



Chairman's Statement

As anticipated and despite the market remaining difficult throughout the first half year, particularly in carbonated soft drinks, I am pleased to report we have continued to make very good progress, with pre-tax profits 12% ahead of last year at £2.25 million (2004: £2.01 million) on turnover on continuing operations (including acquisitions) up 24.1% at £30.54 million (2004: £24.60 million).

The main features of the first half were our acquisition in January of the Panda soft drinks brand and in May, Brighton based Beacon Soft Drinks Limited, a soft drinks on draught business.

The integration of Panda into our Soft Drinks Operation is largely complete and progressing well. Beacon is also trading in line with our expectations and when fully combined with our existing soft drinks dispense operation, Cabana, will strengthen our strong position in the UK's draught soft drinks market.

Soft Drinks Operation

I am also pleased to report that our core Vimto brand has continued to grow its share of what remains a highly competitive market, particularly as we have achieved this with a relatively low level of promotional activity, compared to the market as a whole. This has also helped us maintain our margins in this division.

Elsewhere, our international business has performed well in the first half year with our long-term markets in the Middle East and Africa both showing increased sales on last year. We continue to work on developing new export markets, although these will take some considerable time to produce meaningful returns.

Beverage Systems Operation

The combination of tough market conditions and relatively poor early summer weather adversely impacted our Cabana operation, with a small decline in sales (excluding Beacon) evident in the first half year. This unfavourable effect was, however, largely offset by an improved performance at Balmoral, our hot drinks dispense business.

The better weather in June boosted the markets in which Cabana operates and the acquisition of Beacon Soft Drinks will help to secure its place as a major player in this sector of the market.

Results

Turnover on continuing operations in the six months to 30 June 2005 was up 24.1% to £30.54 million (2004: £24.60 million), including turnover relating to the acquisitions of Panda from January 2005 and Beacon from May 2005. Profit before tax increased by 12% to £2.25 million (2004: £2.01 million).

Cash flow from operating activities improved to £3.51 million (2004: £2.20 million) with net borrowings increasing to £9.02 million from £0.35 million at the year end, principally due to the two acquisitions in the first half, for a combined consideration of £7.61 million. Earnings per share increased 17.2% to 4.30 pence (2004: 3.67 pence).

I am delighted to report this is the third consecutive year of improved Interim profits following the Strategic Review that commenced in 2002. Given the consistent progress we have demonstrated, the Board has approved a 5% increase in the Interim dividend to 3.15 pence per share (2004: 3.0 pence).

The dividend will be paid on 14 October 2005 to shareholders registered on 16 September 2005. The ex-dividend date will be 14 September 2005.

Outlook

The group is now a much stronger and more focused business with its core brands, particularly Vimto, continuing to perform well in extremely competitive market conditions.

We expect the market to remain extremely challenging for the rest of the financial year, particularly in the carbonated soft drinks sector, however, we anticipate that our full year results will reflect the progress made in the first half year.

John Nichols
Chairman
10 August 2005



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Interim Report and Financial Statements 2005

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Consolidated Profit & Loss Account

	Unaudited		Audited		
	Half year ended 30 June 2005	Half year ended 30 June 2004	Before exceptional items 31 Dec 2004 (Restated)	Exceptional items 31 Dec 2004	Full Year ended 31 Dec 2004 (Restated)
	£'000	£'000	£'000	£'000	£'000
Turnover					
Continuing Operations	30,536	24,597	50,741	0	50,741
Discontinued Operations	0	22,265	37,332	0	37,332
	30,536	46,862	88,073	0	88,073
Operating profit/(loss)					
Continuing Operations	2,531	2,246	7,311	(2,291)	5,020
Discontinued Operations	0	134	233	0	233
Loss on disposal of subsidiary undertaking	0	0	0	11,062	11,062
Net interest payable	280	370	887	0	887
Profit/(loss) before taxation	2,251	2,010	6,657	(13,353)	(6,696)
Taxation	675	663	2,015	(436)	1,579
Profit/(loss) after taxation	1,576	1,347	4,642	(12,917)	(8,275)
Equity dividends	1,166	1,109	3,253	0	3,253
Retained profit/(loss)	410	238	1,389	(12,917)	(11,528)
Earnings/(loss) per share (basic)	4.30p	3.67p			(22.68p)
Earnings/(loss) per share (diluted)	4.28p	3.65p			(22.68p)
Earnings per share (basic) before exceptional items	4.30p	3.67p			12.72p
Earnings per share (diluted) before exceptional items	4.28p	3.65p			12.69p
Dividends per share	3.15p	3.00p			8.80p

