

## Transition to International Financial Reporting Standards

### Topps Tiles Plc

In accordance with *IFRS 1*, First-time adoption of International Financial Reporting Standards ('IFRS'), Topps Tiles Plc, ('Topps'), today restates its Net Assets as at 1 October 2005, 2 April 2005 and 2 October 2004, together with a reconciliation from UK Generally Accepted Accounting Principles (UK GAAP) to IFRS.

The principal impact of adoption of reporting financial information under IFRS has been in the following areas:

- The recognition of certain operating lease incentives received over the entire term of a lease rather than up to the period of the first rent review;
- Goodwill amortised during 2004/05 has been credited back to the income statement hence increasing Goodwill in the net assets;
- The timing of the recognition of dividends payable to shareholders;
- A charge has been made to the income statement in relation to share based payments and a new reserve has been created within the Net Assets statement; and
- The recognition of the fair value of forward foreign currency contracts and embedded derivatives; and
- Presentational issues with respect to Joint Ventures.

Summary of impact on retained earnings (cumulative)	2004/05	2003/04
	£'000	£'000
Lease incentives (increase deferred income)	(554)	(560)
Goodwill amortisation (increase goodwill)	34	-
Dividends proposed at year end (reduce creditors)	13,576	13,593
Share based payments (reduce reserves)	(100)	(35)
Financial instruments (increase financial liability)	(25)	-
Tax effect on above	175	168
Deferred Tax on share options	371	852
Total increase in retained earnings	13,477	14,018

## **Restatement of financial information for 2005 under IFRS**

### **Introduction**

Historically Topps Tiles Plc has prepared its consolidated financial statements in accordance with UK GAAP. For accounting periods commencing after 1 January 2005 it is mandatory to prepare them in accordance with IFRS.

This first full year results to be produced under IFRS will be for the year ending 30 September 2006 and the first interim reporting period will be the 6 months to 1 April 2006.

This announcement explains the principal changes in Topps accounting policies as a result of the new standards.

### **Basis of Preparation**

The financial information in this announcement has been prepared in accordance with all IFRS standards that are expected to be applicable for the Group's 2006 reporting. These are subject to an ongoing review and possible amendments, therefore the financial information provided in this announcement may require modification until the first set of audited IFRS statements are completed for the year ending 30 September 2006.

### **Explanation of adjustments arising from the adoption of IFRS**

#### *IFRS 1 First time Adoption of International Financial Reporting Standards*

This requires a company to define its IFRS policies and apply them retrospectively in deriving the opening Balance Sheet at the date of transition. The standard does allow for a number of exemptions in order to simplify the transition process, we have explained below when these exemptions are applied.

#### *IFRS 2 Share Based Payment*

IFRS 2 requires a charge to be recognised in the income statement for share based payments, based on the fair value of the option or award at the date of grant, which is expensed over the vesting period of the option or award.

Topps has applied this only to options or schemes awarded after 7 November 2002 and therefore this only includes employee share save schemes as no executive share options were granted after this date.

The cumulative effect to 1 October 2005 is a charge of £100,000 to the Retained Earnings.

### *IFRS 3 Goodwill and Business Combinations*

Topps has elected to take the exemption available under IFRS 1 not to apply IFRS 3 retrospectively to Goodwill; accordingly the value of Goodwill has been frozen at the carrying value at 2 October 2004.

Under IFRS Goodwill should not be amortised but is subject to an impairment review annually or more frequently if events or changes occur which may significantly affect the value.

The effect of the change to IFRS was to reverse the charge of £34,000 to the income statement for the year ended 1 October 2005 thereby increasing income for the year and retained earnings by this amount.

### *IAS 10 Events after the Balance Sheet date*

IAS 10 requires that dividends should now be recognised only when they are declared and approved rather than being accrued for in the period to which they relate as the liability does not represent a present obligation as defined by *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*.

On transition to IFRS £13,593,000 at 2 October 2004 was credited to retained earnings.

