARE[1]	8.34p	9.69p
• 5% INCREASE IN DIVIDEND:		
➢ Half year paid	2.03p	1.93p
➢ Proposed final dividend	4.04p	3.85p
➢ Total for the year	6.07p	5.78p
• NET DEBT	£19.9m	£14.9m

1. All results relate to continuing operations
2. Basic Earnings per Share

UNDERLYING FINANCIAL HIGHLIGHTS	2018 Unaudited	2017 Audited
• UNDERLYING OPERATING PROFIT[3]	£11.38m	£9.08m
• UNDERLYING PROFIT BEFORE TAX[4]	£10.68m	£8.68m

3. Underlying operating profit is continuing operations' operating profit before separately disclosed items (note 3) and the impact of fair value adjustment to inventory (note 8).
4. Underlying profit before tax is underlying operating profit less total bank and other credit interest (note 4)

- *Revenue growth of 42% on previous year, including organic growth in each division and 5.7% in aggregate*
- *0.9% increase in overall gross margin.*
- *Underlying operating profit growth of 25% on previous year.*
- *Underlying profit before tax for 2018 in line with market expectations*

- *Successful acquisition and integration of Balu Limited and its subsidiaries; Beaumanor Engineering and Derek Lane & Co.*
- *Significant progress with establishing Components and Services divisional structure under single Chief Operating Officer role.*
- *New Board appointments of Russell Cash as CFO and Bill Wilson as Independent Non-Executive Director and appointment of Bryce Brooks to CEO.*
- *Executive Management team enhanced and focused on cost and working capital management.*

"The Board firmly believes that a profit-sharing culture across the Group focused on a 'return on capital' metric at a local level, is one of the keys to developing a sustainable organisation that will reward investors over the long term, and the Executive team has a clear plan to assist all our other Profit Centres in achieving this target by the end of 2019."

Bryce Brooks, CEO

"There has been a very clear focus on managing working capital towards the end of 2018 and into 2019. We are expecting the 2018 adverse trend to reverse, and progress made in 2019 to date has been very encouraging. Our efforts are spread across each of the three working capital categories and across all areas of our business."

Russell Cash, CFO

Notes:

The Group has today also released its Trading Update for the three-month period ended 31 March 2019

Presentation of results: a presentation of results will be held today 10.00am-11.00am at the offices of our joint broker, finnCap, 60 New Broad Street, London EC2M 1JJ. A dial in facility is also available on request; please call Fiona Tooley on +44 (0) 7785 703523 or email fiona@tooleystreet.com.

FOLLOW THESE LINKS TO LISTEN TO THE INTERVIEWS WITH BRYCE BROOKS, CEO AND RUSSELL CASH, CFO DISCUSSING:

1. **Q1 2019 Trading Update**
https://www.brrmedia.co.uk/broadcastsembed/5cb4a7d7eb566331974d6dc2/?flowtech&popup=true&player_only=true

2. **2018 highlights and market overview live link**
https://www.brrmedia.co.uk/broadcastsembed/5cb0478beb566331974d6664/event?player_only=true

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INTRODUCTION

BY THE CHAIRMAN, MALCOLM DIAMOND MBE

It is widely accepted that one of the most demanding challenges for company senior managers is presiding over an organisation's desire to instigate continuous operational improvement preceded by structural changes.

During 2018, in order to achieve Group "joined up systemic thinking", it became obvious that with many immediate and achievable market opportunities on offer, there needed to be an evolving, strengthened and unified senior management team to take the Group to a higher resourced and performance level – both in the UK and Europe. I am proud to confirm to you that this action has now been successfully undertaken, resulting in a highly skilled and motivated senior team that has bedded in and is concentrating on the cost synergy consolidation and working capital management that awaits determined and immediate action.

I would also like to sincerely acknowledge our former CEO colleague, Sean Fennon's core strategic business foundations that he introduced over his nine-year tenure, and we all wish him well following his retirement in late 2018. Bryce Brooks (former CFO) has now taken on Sean's role as CEO. The Board has since brought in Russell Cash as the new CFO; Russell is a widely respected finance professional with an extensive advisory background, in particular in the key areas of cost and working capital management. In addition, we have expanded the role performed by Nick Fossey, the most senior non-board member of our team, who has been appointed as Chief Operating Officer for the Group with focus on ensuring each component of our business in both the UK and Europe is closely aligned in all commercial areas. Finally, we have further strengthened our Board with Bill Wilson, a highly experienced international NED in the industrial distribution sector. I call our increased introduction of experienced and skilled managers as 'putting in a damp-proof course' where we can realistically achieve long-term prosperity as opposed to the short-term profitability that influences most plc boards.

It will probably come as no surprise to reiterate the feelings of insecurity and stress that corporate change can induce with staff, customers and suppliers; however, I am delighted to reassure you that all our stakeholders have been loyally supportive and upbeat throughout the 2018 realignment process, for which our Board is sincerely appreciative.

I would like to take this opportunity to thank several key Shareholders for their wise counsel in encouraging the Board to profitably leverage the cost benefits deriving from our existing acquisitions and demonstrate strong management in all areas of working capital before embarking on a subsequent buy and build period.

From a point that is now well into 2019, it remains disappointing that at the date of this report we are yet to gain clarity on the probable trading settlement between the United Kingdom and its main European trading partners after Brexit. Despite this our sector has remained resilient and we remain confident that whatever the outcome, any potential short-term effects will be suppressed by the strength of the wider Group and our position as the UK's leading fluid power distributor.

The scope for considerable future growth in investor returns from the amalgamation of our various synergy initiatives I believe remains compelling, and the restructured executive management team has a clear platform firmly established. I am honestly comforted by what the future holds for our Company - both within the UK and Europe, and we look forward to keeping you in regular touch with our positive progress.

