

Strategy in action



WE DEVELOP

New liquid development

Herbal liqueurs are particularly popular with Czech young adults, who are discerning about the taste and packaging of their preferred brands and seek drinks that can be enjoyed together in mixed male and female company.

Black Fox is a new and original premium herbal liqueur crafted from selected forest herbs with a hint of orange, developed specifically to meet millennials tastes.

The development lasted for over a year and a half and included intensive research into young adults' preferences for overall taste, design and brand concepts.

Black Fox will gain share in the profitable and fast growing young adult segment of the herbal liqueurs category.

1st

premium herbal bitter liqueur
launch by Stock Spirits Group



Financial Statements

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Consolidated income statement

for the year ended 31 December 2017

	Notes	2017 €000	2016 €000
Revenue	5	274,601	260,974
Cost of goods sold		(137,394)	(128,714)
Gross profit		137,207	132,260
Selling expenses		(60,808)	(61,305)
Other operating expenses		(31,287)	(30,819)
Share of loss of equity-accounted investees, net of tax	22	(331)	-
Operating profit before exceptional expense		44,781	40,136
Exceptional expense	8	(14,900)	-
Operating profit		29,881	40,136
Finance income	9	681	1,703
Finance costs	9	(3,253)	(2,668)
Profit before tax		27,309	39,171
Income tax expense	13	(11,280)	(10,734)
Exceptional tax expense	13	(4,700)	-
Profit for the year		11,329	28,437
Attributable to:			
Equity holders of the Parent		11,329	28,437
Earnings per share, (Euros), attributable to equity holders of the Parent	14		
Basic		0.06	0.14
Diluted		0.06	0.14

Consolidated statement of comprehensive income

for the year ended 31 December 2017

	2017 €000	2016 €000
Profit for the year	11,329	28,437
Other comprehensive income/(expense):		
<i>Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	8,310	(7,768)
	19,639	20,669
<i>Other comprehensive expense not to be reclassified to profit or loss in subsequent period:</i>		
Re-measurement losses on employee severance indemnity	(5)	(3)
Total comprehensive income for the year, net of tax	19,634	20,666
Attributable to:		
Equity holders of the Parent	19,634	20,666

Consolidated statement of financial position

as at 31 December 2017

	Notes	31 December 2017 €000	31 December 2016 €000
Non-current assets			
Intangible assets – goodwill	15	45,940	60,840
Intangible assets – other	16	311,614	302,753
Property, plant and equipment	18	50,871	55,705
Investment in equity accounted investee	22	17,160	-
Deferred tax assets	13	4,151	13,255
Other assets	21	4,770	4,533
		434,506	437,086
Current assets			
Inventories	19	23,101	21,658
Trade and other receivables	20	163,162	131,396
Other assets	21	-	1,500
Current tax assets	13	715	411
Cash and cash equivalents	32	61,341	74,956
		248,319	229,921
Total assets		682,825	667,007
Non-current liabilities			
Financial liabilities	23	114,048	134,168
Other financial liabilities	24	2,600	113
Deferred tax liabilities	13	47,501	45,933
Provisions	25	1,051	946
Trade and other payables	27	416	49
		165,616	181,209
Current liabilities			
Trade and other payables	27	73,915	53,352
Financial liabilities	23	48	33
Other financial liabilities	24	83	174
Income tax payable	13	8,395	8,926
Indirect tax payable	26	79,256	74,200
Provisions	25	1,203	534
		162,900	137,219
Total liabilities		328,516	318,428
Net assets		354,309	348,579

	Notes	31 December 2017 €000	31 December 2016 €000
Capital and reserves			
Issued capital	28	23,625	23,625
Share premium	28	183,541	183,541
Merger reserve	28	99,033	99,033
Consolidation reserve	28	5,130	5,130
Own share reserve	28	(306)	(356)
Other reserve	28, 34	11,277	9,335
Foreign currency translation reserve	28	15,829	7,519
Retained earnings		16,180	20,752
Total equity		354,309	348,579
Total equity and liabilities		682,825	667,007


Notes 1 to 37 are an integral part of the consolidated financial statements.