In addition, dividends are to be shown as a movement directly in equity instead of through the Income Statement.

### *IAS 17 Leases*

Under UK GAAP operating lease incentives in respect of rent free periods were recognised in the profit and loss account over the period to the date of the first rent review. IAS 17 states that the incentives must be recognised over the length of the lease.

The effect of this is that Topps is carrying an increased amount of £554,000 for deferred lease incentives as at 1 October 2005 and a charge of £6,000 for the 52 weeks ended 1 October 2005.

### *IAS 31 Jointly Controlled Entities*

IAS 31 requires that Topps should recognise in the financial statements our share of the joint assets, any liabilities that it has incurred directly and its share of any liabilities incurred jointly with the other entities. Income from the sale or use of our share of the output of our jointly controlled entity, our share of its expenses and expenses incurred directly in respect of its interest in the joint venture are presented after tax in one single line in the income statement.

*IAS 32 & 39 Financial Instruments: Disclosure and Presentation & Recognition and Measurement*

Profits and losses on financial instruments are recognised in the Income Statement as they arise.

In accordance with IFRS 1, comparative information has not been restated for the impact of IAS 32 and IAS 39, but the Group has only adopted these standards to apply from 1 October 2005.

## **1 Summary of principal accounting policies**

The principal accounting policies are summarised below.

### *a) Basis of accounting*

The next financial statements of the Group will be prepared in accordance with IFRS.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The principal accounting policies adopted are set out below.

### *b) Financial period*

The accounting period ends on the Saturday which falls closest to 30 September, resulting in financial periods of either 52 or 53 weeks.

### *c) Basis of consolidation*

The consolidated financial statements incorporate the financial statements of Topps Tiles Plc and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### *d) Investments in Jointly Controlled Entities*

A jointly controlled entity is an entity over which the Group is in a position to exercise joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of jointly controlled entities are incorporated in these financial statements using the equity method of accounting. Investments are carried in the balance sheet at cost adjusted by post-acquisition changes in the Group's share of the net assets of the jointly controlled entity, less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the jointly controlled entity at the date of acquisition is recognised as goodwill.

Where a group company transacts with a jointly controlled entity of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant jointly controlled entity. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

*e) Goodwill*

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill of £15,080,000 written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

*e) Revenue recognition*

Revenue 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.

Sales of goods are recognised when title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts

estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

#### *f) Foreign currencies*

In preparing the financial statements of individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of transactions. At each period end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's joint venture operation are translated at exchange rates prevailing at period end dates. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising are classified as equity and transferred to the group's translation reserve. Such differences are recognised as income or expense in the period in which the operation is disposed of.

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward contracts (see below for details of the group's accounting policies in respect of such derivative financial instruments).

#### *g) Property, Plant & Equipment*

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Costs are only those costs that are directly attributable to bringing the asset into working condition for its intended use. Depreciation is provided to write

off the cost of tangible assets, less estimated residual value, over their estimated useful lives, as follows:

- Freehold buildings - 2% per annum on cost on a straight-line basis
- Short leasehold land and buildings - over the period of the lease, up to 25 years
- Fixtures and fittings - over 10 years or at 25% per annum on reducing balance basis as appropriate
- Motor vehicles - 25% per annum on reducing balance

Freehold land is not depreciated.

Residual value is calculated on prices prevailing at the date of acquisition.

#### *h) Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost comprises the purchase price of materials and includes an attributable proportion of distribution overheads based on normal levels of activity and is valued at standard cost. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

#### *i) Taxation*

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill



or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in jointly controlled entities, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### *j) Leases*

Rentals payable under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### *k) Pension costs*

For defined contribution schemes, the amount charged as an expense to the Income Statement in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### *l) Derivative financial instruments*

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, on the use of financial derivatives.

*m) Bank Borrowings*

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

*n) Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

*o) Share-based payments*

The group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 will be applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

The Group issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the share based payment is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of the Black Scholes model. The Group provides employees with the ability to purchase the Group's ordinary shares at 80% of the current market value. The Group records an expense, based on its estimate of the 20% discount related to shares expected to vest on a straight line basis over the vesting period.