16 April 2019

CHIEF EXECUTIVE'S REVIEW

BY BRYCE BROOKS, CEO

GROUP STRATEGY

INTRODUCTION

The Group has a clear vision of its growth strategy; to create a specialist fluid power organisation, focused on the delivery of class-leading service and support, which will allow us to grow by both organic and acquisitive means in a highly fragmented distributor marketplace. The fluid power market itself has a long history of 'GDP plus' growth, coupled with a focus on strong margins, and this backdrop allows the Group significant scope to build a profitable long-term proposition for the benefit of all its key Stakeholders. Our position as a leading distributor ensures that we can also maintain a majority of sales associated with maintenance, repair and overhaul (MRO) applications, and the consistency of return that this sector brings, in addition to supplying a broad base of industries engaged in the manufacture of capital equipment.

The acquisition of Balu Limited in March 2018, and the successful £10.6 million fundraising to support the transaction, signified the culmination of a four-year period of significant growth, and has given the Group 'critical mass' in our current home geographies of the United Kingdom, the Republic of Ireland and the Netherlands. Our next period of development will focus clearly on extracting the considerable synergy potential, with emphasis on the following:

- Cross-selling opportunities.
- Improved procurement terms from our major supplier partners.
- Optimisation of our operational cost base.
- Making efficient use of our considerable working capital base, and wherever possible making improvements.

We believe it is now essential, having significantly grown our capital base since 2014, that the Group looks to support its future M&A activity from free cash flow and therefore create an expected 'compounding' effect on investor return.

Our market is also characterised by a relatively narrow group of multinational manufacturers with a global operational infrastructure, supplying both direct to the ultimate end user, and through a highly fragmented distributor network. Our growth strategy targets the development of strong, long-term relationships with this supplier base, ensuring that we become a trusted partner and their distributor 'of choice'. It is pleasing to note that from a relatively low base in 2014, the Group is now making significant progress with many of these global manufacturers which brings further opportunity for profitable growth.

BUSINESS MODEL

Since our first acquisition, the Group has created a distinct Profit Centre structure where each business leader acts in a semi-autonomous manner, backed by relatively light touch support from our central services function. This philosophy encourages the following:

- Decision making and operating responsibility at an appropriate level; Profit Centre Directors are the core of day-to-day decision making.
- Creates a focus on a 'Sales Driven Culture', along with inventory management at a local level.
- The centralisation of support functions such as accounting and IT.

This model is then supported by an annual Profit Share Scheme which rewards those business units that achieve a return on average working capital employed of more than 20%. Following the implementation of this scheme in 2017, I am pleased to report that we now have an increasing number of Profit Centres that have achieved this benchmark in 2018. Our total accrual for profit share payments earned under the scheme in the year was £515,000 (2017: £217,000), which was paid at the end of March 2019. The Board firmly believes that a profit-sharing culture across the Group focused on a 'return on capital' metric at a local level, is one of the keys to developing a sustainable organisation that will reward investors over the long term, and the Executive team has a clear plan to assist all our other Profit Centres in achieving this target by the end of 2019.

This approach naturally supports an entrepreneurial culture across the Group and ensures that we remain focused on delivering customer service at its highest level, responsive to both immediate and strategic needs, and safeguards growth before any centrally sponsored initiatives need to enhance this. This strategy has also been very attractive to both business vendors and their management teams alike, as it most closely reflects the agility of the small or medium-sized business but with the support of a much larger umbrella organisation.

YEAR IN REVIEW

The operational highlight of the year was the acquisition of Balu Ltd and its subsidiaries, Beaumanor Engineering and Derek Lane & Co in March 2018. Beaumanor was the largest direct competitor to our original Flowtechnology business, and while we retained a clear Profit Centre identity for the new operation, the potential for coordination of activities between these two, very similarly structured organisations is attractive, and it is pleasing to note that good progress has been made in the 12 months since the deal took place. The senior team in each business, and in particular the Profit Centre Directors (PCDs), Mark Cropper and Rob Woodley, have also added considerably to the strength of our management grade.

Outside of this, with the Group achieving sales above £100 million for the first time, we have a very clear 'scale' within our home marketplaces, and with a gross margin overall back at c35% (2018: 34.8%, 2017: 33.9%).

In late 2018 the Executive Management team was enhanced to create a focused three-man structure of CEO, Russell Cash as Chief Financial Officer, and Nick Fossey as Chief Operating Officer. I believe that this structure provides the most effective method of coordinating our activities across the Group. As well as day-to-day leadership and guidance, the Executive team is responsible for chairmanship in steering groups covering working capital control, operational cost optimisation and IT strategy. Beneath this we have now instigated an effective series of regular conferences for our PCDs, covering essential areas of common interest such as sales coordination, procurement initiatives, and leadership training. This process culminates in an Annual Forecast presentation by each PCD to the main plc Board in January of each year, where individual target setting, both on a commercial and financial level, are debated and established. In addition to this, below PCD level, we have also created annual conferences covering our wider resources in both sales and technical manpower.

Following the retirement of Sean Fennon, there were clearly challenges to face in transitioning the senior management team into a position well placed to exploit the obvious growth potential that the Group possesses. As part of this transition we are at an advanced stage of developing an amended organisational structure that will move from the previous Flowtechnology, Process and PMC structure into a two-division format based around 'Components' and 'Services'. The key reason for this change is to ensure that we provide the most appropriate structure for the business to extract synergy, both in cost and working capital. As a natural by-product we can then provide investors with a clear picture of the Group's activities, split between our core 'distribution' activities – the Components division (which accounts for c87% of turnover), with the balance in added value activities in engineering services and the manufacture of hydraulic power packs and associated components - the Services division.

PEOPLE

At PCD level, Ian Simpson who joined us with the acquisition of Indequip in 2016, after a near doubling of turnover in the intervening period, with commensurate bottom line effect, has now expanded his role to include coverage for the sister business within the Flowtechnology division in the Benelux. In addition, Jon Burke, having previously held a number of finance roles within the Group, stepped up to the position of PCD in charge of the services division of Primary Fluid Power. Both these promotions illustrate how the expansion of the Group via acquisitive and organic means is giving exceptional managers the opportunity to grow their careers within our organisation.

