



*Interim report &
financial statements 2008*

chairman's statement

I am extremely pleased to report, once again, we have made further progress in the first half of 2008. This progress is despite the ongoing highly competitive nature of the UK soft drinks market and the general consumer and economic uncertainty experienced so far this year.

Results

Sales at £29.2 million are 5.0% up on last year (2007: £27.8 million), with profit up before tax up 15.5% at £3.20 million (2007: £2.77 million).

The Group also increased its cash position to £6.24 million at the end of June 2008 (2007: £5.82 million).

Earnings per share (basic) increased by 16.2% to 6.31 pence (2007: 5.43 pence).

Soft Drinks Operation

The weather over recent months has been changeable and general market conditions remained very challenging, with heavy promotional activity again being a key feature of the first half. Despite this, I am pleased to report that our core Vimto brand has continued to grow its market share, particularly in the carbonate and ready to drink sectors.

The Panda brand has not performed well in the first half of 2008, primarily driven by the decline in the 'Kids Carbonate' market and a number of multiple retailers moving away from single bottles into multi-packs. This move has resulted in less space being allocated to the Panda brand. We are reviewing our multi-pack options for the second half, but this is unlikely to mitigate the volume decline in the current year.



We value
pride



Along with the rest of the soft drinks industry, we have also experienced input cost inflation on a number of raw materials and packaging items, however, our focus on value along with tight control of marketing expenditure, has enabled us to maintain our overall margin.

Internationally, the Vimto brand has once again performed well, particularly in the Middle East, where sales of concentrate were ahead in the first half due to the earlier timing of Ramadan.

In overall terms, we are currently on track to deliver further growth in the full year from our Soft Drinks Operation.

Dispense Systems Operation

Our Dispense Systems business is now firmly positioned as the third largest player in this sector and with its turnaround complete, we have seen some of the planned financial benefits in the first half.

In revenue terms we are 4% ahead year on year, despite the higher proportion of distributor sales made under the new 'external distributor model'. Overheads are also lower and profitability is now approaching acceptable levels.

Dividend

This is our sixth consecutive year of improved Interim profits which, combined with our strong cash position and our confidence in the future, means the Board has approved a 7.1% increase in the Interim dividend to 3.75 pence per share (2007: 3.50 pence).

The Interim dividend will be paid on the 3 September 2008 to shareholders registered on the 15 August 2008.

Board Change

In our AGM Statement made on 14 May 2008 we announced the appointment of Taylor Purkis as Group Finance Director. Taylor (40), who joined us in July, is a Fellow of the Chartered Association of Certified Accountants and was previously the Finance Director of the European operations of Energizer Inc., a global branded consumer goods company, listed on the New York Stock Exchange. On behalf of the Board, I would like to extend a warm welcome to Taylor and wish him well in his new position.

Outlook

The uncertainty around the general economic and consumer environment has obviously continued into the second half of 2008. At this stage we can see no real signs of improvement and therefore we remain optimistic but cautious that we are fundamentally doing the right things in a challenging market.

We believe our core brand of Vimto will continue to perform well despite difficult market conditions and we anticipate both organic and new market growth internationally. Meanwhile, our Dispense Systems Operation continues to strengthen and improve its market share and profitability.

In overall terms we therefore expect the Group to show further, solid progress in the full year.

John Nichols

Non-Executive Chairman
6 August 2008



Consolidated income statement

	Unaudited	Unaudited	Audited Before Exceptional items	Audited After Exceptional items
	Half year ended 30 June 2008 £'000	Half year ended 30 June 2007 £'000	Full year ended 31 December 2007 £'000	Full year ended 31 December 2007 £'000
Revenue	29,152	27,802	55,276	55,276
Operating profit	3,145	2,702	8,742	7,764
Finance income	118	127	291	291
Finance expense	(61)	(62)	(7)	(7)
Profit before taxation	3,202	2,767	9,026	8,048
Taxation	(876)	(767)	(2,672)	(2,379)
Profit for the financial period	2,326	2,000	6,354	5,669
Earnings per share (basic) - all activities	6.31p	5.43p		15.49p
Earnings per share (diluted) - all activities	6.31p	5.42p		15.47p
Dividends paid per share	6.90p	6.50p		10.00p

The accompanying notes form an integral part of these financial statements.