*p) Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Reconciliation of Net Assets

As at 2 October 2004

	UK GAAP 2 October 2004	Sharesave IFRS 2	Tax IAS12	Rent Free IAS 17	Dividend IAS 10	Effect of Transition to IFRS	IFRS 2 October 2004
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Goodwill	551						551
Property Plant & Equipment	29,236						29,236
Joint venture undertaking	193						193
	<u>29,980</u>						<u>29,980</u>
Current assets							
Inventories	24,373						24,373
Trade and other receivables within one year	3,809						3,809
Trade and other receivables within one year	110						110
Cash and cash equivalents	29,624						29,624
	<u>57,916</u>						<u>57,916</u>
Total assets	87,896						87,896
Current liabilities							0
Trade and other payables	(18,758)						(18,758)
Current tax liabilities	(3,942)						(3,942)
Proposed dividend	(13,593)				13,593	13,593	0
Other current liabilities	(9,159)			(560)		(560)	(9,719)
Financial liabilities	0						0
	<u>(45,452)</u>			<u>(560)</u>	<u>13,593</u>	<u>13,033</u>	<u>(32,419)</u>
Net current assets	12,464			(560)	13,593	13,033	25,497
Non-current liabilities	(7,571)						(7,571)
Deferred tax liabilities	(1,864)	11	841	168		1,020	(844)
Total liabilities	<u>(54,887)</u>	11	841	<u>(392)</u>	13,593	14,053	<u>(40,834)</u>
Net assets	<u>33,009</u>	11	841	<u>(392)</u>	13,593	14,053	<u>47,062</u>

Equity							
Share capital	5,673						5,673
Share premium	4,889						4,889
Merger reserve	(399)						(399)
Share Based Payment Reserve	0	35				35	35
Treasury Shares	(733)						(733)
Capital Redemption Reserve	137						137
Retained earnings	23,442	(24)	841	(392)	13,593	14,018	37,460
Total Equity	33,009	11	841	(392)	13,593	14,053	47,062

**Reconciliation of Net Assets  
As at 2 April 2005**

	UK GAAP 2 April 2005 £'000	Opening Balance Sheet Adjustment £'000	Sharesave IFRS 2 £'000	Tax IAS12 £'000	Rent Free IAS 17 £'000	Dividend IAS 10 £'000	Good will IFRS 3 £'000	Effect of Transition to IFRS £'000
<b>Non-current assets</b>								
Goodwill	534						17	17
Property Plant & Equipment	30,914							
Joint venture undertaking	208							
	31,656						17	17
<b>Current assets</b>								
Inventories	27,606							
Trade and other receivables within one year	4,113							
Trade and other receivables after one year	0							
Cash and cash equivalents	22,734							0
	54,453							0
<b>Total assets</b>	86,109						17	17
<b>Current liabilities</b>								

Trade and other payables	(17,515)							
Current tax liabilities	(3,841)							0
Proposed dividend	(7,870)	13,593				(5,723)		7,870
Other current liabilities	(7,234)	(560)			(5)			(565)
Financial liabilities	0							0
	<u>(36,460)</u>	<u>13,033</u>			<u>(5)</u>	<u>(5,723)</u>		<u>7,305</u>
<b>Net current assets</b>	<u>17,993</u>	<u>13,033</u>			<u>(5)</u>	<u>(5,723)</u>		<u>7,305</u>
Non-current liabilities	(8,582)							
Deferred tax liabilities	(2,181)	1,020	10	(335)	2			697
<b>Total liabilities</b>	<u>(47,223)</u>	<u>14,053</u>	<u>10</u>	<u>(335)</u>	<u>(3)</u>	<u>(5,723)</u>		<u>8,002</u>
<b>Net assets</b>	<u>38,886</u>	<u>14,053</u>	<u>10</u>	<u>(335)</u>	<u>(3)</u>	<u>5,723)</u>	<u>17</u>	<u>8,019</u>
<b>Equity</b>								
Share capital	5,698							0
Share premium	5,384							0
Merger reserve	(399)							0
Share Based Payment Reserve	0	35	32					67
Treasury Shares	(4,183)							0
Capital Redemption Reserve	137							0
Retained Earnings	32,249	14,018	(22)	(335)	(3)	(5,723)	17	7,952
<b>Total Equity</b>	<u>38,886</u>	<u>14,053</u>	<u>10</u>	<u>(335)</u>	<u>(3)</u>	<u>(5,723)</u>	<u>17</u>	<u>8,019</u>