We are always acutely aware that our progress is achieved with the continued commitment and effort of all our employees, and with our profit-sharing scheme we are confident in our ability to retain and attract the best staff the industry can offer. The passion and commitment shown by the many staff members employed across the Group, particularly through periods of change, has been exemplary. On behalf of the Executive Management team, and the plc Board, I would like to thank everyone for their efforts, and the continued support that has been shown in 2019.

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SUMMARY OF 2018 RESULTS

BY RUSSELL CASH, CHIEF FINANCIAL OFFICER

OPERATIONAL REVIEW

Operational review	2018 Unaudited	2017 Audited	Change %
Group revenue*	**£111.1m**	**£78.3m**	+41.9%
Gross profit*	**£38.6m**	**£26.5m**	+45.3%
Gross profit %	**34.8%**	**33.9%**	+0.9%
Group operating profit*	**£7.68m**	**£6.61m**	+16.1%
Underlying operating profit†	**£11.38m**	**£9.08m**	+25.3%

Reconciliation of underlying operating profit to operating profit	2018 Unaudited £000	2017 Audited £000
Underlying operating profit	**11,380**	**9,081**
Less impact of fair value adjustment to inventory (note 8)	**(382)**	**-**
Less separately disclosed items (note 3)	**(3,321)**	**(2,467)**
Operating profit	**7,677**	**6,614**

* *All results relate to continuing operations.*

† Underlying operating profit is continuing operations' operating profit before separately disclosed items (note 3) and the impact of fair value adjustment to inventory (note 8).

Once again, we are delighted to report a period of solid growth, both in terms of revenue but, more importantly, underlying and actual operating profit.

RESULTS BY DIVISION

During 2018 we assessed performance within our three-segment structure. This is consistent with prior years. The table immediately below summarises revenue, gross profit and underlying operating profit by segment

Revenue	2018 Unaudited £000	2017 Audited £000
Flowtechnology	45,218	37,239
Power Motion Control	57,533	34,806
Process	8,300	6,242
Group	**111,051**	**78,287**

Gross Profit/Gross Margin	2018 Unaudited £000	%	2017 Audited £000	%
Flowtechnology	17,453	38.6	13,831	37.1
Power Motion Control	17,775	30.9	10,122	29.1
Process	3,376	40.7	2,612	41.8
Group	**38,604**	**34.8**	**26,565**	**33.9**

Underlying Operating Profit/Operating Margin	2018 Unaudited £000	%	2017 Audited £000	%
Flowtechnology	9,574	21.2	7,524	20.2
Power Motion Control	3,694	6.4	2,788	8.0
Process	1,300	15.7	1,105	17.7
	14,568		**11,417**	
Less allocation of central costs	(3,188)		(2,336)	
Group	**11,380**		**9,081**	

Revenue
Revenue increased by 42% (2017: 46%). While the impact of acquisitions accounts for the majority of the growth, there was underlying organic growth of 5.7%.
The revenue growth of £32.8 million is split as follows:

- Flowtechnology - £8.0m (£6.5 million through acquisition activity and £1.5 million (4.0% organic)
- Power Motion Control - £22.7 million (£20.4m through acquisition activity and £2.3 million (6.7%) organic)
- Process - £2.1 million (£1.6 million through acquisition activity and £0.5 million (8.3% organic)

Gross profit margins
Our overall gross margin improved by 0.9%. Gross profit margin remains a key indicator for each of our businesses. The increasing focus on businesses within the Group working together to generate improved terms, sees us well placed to retain and improve on these strong margins in the future.
We have seen an overall improvement in gross profit margin in the Flowtechnology and PMC divisions.

Margins in the Process division remained healthy; the small erosion is not unexpected given the nature of the work which our businesses within this division perform with margins more variable than other businesses within the Group.

Underlying Operating Profit
Underlying operating profit increased by £2.3 million (25%); after taking account of separately disclosed costs, actual operating profit by £1.1 million (16%). These figures compare favourably to 2017 growth of £1.6 million (22%) and £0.5 million (8%) respectively.
We have seen material growth in each of our three divisions. 2019 will see focus on extracting cost savings from businesses acquired in recent years; we believe this, combined with modest levels of organic growth, will lead to increased underlying operating profit in each of our divisions.

CENTRAL COSTS
Central costs comprise executive management, finance and IT departments, divisional sales and the cost of running the plc.

We have made significant investment in these areas during 2018, both in terms of the recruitment of senior individuals into key roles and management control systems. An example of our commitment to our people is the tailored programme we have designed with valuable input from third party training providers to develop the skills of our current, and future, business leaders at profit centres and within central functions. In terms of systems we are focusing on investment in technology to provide us with ever improving platforms of information to gain commercial leverage and also a transition to common IT systems on a sensibly phased basis across all parts of our business. This provides a robust platform to deliver material cost and working capital savings. The Board believes we are well placed to capitalise on future growth opportunities, both organic and when the time is right through acquisition activity.

ACQUISITIONS
We are delighted with the performance of the Balu businesses which were acquired in March 2018. In the nine-month period following acquisition the businesses contributed £1.1 million of operating profit, very much in line with the expectation of annual operating profit of £1.5 million which supported the price paid. We are beginning to see the benefits of the expanded Flowtechnology segment in terms of enhanced procurement opportunities.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

The business generated £11.9 million of positive operating cash flow. Over the year net Bank debt increased by £4.9 million to £19.9 million (2017: £15.0 million). If account is taken of £3.5 million paid out in respect of deferred/earn out consideration, the underlying increase in net debt was £1.5 million. Other major cash outflows included:

- Dividends - £3.6 million.
- Capital expenditure - £1.3 million.
- Taxation paid - £1.1 million.
- Interest - £0.7 million.

