



The BSS Group PLC

Registered Office:
Fleet House
Lee Circle
Leicester
LE1 3QQ
Tel: 0116 262 3232
Fax: 0116 253 1343
email: reception@bssgroup.com
website: www.bssgroup.com
Registered No. 60987 England

Press Release

28th November 2005

THE BSS GROUP PLC

Interim Results for the six months to 30th September 2005

The BSS Group PLC ("BSS", the Group), leading distributors of heating, plumbing and pipeline equipment to the industrial and domestic construction and maintenance markets, announces its interim results for the six months ended 30th September 2005. Except where noted otherwise, all figures in this release are prepared under IFRS, including 2004 which have been restated.

Financial Highlights

- Sales increased 15.2% to £413.9m (2004: £359.4m)
- Like for like sales growth of 10.0%
- Interim dividend increased by 20.0% to 1.425p (2004: 1.1875p)
- Profit before taxation increased by 22.1% to £17.1m (2004: £14.0m) before LTIP* charges. (after LTIP* charges, an increase of 13.2% to £15.4m (2004: £13.6m))
- Under previously adopted UK GAAP profits before tax, goodwill and exceptional items grew 34.5% to £19.5m (2004: £14.5m)
- Earnings per share increased by 20.5% to 10.0p (2004: 8.3p) before LTIP* charges. (after LTIP* charges, an increase of 11.1% to 9.0p (2004: 8.1p))

** Long Term Incentive Plan*

Management succession

- Peter Wood will be retiring from the Group at the end of December after four and a half years as Chief Executive.

Gavin Slark, currently Chief Operating Officer, will become Chief Executive on 1st January 2006.

Operational Highlights

- Ninth consecutive half year of sales, profits and earnings per share increase
- Continued sales momentum outstripping market growth in both divisions, driven primarily by government social spending
- Industrial Division benefited from strong health and education spending
- Continued demand in Domestic Division from contractor/installer sector and 2nd tier merchants
- Sales to the social housing sector up substantially
- New Distribution Centre fully operational, significantly increasing capacity
- Continued improvement in working capital performance

BSS' Chairman Peter Warry, commented

“During the first six months of this financial year we have experienced strong sales growth. Sales in the first six weeks of the second half have remained in line with our expectations, showing like for like growth of 10%.

The Government's continued commitment to its spending programme on health, education and social housing clearly underpins our growth. Accordingly, the Board remains confident of the Group's future prospects and committed to enhancing shareholder value.”

For further enquiries please contact

The BSS Group PLC
Peter Wood – Chief Executive
Kevin Higginson – Finance Director
Tel: 0207 357 9477 until 2.00 p.m.
Thereafter: 0116 256 7002

Hogarth Partnership Limited
Andrew Jaques
Rachel Hirst
Charlie Field
Tel: 0207 357 9477

CHAIRMAN'S STATEMENT

Introduction

I am pleased to report the continuation of our record of healthy increases in sales, profit before tax and earnings per share, in the six months to 30th September 2005.

Group sales increased by 15.2% to £413.9m (2004: £359.4m), well ahead of the same period last year with strong performances from both Divisions which achieved healthy sales volume increases. Sales continue to be buoyed by the strength of the Government's ongoing spending programme in areas such as health, education and social housing. In addition, we continue to gain market share across the Group enabling operating profits to be well ahead in both Divisions.

Our strong trading performance has allowed the interim dividend to be increased by 20.0% to 1.425p (2004: 1.1875p).

Operating Performance

Industrial Division

	Half Year to September 2005	Half Year to September 2004	Year to March 2005
Revenue	£129.6m	£115.6m	£230.7m
Operating Profit	£8.3m	£7.6m	£14.5m
Margin	6.4%	6.6%	6.3%

The first six months of the current financial year has seen the Industrial Division successfully continue the excellent progress made during the last financial year. Operating profits have continued to grow despite pressure on the gross margin reflecting continued competition in the marketplace and a lack of the small one-off margin benefits arising from raw material price inflation last year.

Sales in the division were ahead by 12.1%. Continued contract wins, particularly for new hospitals, have enabled the Division to accelerate its sales growth. We have recently secured contracts for Manchester Royal Infirmary, Derby City Hospital and Royal Alexandra Children's Hospital in Brighton. Sales to Terminal 5 at Heathrow have remained buoyant during the period at around £2.1m.