**Reconciliation of Net Assets  
As at 2 April 2005**

	<b>Closing position under IFRS 2 April 2005 £'000</b>
<b>Non-current assets</b>	
Goodwill	551
Property Plant & Equipment	30,914
Joint venture undertaking	208
	<u>0</u>
	31,673

<b>Current assets</b>	
Inventories	27,606
Trade and other receivables within one year	4,113
Trade and other receivables after one year	0
Cash and cash equivalents	22,734
	<u>54,453</u>
<b>Total assets</b>	<b>86,126</b>
<b>Current liabilities</b>	
Trade and other payables	(17,515)
Current tax liabilities	(3,841)
Proposed dividend	0
Other current liabilities	(7,799)
Financial liabilities	0
	<u>(29,155)</u>
<b>Net current assets</b>	<b>25,298</b>
Non-current liabilities	(8,582)
Deferred tax liabilities	(1,484)
<b>Total liabilities</b>	<b>(39,221)</b>
<b>Net assets</b>	<b>46,905</b>
<b>Equity</b>	
Share capital	5,698
Share premium	5,384
Merger reserve	(399)
Share Based Payment Reserve	67
Treasury Shares	(4,183)
Capital Redemption Reserve	137
Retained Earnings	40,201
<b>Total Equity</b>	<b>46,905</b>

## Reconciliation of Net Assets

as at 1 October 2005

	UK GAAP 1 October 2005 £'000	Opening Balance Sheet Adjustment £'000	Sharesave IFRS 2 £'000	Tax IAS 12 £'000	Rent Free IAS 17 £'000	Dividend IAS 10 £'000	Currency Exposures IAS 39 £'000	Good will IFRS 3 £'000	Effect of Transition to IFRS £'000
<b>Non-current assets</b>									
Goodwill	517							34	34
Property Plant & Equipment	32,072								
Joint venture undertaking	225								
	32,814							34	34
<b>Current assets</b>									
Inventories	25,338								
Trade and other receivables within one year	4,071								
Trade and other receivables after one year	115								
Cash and cash equivalents	27,829								
	57,353								
<b>Total assets</b>	90,167							34	34
<b>Current liabilities</b>									
Trade and other payables	(18,503)								
Current tax liabilities	(3,640)								
Proposed dividend	(13,576)	13,593				(17)			13,576
Other current liabilities	(4,056)	(560)			6				(554)
Financial liabilities	0						(25)		(25)
	(39,775)	13,033			6	(17)	(25)		12,997
<b>Net current assets</b>	17,578	13,033			6	(17)	(25)		12,997
<b>Non-current liabilities</b>	(9,394)								
Deferred tax liabilities	(2,345)	1,020	20	(500)	(2)		8		546
<b>Total liabilities</b>	(51,514)	14,053	20	(500)	4	(17)	(17)		13,543
<b>Net assets</b>	38,653	14,053	20	(500)	4	(17)	(17)	34	13,577
<b>Equity</b>									

Share capital	5,655								0
Share premium	5,575								0
Merger reserve	(399)								0
Share Based Payment Reserve	0	35	65						100
Treasury Shares	0								0
Capital Redemption Reserve	190								0
Retained Earnings	27,632	14,018	(45)	(500)	4	(17)	(17)	34	13,477
Total Equity	<u>38,653</u>	<u>14,053</u>	<u>20</u>	<u>(500)</u>	<u>4</u>	<u>(17)</u>	<u>(17)</u>	<u>34</u>	<u>13,577</u>