Overall, working capital increased by £5.2 million; the impact of the 5.7% organic growth accounts for approximately £2.0 million of this.

There has been a very clear focus on managing working capital towards the end of 2018 and into 2019. We are expecting the 2018 adverse trend to reverse and progress made in 2019 to date has been very encouraging. Our efforts are spread across each of the three working capital categories and across all areas of our business. In particular we anticipate significant cash savings through underlying stock reduction and extension of certain supplier payment terms.

DIVIDENDS

Subject to Shareholder approval at the Annual General Meeting, the Directors are proposing a final dividend of 4.04p per share. This, together with the interim dividend of 2.03p per share (paid on 26 October 2018), brings the total for the year to 6.07p per share. The total per annum dividend has therefore increased from 5.0p per share in respect of 2014 to 6.07p per share in respect of 2018. This, combined with the increased number of shares has seen the cash impact increasing from £2.2 million in 2015 to £3.6 million in 2018. The outlook for further enhancement to dividend flow remains good and the Board would like to reiterate its view that the retention of a strong dividend policy is a foundation for the investment case in the Group.

TAXATION

The tax charge for the year was £1.99 million (2017: £1.21 million), with an effective tax rate of 27.6% (2017: 17.0%).

2019 SEGMENTATION

As outlined in the Chief Executive's review, 2019 will see the Group start monitoring and reporting our business performance based on two segments, Components and Services. Had this policy been in place in 2018 the Revenue results by segment would have been approximately as follows:

Revenue	**2018 Unaudited £000**	%
Components	96,985	87
Services	14,066	13
Group	**111,051**	

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Preliminary statement of results for the year ended 31 December 2018

Consolidated income statement	Note	**2018 Unaudited £000**	2017 Audited £000
Continuing operations			
Revenue	2	111,051	78,287
Cost of sales		(72,447)	(51,722)
Gross profit		38,604	26,565
Distribution expenses		(4,216)	(3,175)
Administrative expenses before separately disclosed items:		(23,389)	(14,309)
Separately disclosed items	3	(3,321)	(2,467)
Total administrative expenses		(26,710)	(16,776)
Operating profit		7,678	6,614
Financial income	4	11	6
Financial expenses	4	(766)	(581)
Net financing costs		755	(575)
Profit from continuing operations before tax		6,923	6,039
Taxation	5	(1,992)	(1,207)
Profit from continuing operations		4,931	4,832
Profit for the year attributable to:			
Non-controlling interest		20	-
Owners of the parent		4,911	4,832
		4,931	4,832
Earnings per share			
Basic earnings per share - continuing operations	7	8.34p	9.69p
Diluted earnings per share - continuing operations	7	8.28p	9.58p

Consolidated statement of comprehensive income	**2018 £000**	2017 £000
Profit for the year	4,931	4,832
Other comprehensive income		
— items that will be reclassified subsequently to profit or loss		
Deferred tax movement on share-based payment reserve	-	(28)
Exchange differences on translating foreign operations	128	279
Total comprehensive income for the year	5,059	5,083
Total comprehensive income for the year attributable to:		
Non-controlling interest	20	-
Owners of the parent	5,039	5,083
	5,059	5,083

Preliminary statement of results for the year ended 31 December 2018

Consolidated statement of financial position	Note	2018 Unaudited £000	2017 Audited £000
Assets			
Non-current assets			
Goodwill		63,022	57,938
Other intangible assets		7,624	7,430
Property, plant and equipment		6,735	6,070
Total non-current assets		77,381	71,438
Current assets			
Inventories		28,667	24,333
Trade and other receivables		25,475	20,866
Prepayments		668	801
Cash and cash equivalents		2,248	4,588
Total current assets		57,058	50,588
Liabilities			
Current liabilities			
Interest-bearing loans and borrowings		18,078	15,451
Trade and other payables		18,372	18,983
Deferred and contingent consideration		2,240	2,865
Tax payable		2,115	1,148
Other financial liabilities		-	11
Total current liabilities		40,805	38,458
Net current assets		16,253	12,130
Non-current liabilities			
Interest-bearing loans and borrowings		4,051	4,097
Deferred and contingent consideration		-	2,706
Provisions		399	341
Deferred tax liabilities		1,751	1,560
Total non-current liabilities		6,201	8,704
Net assets		87,433	74,864
Equity directly attributable to owners of the Parent			
Share capital	9	30,460	26,409
Share premium		60,793	52,370
Other reserves		187	187
Shares owned by the Employee Benefit Trust		(413)	(40)
Merger reserve		293	293
Merger relief reserve		3,575	3,194
Currency translation reserve		664	536
Retained losses		(8,146)	(8,085)
Total equity attributable to the owners of the parent		87,413	74,864
Non-controlling interest		20	-
Total equity		87,433	74,864

Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Other reserve £000	Merger reserve £000	Shares owned by the EBT £000	Merger relief reserve £000	Currency translation reserve £000	Retained losses £000	Non-controlling interest £000	Total equity £000
Balance at 1 January 2017	21,539	46,880	-	293	(338)	2,086	257	(9,868)	-	60,849
Profit for the year	-	-	-	-	-	-		4,832	-	4,832
Other comprehensive income	-	-	-	-	-	-	279	(28)	-	251
Total comprehensive income for the year	-	-	-	-	-	-	279	4,804	-	5,083
Transactions with owners									-	
Issue of share capital	4,870	5,490	-	-	-	1,108	-	-	-	11,468
Share options issued as consideration	-	-	187	-	-	-	-	-	-	187
Shares owned by the EBT	-	-	-	-	(246)	-	-	-	-	(246)
Share-based payment charge	-	-	-	-	-	-	-	272	-	272
Share options settled	-	-	-	-	544	-	-	(416)	-	128
Equity dividends paid (note 6)	-	-	-	-	-	-	-	(2,877)	-	(2,877)
Total transactions with owners	4,870	5,490	187	-	298	1,108	-	(3,021)	-	8,932
Balance at 1 January 2018	**26,409**	**52,370**	**187**	**293**	**(40)**	**3,194**	**536**	**(8,085)**	-	**74,864**
Profit for the year	-	-	-	-	-	-	-	4,911	20	4,931
Other comprehensive income	-	-	-	-	-	-	128	-	-	128
Total comprehensive income for the year	-	-	-	-	-	-	128	4,911	20	5,059
Transactions with owners									-	
Issue of share capital	3,450	8,423	-	-	-	381	-	-	-	12,254
Shares owned by the EBT	-	-	-	-	(650)	-	-	-	-	(650)
Issue of shares in exchange for shares in subsidiary undertaking	601	-	-	-	-	-	-	(1,303)	-	(702)
Share-based payment charge	-	-	-	-		-	-	191	-	191
Share options settled	-	-	-	-	277	-	-	(302)	-	(25)
Equity dividends paid (note 6)	-	-	-	-	-	-	-	(3,558)	-	(3,558)
Total transactions with owners	4,051	8,423	-	-	(373)	381	-	(4,972)	-	7,510
Balance at 31 December 2018	30,460	60,793	187	293	(413)	3,575	664	(8,146)	20	87,433

Consolidated statement of cash flows

	Note	2018 Unaudited £000	2017 Audited £000
Cash flow from operating activities			
Net cash from operating activities	10	3,790	6,600
Cash flow from investing activities			
Acquisition of businesses, net of cash acquired		(9,703)	(11,798)
Acquisition of property, plant and equipment		(1,343)	(1,802)
Proceeds from sale of property, plant and equipment		64	22
Payment of deferred and contingent consideration		(3,546)	(1,649)
Net cash used in investing activities		(14,528)	(15,227)
Cash flows from financing activities			
Net proceeds from issue of share capital		10,161	9,531
Repayment of long-term borrowings		-	(857)
Net change in short term borrowings		1,000	3,000
Repayment of finance lease liabilities		(343)	(58)
Interest received		-	6
Interest paid		(722)	(476)
Repayment of loan by EBT		276	722
Dividends paid		(3,558)	(2,877)
Net cash generated from financing activities		6,813	8,991
Net change in cash and cash equivalents		(3,925)	364
Cash and cash equivalents at start of year		4,199	3,824
Exchange differences on cash and cash equivalents		(21)	11
Cash and cash equivalents at end of year		253	4,199
Cash and cash equivalents		2,248	4,588
Bank overdraft		(1,995)	(389)
Cash and cash equivalents at end of year		253	4,199

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long term borrowings £000	Short term borrowings £000	Lease liabilities £000	Total £000
At 1 January 2018	4,000	15,000	159	19,159
Cash flows:				
Repayment	-	-	(343)	(343)
Proceeds	-	1,000	-	1,000
Non cash:				
Acquisition	-	-	318	318
At 31 December 2018	4,000	16,000	134	20,134

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial information in this preliminary announcement does not constitute statutory accounts as defined by section 434 and 435 of the Companies Act 2006. The financial information for the year ended 31 December 2018 has been extracted from the Group's unaudited financial statements.

The preliminary consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"s) as adopted for use in the European Union and IFRIC interpretations issued by the International Accounting Standards Board ("IASB") and the Companies Act 2006. The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced disclosure framework' (FRS 101).

The preliminary consolidated financial statements have been prepared on a going concern basis and prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss.

The preliminary consolidated financial statements are presented in sterling and have been rounded to the nearest thousand (£000). The functional currency of the Company is sterling.

The preparation of financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual events ultimately may differ from those estimates.

New standards adopted as at 1 January 2018

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customer' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. Management have reviewed the impact of IFRS 15 on the Group's revenue streams, and have concluded that the new standard does affect the timing or measurement of revenue recognised in relation to the Group's revenue streams for the year ended 31 December 2018 or the year ended 31 December 2017. In making their assessment, management considered how the standard applied to contracts which were incomplete as at 1 January 2018, as required by the standard.

IFRS 9 'Financial Instruments'

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

Management have reviewed the impact of IFRS 9 on the Group's financial instruments, and have not identified any differences arising from the adoption of IFRS 9 in relation to classification, measurement and impairment of financial assets or liabilities. In making their assessment, management have considered how the standard applied to financial assets and liabilities held at 1 January 2018, and have not identified any transitional adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the consolidated financial statements.

REVENUE

Revenue for sale of goods is the total amount receivable by the Group for goods supplied, excluding VAT and discounts. Revenue from the sale of goods is recognised in the income statement at a point in time when the significant risks and rewards of ownership have been transferred to the buyer, which is determined to be at the point of despatch.

Revenues from services provided are recognised at a point in time when the service has been delivered to the customer.

Revenues from contracts with customers for site installation projects is recognised as a performance obligation satisfied over time. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises a receivable in its statement of financial position.

The Group did not have any on-going contracts at 31 December 2018.

GOING CONCERN
These financial statements have been prepared on a going concern basis. The Directors have prepared cash flow projections and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's forecasts and projections, which take into account reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities. Current banking facilities are due for renewal in March 2021.

Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

SIGNIFICANT JUDGEMENTS, KEY ASSUMPTIONS AND ESTIMATES

In the process of applying the Group's accounting policies, which are described above, management have made judgements and estimations about the future that have the most significant effect on the amounts recognised in the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant management judgements
The following judgements have the most significant effect on the financial statements.

Share-based payments
A number of accounting estimates and judgements are incorporated within the calculation of the charge to the income statement in respect of share-based payments.

Estimation uncertainty
Information about estimations and assumptions that may have the most significant affect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of goodwill
The carrying value of goodwill must be assessed for impairment annually. This requires an estimation of the value in use of the operating segments to which goodwill is allocated. Value in use is dependent on estimations of future cash flows from the operating segment and the use of an appropriate discount rate to discount those cash flows to their present value. The carrying value of goodwill as at 31 December 2018 is £63,022,000 (2017: £57,938,000). There was no impairment charge during the year.