Consolidated Balance Sheet

	Unaudited	Unaudited	Audited
	30 June 2005	30 June 2004 (Restated)	31 Dec 2004 (Restated)
	£'000	£'000	£'000
Fixed assets			
Intangible assets	9,718	1,574	1,587
Tangible assets	13,564	24,957	13,231
Own shares	0	547	0
	23,282	27,078	14,818
Current assets			
Stocks	4,799	7,821	3,987
Debtors	16,892	22,547	13,203
Current asset investment	0	0	2,750
Cash at bank and in hand	0	0	2,988
	21,691	30,368	22,928
Creditors			
Amounts falling due within one year	22,974	27,516	14,125
Net current (liabilities) / assets	(1,283)	2,852	8,803
Total assets less current liabilities	21,999	29,930	23,621
Creditors			
Amounts falling due after one year	1,271	3,184	2,592
	20,728	26,746	21,029
Provisions for liabilities and charges	1,182	953	1,393
Net assets excluding pension liability	19,546	25,793	19,636
Pension liability	3,223	3,494	3,723
Net assets including pension liability	16,323	22,299	15,913
Share capital & reserves			
Called up share capital	3,697	3,697	3,697
Share premium account	3,255	3,255	3,255
Capital redemption reserve	1,209	1,209	1,209
Other reserves	(698)	0	(698)
Profit and loss account	8,860	14,138	8,450
Equity shareholders' funds	16,323	22,299	15,913

Consolidated Cash Flow Statement

	Unaudited	Unaudited	Audited
	Half year ended 30 June 2005	Half year ended 30 June 2004	Full Year ended 31 Dec 2004
	£'000	£'000	£'000
Cash flow from operating activities - before exceptional items	4,358	3,179	11,172
Exceptional Cash Costs	(346)	(976)	(4,268)
Pension Scheme Contributions	(500)	0	0
Cash flow from operating activities after exceptional items	3,512	2,203	6,904
Returns on investments and servicing of finance	(280)	(370)	(709)
Taxation	(778)	(416)	(1,279)
Capital expenditure and financial investment	(744)	805	(128)
Acquisitions and disposals	(7,609)	0	11,482
Equity dividends paid	(2,144)	(2,144)	(3,253)
Financing			
increase/(decrease) in short term deposits	2,750	0	(2,750)
Financing			
decrease in borrowings	(2,725)	(1,444)	(8,645)
(Decrease)/increase in cash	(8,018)	(1,366)	1,622

Statement of Total Recognised Gains and Losses

	Unaudited	Unaudited	Audited
	Half year ended 30 June 2005	Half year ended 30 June 2004	Full Year ended 31 Dec 2004
	£'000	£'000	£'000
Profit / (loss) for the period	410	238	(11,528)
Actual return less expected return on pension scheme assets	0	0	188
Experience gains and losses arising on the scheme liabilities	0	0	(215)
Changes in the assumptions underlying the present value of the scheme liabilities	0	0	(514)
Movement on deferred taxation relating to pension liability	0	0	162
Total recognised gains and losses for the period	410	238	(11,907)
Prior year adjustment (see note 4)	(3,723)		
Total recognised gains and losses since last financial statements	(3,313)		

Notes :

1. Basis of preparation

The figures for 31 December 2004 are extracted from the financial statements for that year which received an unqualified auditors' report and have been filed with the Registrar of Companies. The interim results which are unaudited have been prepared in accordance with accounting policies adopted for the year ended 31 December 2004 and have been approved by the board. The information set out in this interim report does not constitute statutory accounts within the meaning of the Companies Act.

2. Dividends

The interim dividend of 3.15p (2004 : 3.00p) will be paid on 14 October 2005 to shareholders registered on 16 September 2005.

3. Earnings per share

Earnings per share are based on the weighted average number of shares in issue in the six months to 30 June 2005 of 36,656,419 (Six months to 30 June 2004 of 36,719,583 and 12 months to 31 December 2004 of 36,492,387).

4. Change in accounting policy

The company has adopted FRS 17, "Retirement benefits" in the interim report. The adoption of this new standard in full represents a change in accounting policy and the comparative balance sheet figures have been restated to reflect a pension liability of £3,723,000 at 31 December 2004 (£3,494,000 at 30 June 2004). The change to the profit and loss account is shown below.

No interim revaluation of the assets and liabilities of the scheme has been carried out and, accordingly, there is no actuarial gain or loss shown in the Statement of Recognised Gains or Losses in respect of the interim period to 30 June 2005 and 30 June 2004.

	Year ended 31 Dec 2004 as previously stated	Prior year adjustment	Year ended 31 Dec 2004 as restated
	£'000	£'000	£'000
Profit and loss			
Loss before taxation	(6,909)	213	(6,696)
Taxation	1,515	64	1,579
Loss after taxation	(8,424)	149	(8,275)