Reconciliation of Net Assets  
As at 1 October 2005

Closing position under  
IFRS  
1 October 2005  
£'000

Non-current assets  
Goodwill  
Property Plant & Equipment  
Joint venture undertaking

551  
32,072  
225  
32,848

Current assets  
Inventories  
Trade and other receivables within one year  
Trade and other receivables after one year  
Cash and cash equivalents

25,338  
4,071  
115  
27,829

Total assets

57,353  
90,201

Current liabilities



Trade and other payables	(18,503)
Current tax liabilities	(3,640)
Proposed dividend	0
Other current liabilities	(4,610)
Financial liabilities	(25)
	<u>(26,778)</u>
Net current assets	<u>30,575</u>
Non-current liabilities	(9,394)
Deferred tax liabilities	(1,799)
Total liabilities	<u>(37,971)</u>
Net assets	<u>52,230</u>
Equity	
Share capital	5,655
Share premium	5,575
Merger reserve	(399)
Share Based Payment Reserve	100
Treasury Shares	0
Capital Redemption Reserve	190
Retained Earnings	41,109
Total Equity	<u>52,230</u>

**Consolidated Group Income Statement  
For the 26 weeks ended 2 April 2005**

**UK GAAP**

<b>26 weeks ended 2 April 2005 Audited £'000</b>	<b>Sharesave IFRS 2 £'000</b>	<b>Joint Venture IAS 31 £'000</b>	<b>Leases IAS 17 £'000</b>	<b>Goodwill IFRS 3 £'000</b>	<b>Effect of transfer To IFRS £'000</b>	<b>Restated offer IFRS 26 weeks ended 2 April 2005 £'000</b>
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<b>Group Revenue - continuing operations</b>	87,482						87,482
Cost of Sales	(33,359)						(33,359)
<b>Gross Profit - continuing operations</b>	54,123						54,123
Operating Expenses							
- employee profit sharing	(4,307)						(4,307)
- distribution costs	(23,919)						(23,919)
- other operating expenses	(6,268)	(32)		(5)	17	(20)	(6,288)
Share of results of joint venture	26		(21)			(21)	5
<b>Group and joint venture share of operating profit</b>	19,655	(32)	(21)	(5)	17	(41)	19,614
Other gains and losses	1,719						1,719
Investment revenue	374		13			13	387
<b>Profit before taxation</b>	21,748	(32)	(8)	(5)	17	(28)	21,720
Taxation	(5,071)	10	8	2		20	(5,051)
<b>Profit for the period attributable to equity holders of the company</b>	16,677	(22)	-	(3)	17	(8)	16,669
<b>Earnings per ordinary share</b>							
- basic	7.36p						7.36p
- diluted	7.29p						7.29p

**Consolidated Group Income Statement  
For the 52 weeks ended 1 October 2005**

**UK GAAP**

	<b>52 weeks ended 1 October 2005 Audited £'000</b>	<b>Sharesave IFRS 2 £'000</b>	<b>Joint Venture IAS 31 £'000</b>	<b>Leases IAS 17 £'000</b>	<b>Goodwill IFRS 3 £'000</b>	<b>Effect of transfer To IFRS £'000</b>	<b>Restated under IFRS 52 weeks ended 1 October 2005 £'000</b>
<b>Group Revenue - continuing operations</b>	173,326						173,326
Cost of Sales	(67,146)						(67,146)
<b>Gross Profit - continuing operations</b>	106,180						106,180
Operating Expenses							
- employee profit sharing	(7,502)						(7,502)
- distribution costs	(46,348)						(46,348)
- other operating expenses	(15,496)	(65)		6	34	(25)	(15,521)
Share of results of joint venture	56		(43)			(43)	13
<b>Group and joint venture share of operating profit</b>	36,890	(65)	(43)	6	34	(68)	36,822
Other gains and losses	1,700						1,700
Investment revenue	642		27			27	669
<b>Profit before taxation</b>	39,232	(65)	(16)	6	34	(41)	39,191
Taxation	(9,043)	20	16	(2)		34	(9,009)
<b>Profit for the period attributable to equity holders of the company</b>	30,189	(45)	-	4	34	(7)	30,182
<b>Earnings per ordinary share</b>							
- basic	13.34p						13.33p
- diluted	13.24p						13.24p