Acquired intangibles
Intangible assets (customer relationships and brand identity) have been acquired as part of the net assets of certain subsidiaries. These intangible assets were capitalised at their fair value at the date of acquisition. Determining the value of acquired intangibles required the calculation of estimated future cash flows expected to arise from the intangible assets at a suitable discount rate in order to calculate their present value. In addition, an estimate of the useful life of the intangible asset has to be made over the period in which the cash flows were expected to be generated. The carrying amount of the acquired intangibles at the reporting date was £7,624,000 (2017: £7,430,000).

Provision for impairment of inventories
The carrying value of inventories as at 31 December 2018 is £28,667,000 (2017: £24,333,000) and included a provision against the inventories of £767,000 (2017: £814,000). During the year £201,000 (2017: £329,000) of the provision was utilised following the scrapping and sale of obsolete inventory. During the year no further provision was made (2017: provision of £212,000). The provision for impairment of inventories is based on sales trends for all inventory and management's estimation of recoverability. There is a risk that the provision will not match the inventories that ultimately prove to be impaired.

2. SEGMENTAL REPORTING

Segment information for the reporting periods is as follows:

Management currently identify the Group's three operating segments based on trading activity. These operating segments are monitored by the Group's Chief Operating Decision Maker and strategic decisions are made on the basis of adjusted segment operating results. Inter-segment revenue arises on the sale of goods between Group undertakings.

The Directors believe that the underlying operating profit provides additional useful information on underlying trends to Shareholders. The term 'underlying' is not a defined term under IFRS and may not be comparable with similarly titled profit measurements reported by other companies. A reconciliation of the underlying operating result to operating result from continuing operations is shown below. The principal adjustments made are in respect of the separately disclosed items as detailed in note 3; the Directors consider that these should be reported separately as they do not relate to the performance of the segments.

Segment information for the reporting periods is as follows:

	For the year ended 31 December 2018					
	Flowtechnology Unaudited £000	**Power Motion Control Unaudited £000**	**Process Unaudited £000**	**Inter-segmental transactions Unaudited £000**	**Central Costs Unaudited £000**	**Total continuing operations Unaudited £000**
Income statement – continuing operations:						
Revenue from external customers	45,218	57,533	8,300	-	-	111,051
Inter-segment revenue	2,031	772	151	(2,954)	-	-
Total revenue	**47,249**	**58,305**	**8,451**	**(2,954)**	**-**	**111,051**
Underlying operating result	9,574	3,694	1,300	—	(3,187)	11,380
Net financing (costs)/income	(13)	(41)	(73)	—	(629)	(755)
Underlying segment result	9,562	3,653	1,226	—	(3,816)	10,625
Separately disclosed items (see note 3)	(814)	(2,199)	779	—	(1,468)	(3,703)
Profit before tax	8,748	1,454	2,005	—	(5,284)	6,923
Specific disclosure items						
Depreciation	605	286	50	—	-	941
Amortisation	100	747	193	—	-	1,040
Reconciliation of underlying operating result to operating profit:						
Underlying operating result	9,574	3,694	1,300	—	(3,187)	11,380
Impact of fair value adjustment to inventory (see note 8)	(382)	—	—	—	—	(382)
Separately disclosed items (see note 3)	(432)	(2,199)	779	—	(1,468)	(3,321)
Operating profit/(loss)	8,760	1,495	2,079	—	(4,655)	7,678

	For the year ended 31 December 2017					
	Flowtechnology Audited £000	Power Motion Control Audited £000	Process Audited £000	Inter-segmental transactions Audited £000	Central Costs Audited £000	Total continuing operations Audited £000
Income statement – continuing operations:						
Revenue from external customers	37,239	34,806	6,242	—	—	78,287
Inter-segment revenue	1,746	340	105	(2,191)	—	—
Total revenue	38,985	35,146	6,347	(2,191)	—	78,287
Underlying operating result	7,524	2,788	1,105	—	(2,336)	9,081
Net financing (costs)/income	(13)	(15)	(19)	—	(528)	(575)
Underlying segment result	7,511	2,773	1,086	—	(2,864)	8,506
Separately disclosed items (see note 4)	(103)	(1,018)	(200)	—	(1,146)	(2,467)
Profit before tax	7,408	1,755	886	—	(4,010)	6,039
Specific disclosure items						
Depreciation	447	179	24	—	—	650
Amortisation	19	609	140	—	—	768
Reconciliation of underlying operating result to operating profit:						
Underlying operating result	7,524	2,788	1,105	—	(2,336)	9 081
Separately disclosed items (see note 3)	(103)	(1,018)	(200)	—	(1,146)	(2,467)
Operating profit/(loss)	7,421	1,770	905	—	(3,482)	6,614

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following revenue streams and geographic areas:

	Sale of goods £000	**Contracts £000**	**Services £000**	**Total Revenue £000**	**Non-current assets £000**	Sale of goods £000	Contracts £000	Services £000	Total Revenue £000	Non-current assets £000
United Kingdom	**83,886**	**732**	**1,916**	**86,534**	**72,526**	62,905	543	1,056	64,504	65,754
Europe	**22,606**	**-**	**-**	**22,606**	**5,732**	12,299	-	-	12,299	5,684
Rest of the World	**1,911**	**-**	**-**	**1,911**	**-**	1,484	-	-	1,484	—
Total	**108,403**	**732**	**1,916**	**111,051**	**78,258**	76,688	543	1,056	78,287	71,438

No customers of the Group account for 10% or more of the Group's revenue for either of the years ended 31 December 2018 or 2017. Non-current assets are allocated based on their physical location.