The Division is now building a reputation for timely delivery and excellent service on major infrastructure projects, which should see it well placed to take full advantage of new contracts as they arise.

Sales growth is expected to continue, albeit against tougher comparatives given the improvement in trading in the second half of last year.

Domestic Division

	Half Year to September 2005	Half Year to September 2004	Year to March 2005
Sales	£284.3m	£243.8m	£515.8m
Operating Profit	£12.9m	£10.6m	£27.0m
Margin	4.5%	4.3%	5.2%

Overall sales in the Division were up 16.6% in the six months to 30 September 2005, its seasonally weaker half. With stronger demand in the contractor, installer, and second tier merchant sectors of this business, like for like sales during the period were up some 9.7%. The Government's social housing initiatives continued to offer significant sales enhancement opportunities and we have grown this sector substantially during the first half.

We have increased the number of branches from 207 at the time of the preliminary results in May 2005 to 213 as of today's date. A decision was taken during the half to defer a number of branch openings during the summer months as we moved to the new Regional Distribution Centre in Birmingham. The new Distribution Centre was opened on time, below budget and with no disruption to the business. Our new branch opening programme will now resume with a target of 20 branches per year.

The Domestic Division has, again, delivered an increased operating margin of 4.5% for the six months compared with 4.3% last year. This has been achieved despite growing strongly in major contracts and social housing, areas which have lower gross margins.

Financial Performance

This is the first set of results produced in accordance with the International Financial Reporting Standards ("IFRS"). Under previously adopted UK GAAP profit before tax, goodwill amortisation and exceptional items would have increased by 34.5% to £19.5m (2004: £14.5m). However, the introduction of IFRS has had the effect of reducing our profits compared to those previously reported under UK GAAP, principally as a result of adjustments relating to pensions and a one-off adjustment relating to the treatment of our Long Term Incentive Plan ("LTIP").

Prior to the application of the LTIP charge, profit before tax increased by 22.1% to £17.1m (2004: £14.0m). The effect of IFRS on our LTIP is that the costs, which were fully provided for in our last published accounts, have to be rephased. As a result, profit before tax under IFRS accounting shows a lower increase of 13.2% to £15.4m (2004: £13.6m). As this LTIP scheme is no longer in use, this adjustment will not recur and there will be no further charges in the second half of this year or in future years.

Operating profit before the LTIP charge was up 16.1% to £19.5m (2004: £16.8m), and after the application of the LTIP charge, operating profit increased to £17.8m (2004: £16.4m). Interest payable was reduced from £2.8m to £2.4m, in part due to improved terms following our refinancing in April 2005.

Earnings per share, before the LTIP charge, increased by 20.5% to 10.0p (2004: 8.3p). On a statutory basis, earnings per share increased by 11.1% to 9.0p (2004: 8.1p).

Tight working capital control has produced a further generation of cash from our business. Net working capital, for the twelve month period to September 2005, was 16.0% of sales compared with 16.3% for the same period last year.

In recognition of this strong trading performance the interim dividend is being increased by 20.0% to 1.425p (2004:1.1875p). We intend to continue to pursue double digit dividend growth in future years, reflecting our confidence in the business.

Share Split

Following authorisation at the AGM, the four for one share split took place on 22nd July 2005. The share price has subsequently traded in the region of £3, equivalent to £12 prior to the split

Management Succession

Peter Wood will be retiring from the Group at the end of December after four and a half years as Chief Executive, which has seen a transformation of the business and a quadrupling of profit and market capitalisation. The Board is most grateful for the contribution that Peter has made.

Gavin Slark, currently Chief Operating Officer, will become Chief Executive on 1st January 2006. There are no other consequential management changes.

Current Trading Outlook

During the first six months of this financial year we have experienced strong sales growth. Sales in the first six weeks of the second half have remained in line with our expectations, showing like for like growth of 10%.

The Government's continued commitment to its spending programme on health, education and social housing clearly underpins our growth. Accordingly, the Board remains confident of the Group's future prospects and committed to enhancing shareholder value.