**Consolidated Cashflow Statement**

	UK GAAP 52 weeks to 1st October 2005 £'000	IFRS Adj £'000	Restated under IFRS 52 weeks to 1st October 2005 £'000
<b>Cashflow from Operating Activities</b>			
Profit before taxation	36,834	(75)	36,759
Adjustments for:			
Depreciation	3,397	(34)	3,363
Investment income			
Share option charge		65	65
Interest expense			
(Inc)/Dec in trade/other debtors	(267)		(267)
increase in stocks	(965)		(965)
Inc/(Dec) in creditors	(3,233)	57	(3,176)
<b>Net Cash from Operating Activities</b>	<b>35,766</b>	<b>13</b>	<b>35,779</b>
Interest paid	(308)		(308)
Taxation paid	(8,864)		(8,864)
<i>Net cash from operating activities</i>	26,594	13	26,607
<b>Cashflows from Investing Activities</b>			
Purchase of Treasury Shares	(3,774)		(3,774)
Interest Received	942		942
Purchase of Property/plant/equipment	(8,564)		(8,564)
Proceeds of sale of equipment	4,292		4,292
Loans advanced to JV's		(13)	(13)
<i>Net cash used in investment activities</i>	(7,104)	(13)	(7,117)
<b>Cashflows from Financing Activities</b>			
Proceeds from issue of share capital	721		721
Repayment of loans	(517)		(517)
New Loans			
Dividends paid	(21,489)		(21,489)
<i>Net cash used in financing activities</i>	(21,285)		(21,285)
<b>Net Increase in Cash Equivalents</b>	(1,795)	-	(1,795)
Cash and cash equivalents at beginning of period	29,624	-	29,624
Cash and cash equivalents at end of period	27,829	-	27,829

**Consolidated Cashflow  
Statement**

	UK GAAP 26 weeks to 2nd April 2005 £'000	IFRS Adj £'000	Restated under IFRS 26 weeks to 2nd April 2005 £'000
<b>Cashflow from Operating Activities</b>			
Profit before taxation	19,629	(27)	19,602
Adjustments for:			
Depreciation	1,699	(17)	1,682
Investment income			
Share option charge		32	32
Interest expense (Inc)/Dec in trade/other debtors	(189)		(189)
increase in stocks	(3,233)		(3,233)
Inc/(Dec) in creditors	(2,436)	17	(2,419)
<b>Net Cash from Operating Activities</b>	<b>15,470</b>	<b>5</b>	<b>15,475</b>
Interest paid	(165)		(165)
Taxation paid	(4,362)		(4,362)
<i>Net cash from operating activities</i>	10,943	5	10,948
<b>Cashflows from Investing Activities</b>			
Purchase of Treasury Shares	(3,450)		(3,450)
Interest Received	522		522
Purchase of Property/plant/equipment	(5,781)		(5,781)
Proceeds of sale of equipment	4,157		4,157
Loans advanced to JV's		(5)	(5)
<i>Net cash used in investment activities</i>	(4,552)	(5)	(4,557)
<b>Cashflows from Financing Activities</b>			
Proceeds from issue of share capital	521		521
Repayment of loans	(517)		(517)
New Loans			
Dividends paid	(13,285)		(13,285)
<i>Net cash used in financing activities</i>	(13,281)		(13,281)
<b>Net Increase in Cash Equivalents</b>	(6,890)	-	(6,890)
Cash and cash equivalents at beginning of period	29,624	-	29,624
Cash and cash equivalents at end of period	22,734	-	22,734