3. SEPARATELY DISCLOSED ITEMS

	2018 Unaudited £000	2017 Audited £000
Separately disclosed items within administration expenses:		
Acquisition costs	**824**	1,081
Amortisation of acquired intangibles	**1,040**	768
Share-based payment costs	**191**	272
Restructuring	**1,002**	117
Changes in amounts accrued for contingent consideration	**264**	229
Total separately disclosed items	**3,321**	**2,467**

- Acquisition costs relate to stamp duty, due diligence, legal fees, finance fees and other professional costs incurred in the acquisition of businesses
- Share-based payment costs relate to charges made in accordance with IFRS 2 'Share-based payment' following the issue of share options to employees
- Restructuring costs relate to restructuring activities of an operational nature following acquisition of business units and other restructuring activities in established businesses. Costs include employee redundancies and IT integration

4. FINANCIAL INCOME AND EXPENSE

Finance income for the year consists of the following:

	2018 Unaudited £000	2017 Audited £000
Finance income arising from:		
Interest income from cash and cash equivalents	**-**	6
Fair value gains on forward exchange contracts held for trading	**11**	-
Total finance income	**11**	6

Finance expenses for the year consist of the following:

	2018 Unaudited £000	2017 Audited £000
Finance expense arising from:		
Interest on invoice discounting and stock loan facilities	**20**	8
Interest on revolving credit facility	**454**	262
Finance lease interest	**21**	10
Bank loans	**191**	88
Other credit related interest	**17**	12
Total bank and other credit interest	**703**	380
Imputed interest on deferred and contingent consideration	**63**	190
Fair value losses on forward exchange contracts held for trading	**-**	11
Total non-credit related interest	**63**	201
Total finance expense	**766**	581

5. TAXATION

Recognised in the income statement

Continuing operations:	2018 Unaudited £000	2017 Audited £000
Current tax expense		
Current year charge	**1,623**	1,258
Overseas tax	**164**	167
Adjustment in respect of prior periods	**202**	(89)
Current tax expense	**1,989**	1,336
Deferred tax		
Origination and reversal of temporary differences	**(24)**	(111)
Adjustment in respect of prior periods	**27**	—
Change in tax rate	**-**	(18)
Deferred tax charge/(credit)	**3**	(129)
Total tax expense – continuing operations	**1,992**	1,207

No income tax was recognised in other comprehensive income or directly in equity for either of the years ended 31 December 2016 or 2017.

Reconciliation of effective tax rate

	2018 Unaudited £000	2017 Audited £000
Profit for the year	**4,931**	4,832
Total tax expense	**1,992**	1,207
Profit excluding taxation	**6,923**	6,039
Tax using the UK corporation tax rate of 19.00% (2017: 19.25%)	**1,315**	1,162
Deferred tax movements not recognised	**(40)**	38
Effect of share option exercises	**(38)**	(101)
Effect of tax rates in foreign jurisdictions	**(47)**	29
Effect of foreign branch exemption	**-**	(12)
Impact of change in tax rate on deferred tax balances	**(4)**	(8)
Deferred tax arising on acquisitions	**(6)**	-
Income not taxable	**(314)**	(96)
Amounts not deductible	**897**	284
Adjustment in respect of prior periods	**229**	(89)
Total tax expense in the income statement – continuing and discontinued	**1,992**	1,207

6. DIVIDENDS

	2018 Unaudited £000	2017 Audited £000
Final dividend of 3.85p (2017: 3.67p) per share	2,330	1,878
Interim dividend of 2.03p (2017: 1.93p) per share	1,228	999
Total dividends	3,558	2,877

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2018 of 4.04p (2017: 3.85p) per share which will absorb an estimated £2.5 million of Shareholders' funds. This has not been accrued as it had not been approved at the year end. Subject to approval, it will be paid on 12 July 2019 to Shareholders who are on the register of members on 7 June 2019.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary Shareholders by the weighted average number of ordinary shares during the year.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive shares are those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

	Year ended 31 December 2018			Year ended 31 December 2017		
	Earnings Unaudited £000	**Weighted average number of shares**	**Earnings per share Pence**	Earnings Audited £000	Weighted average number of shares	Earnings per share Pence
Basic earnings per share - Continuing operations	4,911	58,889	8.34	4,831	49,835	9.69
Diluted earnings per share - Continuing operations	4,911	59,278	8.28	4,831	50,409	9.58

	2018 Unaudited £000	2017 Audited £000
Weighted average number of ordinary shares for basic and diluted earnings per share	58,889	49,835
Impact of share options	389	574
Weighted average number of ordinary shares for diluted earnings per share	59,278	50,409

8. ACQUISITIONS

Acquisition of Balu Limited

On 19 March 2018, the Company acquired 100% of the share capital of Balu Limited, a UK based holding company, and its UK subsidiaries, thereby obtaining control.

The initial consideration paid was £8,391,000 in cash and £500,000 in shares in the ultimate parent company, Flowtech Fluidpower plc. The cash consideration was funded through existing resources, supplemented by a share issue by Flowtech Fluidpower plc on 4 April. The acquisition will add significantly to the Company's procurement relationship with key global suppliers and enhance our position in the supply of MRO fluid power products in the UK and Ireland. Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration, goodwill and intangible assets are as follows:

	Book value £000	Fair value adjustment £000	Intangible asset recognised on acquisition £000	Provisional fair value £000
Property, plant and equipment	918	(298)	-	620
Intangible assets	-		1,234	1,234
Inventories	2,706	828	-	3,534
Trade and other receivables	2,945	(90)	-	2,855
Bank loans and overdrafts	(1,312)	-	-	(1,312)
Finance leases	(318)	-	-	(318)
Trade and other payables	(2,183)	-	-	(2,183)
Current tax balances[1]	24	-	-	24
Deferred tax liability	(57)		(156)	(213)
Provisions	-	(35)	-	(35)
Total net assets	2,723	405	1,078	4,206

1. Tax assets of £143,000 owned by a subsidiary, Beaumanor Limited, were not acquired.

	£000
Fair value of consideration paid	
Amount settled in cash	8,391
Fair value of contingent consideration	500
Total consideration	**8,891**
Less net assets acquired	**(4,206)**
Goodwill on acquisition	**4,685**

Fair values are provisional as subject to management estimations at the reporting date.