The consolidated financial statements of Stock Spirits Group PLC, registered number 08687223, on pages 100 to 159, were approved by the Board of Directors and authorised for issue on 7 March 2018 and were signed on its behalf by:



Mirek Stachowicz
Chief Executive Officer

7 March 2018



Paul Bal
Chief Financial Officer

7 March 2018

Consolidated statement of changes in equity

as at 31 December 2017

	Issued capital €000	Share premium €000	Merger reserve €000	Consolidation reserve €000	Own share reserve €000	Other reserve €000	Foreign currency translation reserve €000	Retained earnings €000	Total equity €000
Balance at 1 January 2016	23,625	183,541	99,033	5,130	(635)	9,254	15,284	29,630	364,862
Profit for the year	-	-	-	-	-	-	-	28,437	28,437
Other comprehensive expense	-	-	-	-	-	-	(7,765)	(3)	(7,768)
Total comprehensive income	-	-	-	-	-	-	(7,765)	28,434	20,669
Share-based compensation charge (note 34)	-	-	-	-	-	81	-	-	81
Dividends (note 29)	-	-	-	-	-	-	-	(37,356)	(37,356)
Own shares utilised for incentive schemes (note 28)	-	-	-	-	279	-	-	44	323
Balance at 31 December 2016	23,625	183,541	99,033	5,130	(356)	9,335	7,519	20,752	348,579
Profit for the year	-	-	-	-	-	-	-	11,329	11,329
Other comprehensive income/ (expense)	-	-	-	-	-	-	8,310	(5)	8,305
Total comprehensive income	-	-	-	-	-	-	8,310	11,324	19,634
Share-based compensation charge (note 34)	-	-	-	-	-	1,942	-	-	1,942
Dividends (note 29)	-	-	-	-	-	-	-	(15,730)	(15,730)
Own shares acquired for incentive schemes (note 28)	-	-	-	-	(116)	-	-	-	(116)
Own shares utilised for incentive schemes (note 28)	-	-	-	-	166	-	-	(166)	-
Balance at 31 December 2017	23,625	183,541	99,033	5,130	(306)	11,277	15,829	16,180	354,309

Consolidated statement of cashflows

for the year 31 December 2017

	Notes	2017 €000	2016 €000
Operating activities			
Profit for the year		11,329	28,437
Adjustments to reconcile profit for the year to net cashflows:			
Income tax expense recognised in income statement	13	15,980	10,734
Interest expense and bank commissions	9	3,169	2,668
Loss on disposal of tangible assets		538	185
Other financial income	9	(681)	(220)
Depreciation of property, plant and equipment	18	9,894	9,739
Amortisation of intangible assets	16	1,318	1,485
Impairment of goodwill	8	14,900	-
Net foreign exchange loss/(gain)	9	84	(1,483)
Share-based compensation	34	1,942	81
Share of loss of equity-accounted investees, net of tax	22	331	-
Increase/(decrease) in provisions		775	(323)
		59,579	51,303
Working capital adjustments			
Increase in trade receivables and other assets		(30,505)	(1,596)
(Increase)/decrease in inventories		(1,443)	6,058
Increase in trade payables and other liabilities		25,988	5,140
		(5,960)	9,602
Cash generated by operations			
		53,619	60,905
Income tax paid	13	(6,959)	(6,831)
Net cashflow from operating activities			
		46,660	54,074
Investing activities			
Interest received		681	220
Payments to acquire intangible assets	16	(1,376)	(5,838)
Proceeds from sale of property, plant and equipment		98	-
Purchase of property, plant and equipment	18	(3,710)	(6,727)
Purchase of equity-accounted investees	22	(15,000)	-
Net cashflow from investing activities			
		(19,307)	(12,345)
Financing activities			
Repayment of borrowings	23	(20,128)	-
New borrowings raised		-	2,712
Interest paid		(3,147)	(2,571)
Purchase of own shares		(116)	-
Dividends paid to equity holders of the parent	29	(15,730)	(37,427)
Net cashflow from financing activities			
		(39,121)	(37,286)
Net (decrease)/increase in cash and cash equivalents			
		(11,768)	4,443
Cash and cash equivalents at the start of the year			
		74,956	75,806
Effect of exchange rates on cash and cash equivalents			
		(1,847)	(5,293)
Cash and cash equivalents at the end of the year			
	32	61,341	74,956