Consolidated balance sheet

	Unaudited Half year ended 30 June 2008 £'000	Unaudited Half year ended 30 June 2007 £'000	Audited Full year ended 31 December 2007 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	2,092	2,891	2,448
Goodwill	11,150	10,771	10,910
Deferred tax assets	1,197	1,972	1,197
Total non-current assets	14,439	15,634	14,555
Current assets			
Inventories	2,880	2,689	2,509
Trade and other receivables	16,059	15,615	13,177
Cash and cash equivalents	6,241	5,826	7,814
Total current assets	25,180	24,130	23,500
Total assets	39,619	39,764	38,055
LIABILITIES			
Current liabilities			
Trade and other payables	11,218	12,131	8,828
Current tax liabilities	633	750	1,058
Provisions	446	746	681
Total current liabilities	12,297	13,627	10,567
Non-current liabilities			
Pension obligations	3,635	6,504	3,635
Deferred tax liabilities	404	27	356
Total non-current liabilities	4,039	6,531	3,991
Total liabilities	16,336	20,158	14,558
Net assets	23,283	19,606	23,497
EQUITY			
Share capital	3,697	3,697	3,697
Additional paid in capital	3,255	3,255	3,255
Capital redemption reserve	1,209	1,209	1,209
Other reserves	(492)	(487)	(492)
Retained earnings	15,614	11,932	15,828
Total equity	23,283	19,606	23,497

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows

	Unaudited 30 June 2008 Half year ended £'000	Unaudited 30 June 2007 Half year ended £'000	Audited 31 December 2007 Full year ended £'000
Profit for the financial period	2,326	2,000	5,669
Cash flows from operating activities			
Adjustments for:			
Depreciation	346	388	782
Loss on sale of property, plant and equipment	9	24	27
Equity-settled share-based payment transactions	50	50	192
Interest receivable	(118)	(127)	(291)
Interest payable	61	62	7
Tax expense recognised in the income statement	876	767	2,379
Change in inventories	(371)	(462)	(299)
Change in trade and other receivables	(2,882)	(3,000)	(570)
Change in trade and other payables	2,339	3,605	159
Change in provisions	(235)	(465)	(530)
Change in pension obligations	0	0	(347)
	75	842	1,509
Cash generated from operating activities	2,401	2,842	7,178
Tax paid	(1,253)	(669)	(1,800)
Net cash generated from operating activities	1,148	2,173	5,378
Cash flows from investing activities			
Interest received	118	127	291
Proceeds from sale of property, plant and equipment	40	424	455
Acquisition of property, plant and equipment	(38)	(348)	(336)
Acquisition of subsidiary, net of cash acquired	(240)	(1,401)	(1,365)
Acquisition of subsidiary's net overdraft	0	(144)	(144)
Net cash used in investing activities	(120)	(1,342)	(1,099)
Cash flows from financing activities			
Interest paid	(61)	(62)	(4)
Repurchase of own shares	0	0	(224)
Dividends paid	(2,540)	(2,403)	(3,697)
Net cash used in financing activities	(2,601)	(2,465)	(3,925)
Net (decrease)/increase in cash and cash equivalents	(1,573)	(1,634)	354
Cash and cash equivalents at beginning of period	7,814	7,460	7,460
Cash and cash equivalents at end of period	6,241	5,826	7,814

Statement of recognised income and expense

	Unaudited Half year ended 30 June 2008 £'000	Unaudited Half year ended 30 June 2007 £'000	Audited Full year ended 31 December 2007 £'000
Defined benefit plan actuarial gain	0	0	2,522
Deferred taxation on pension obligations	0	0	(933)
Income and expense recognised directly in equity	0	0	1,589
Profit for the financial period	2,326	2,000	5,669
Total recognised income and expense for the period	2,326	2,000	7,258

Notes:

1. Basis of Preparation

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The group's statutory financial statements for the year ended 31 December 2007, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985.

The interim financial information has been prepared on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2007.

2. Dividends

The interim dividend of 3.75p (2007: 3.50p) will be paid on 3 September 2008 to shareholders registered on 15 August 2008. The ex dividend date is 13 August 2008.

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 2008 of 36,840,924 (six months to 30 June 2007 of 36,905,548 and 12 months to 31 December 2007 of 36,602,810).

Cautionary Statement

This interim management report has been prepared solely to provide additional information to shareholders to assess the group's strategies and the potential for those strategies to succeed. The interim management report should not be relied on by any other party or for any other purpose.

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