Consideration transferred

The total consideration was £8,891,000. This comprised £8,391,000 in cash and £500,000 represented by the issue of new Flowtech Fluidpower plc ordinary shares at a value of 1.70p each. The premium on share issue arising of £354,000 has been credited to the merger relief reserve.

Acquisition costs amounting to £92,000 have been recognised as an expense in the Consolidated Income Statement as part of separately disclosed administration costs.

Goodwill

Goodwill of £4,685,000 is primarily related to expected future profitability, expected cost synergies, the substantial skill and expertise of its workforce and technical know-how. Goodwill for Balu Limited has been allocated to the Flowtechnology operating segment and is not expected to be deductible for tax purposes.

Intangible assets

An intangible asset of £1,077,000 has been provisionally identified related to the brand identity Balu's subsidiary Beaumanor Limited. The estimated useful life has been determined as ten years based on the expected future cash flows that it would generate in arriving at their fair value. The components of the brand considered in the valuation comprised the website, catalogue and awareness of brand in the industry. Sales growth over the ten-year period has been assumed to be 1.9%. Amortisation of brand identity is not expected to be deductible for tax purposes. An intangible asset of £157,000 has been provisionally identified related to the customer relationships of Balu's subsidiary Derek Lane and Co Limited. The estimated useful life has been determined as ten years based on the expected future cash flows that they would generate in arriving at their fair value. The customer relationships considered in the valuation comprise the sales to significant customers. Long term sales growth over the ten-year period has been assumed to be 1.0% with an attrition rate of 3.0% for customers. Growth and attrition rates are based on management experience and expectations. Amortisation of customer relationships is not expected to be deductible for tax purposes.

Fair value adjustments
The value of property, plant and equipment has been decreased by £298,000 based on market valuations at the time of acquisition. The book value of inventories acquired was increased by £828,000 to reflect its estimated fair value, as required by IFRS 3 – Business Combinations. At 31 December 2018, the inventory related to £382,000 of this increase had been sold. Accordingly, the gross profit margin recorded was £382,000 lower than it would have been had the inventory been recorded at its book value on acquisition.

The value of debtors has been decreased by £90,000 to reflect the alignment of the company's debtor provisioning policy with that of the Group.

The value of provisions has been increased by £35,000 to reflect a provision for dilapidation costs relating to properties leased by the Company.

Balu Limited's contribution to the Group results
Balu Limited generated a profit after tax of £1,044,000 for the nine months from 19 March 2018 to the reporting date. If Balu Limited had been acquired on 1 January 2018, revenue for the Group would have been £113,511,000 and profit after tax for the year would have increased by £181,000.

Summary aggregated financial information on Balu Limited for the period from 1 January 2018 to 19 March 2018 when it became a subsidiary:

	2018 Unaudited £000
Revenue	2,460
Profit	181

Profits post acquisition are stated after deducting intercompany recharges of £267,000.

9. EQUITY

The share capital of the Company consists only of fully paid ordinary shares with a nominal value of 50p per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at Shareholders' meetings of the Company.

	Number	**£000**
Allotted and fully paid ordinary shares of 50p each at 31 December 2018	60,920,383	30,460
Shares authorised for share-based payments	6,666,667	3,333
Total shares authorised at 31 December 2018	67,587,050	33,793

	Number	**£000**
Allotted and fully paid ordinary shares of 50p each		
At 1 January 2018	52,818,997	26,409
Shares issued	6,470,589	3,235
Shares issued in respect of exercise of employee share options	926,841	464
Shares issued in respect of loan to Employee Benefit Trust	366,644	184
Shares issued in respect of acquisition	292,942	146
Shares issued in respect of settlement of deferred consideration	43,780	22
At 31 December 2018	60,920,383	30,460

10. NET CASH FROM OPERATING ACTIVITIES

	2018 Unaudited £000	2017 Audited £000
Reconciliation of profit before taxation to net cash flows from operations		
Profit from continuing operations before tax	6,923	6,039
Depreciation	941	640
Financial income	(11)	(6)
Financial expense	766	581
Profit on sale of plant and equipment	(9)	(3)
Amortisation of intangible assets	1,040	768
Cash settled share options	(23)	(415)
Equity-settled share-based payment charge	191	272
Change in amounts accrued for contingent consideration	264	229
Operating cash inflow before changes in working capital and provisions	10,082	8,105
Change in trade and other receivables	(1,509)	(823)
Change in stocks	(844)	(931)
Change in trade and other payables	(2,843)	1,922
Change in provisions	(23)	(63)
Cash generated from operations	4,863	8,210
Tax paid	(1,073)	(1,610)
Net cash generated from operating activities	3,790	6,600

11. SUBSEQUENT EVENTS

There are no material adjusting or non-adjusting events subsequent to the reporting date.

12. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 5 June at 10am at our head office, Flowtech Fluidpower plc, Bollin House, Bollin Walk, Wilmslow SK9 1DP.

13. ELECTRONIC COMMUNICATIONS

The full Financial Statements for the year ended 31 December 2018 are to be published on the Company's website, together with the Notice convening the Company's 2018 Annual General Meeting by 4 May 2019. Copies will also be sent out to those shareholders who have elected to receive paper communications. Copies can be requested by writing to The Company Secretary, Flowtech Fluidpower plc, Bollin House, Bollin Walk, Wilmslow SK9 1DP or email to info@flowtechfluidpower.com.

FORWARD-LOOKING STATEMENTS

These Preliminary results were approved by the Board of Directors and authorised for issue on 15 April 2019. This document contains certain forward-looking statements which reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.