Peter Warry

28 November 2005

Consolidated Income Statement

of The BSS Group PLC for the six months ended 30 September 2005

	Notes	Six months ended 30 September 2005 (Unaudited)		Six months ended 30 September 2004* (Unaudited)		Year ended 31 March 2005* (Unaudited)	
		£m	£m	£m	£m	£m	£m
Revenue	2		413.9		359.4		746.5
Gross profit			94.2		82.9		174.2
Staff costs before Long Term Incentive Plan charge			(42.2)		(38.7)		(78.0)
Long Term Incentive Plan charge			(1.7)		(0.4)		(0.8)
Staff costs			(43.9)		(39.1)		(78.8)
Depreciation and amortisation of non-current assets			(2.2)		(1.8)		(3.6)
Other operating charges			(30.7)		(25.8)		(54.6)
Other operating income			0.4		0.2		1.0
Operating profit	2		17.8		16.4		38.2
Operating profit before Long Term Incentive Plan charge			19.5		16.8		39.0
Long Term Incentive Plan charge			(1.7)		(0.4)		(0.8)
Operating profit			17.8		16.4		38.2
Interest payable and similar charges	4		(2.4)		(2.8)		(5.3)
Profit before taxation	2		15.4		13.6		32.9
Taxation			(4.7)		(4.1)		(9.6)
Profit after taxation for the period attributable to equity shareholders	2		10.7		9.5		23.3
<i>All results derive from continuing activities.</i>							
Earnings per share	6		9.0p		8.1p		19.7p
Diluted earnings per share	6		8.8p		7.9p		19.3p
Earnings per share before Long Term Incentive Plan charge							
Basic earnings per share	6		10.0p		8.3p		20.2p
Diluted earnings per share	6		9.8p		8.2p		19.8p
Dividends per share							
Paid in the period	5		2.94p		2.46p		3.65p
Proposed	5		1.43p		1.19p		2.94p

* See Note 7

Consolidated Balance Sheet
of The BSS Group PLC as at 30 September 2005

	Notes	September 2005 (Unaudited) £m	September 2004* (Unaudited) £m	March 2005* (Unaudited) £m
Assets				
Non-current assets				
Goodwill		46.3	46.3	46.3
Intangible assets		0.6	0.4	0.5
Property, plant and equipment		22.4	20.5	21.9
Deferred tax asset		15.9	16.1	16.5
		85.2	83.3	85.2
Current assets				
Inventories		108.0	98.4	100.8
Trade and other receivables		167.6	144.9	145.3
Financial assets				
- Cash		4.9	-	-
		280.5	243.3	246.1
Liabilities				
Current liabilities				
Financial liabilities				
- Borrowings		(0.6)	(10.1)	(20.2)
Trade and other payables		(139.2)	(118.7)	(115.7)
Current tax liabilities		(4.2)	(4.8)	(5.0)
Provisions		(0.6)	(0.3)	(0.3)
		(144.6)	(133.9)	(141.2)
Net current assets		135.9	109.4	104.9
Non-current liabilities				
Financial liabilities				
- Borrowings		(64.6)	(59.1)	(42.1)
Deferred tax liabilities		(1.8)	(0.7)	(1.7)
Retirement benefit liability	3	(49.5)	(50.8)	(50.1)
Provisions		(1.8)	(1.9)	(2.0)
		(117.7)	(112.5)	(95.9)
Net assets		103.4	80.2	94.2
Shareholders' equity				
Share capital		6.0	5.9	5.9
Share premium account		28.9	27.8	27.8
Other reserves		12.4	12.4	12.4
Retained earnings		56.1	34.1	48.1
Total equity		103.4	80.2	94.2

* See Note 7

Statement of Recognised Income and Expenses*of The BSS Group PLC for the six months ended 30 September 2005*

	Six months ended 30 September 2005 (Unaudited)	Six months ended 30 September 2004 (Unaudited)	Year ended 31 March 2005 (Unaudited)
	£m	£m	£m
Profit for the period	10.7	9.5	23.3
Actuarial gains on pension scheme	0.8	1.3	2.7
Deferred tax on retirement benefit liability	(0.2)	(0.4)	(0.8)
Total recognised income for the period	11.3	10.4	25.2

Consolidated Cash Flow Statement*of The BSS Group PLC for the six months ended 30 September 2005*

	Six months ended 30 September 2005 (Unaudited)	Six months ended 30 September 2004 (Unaudited)	Year ended 31 March 2005 (Unaudited)
	£m	£m	£m
Cash flows from operating activities			
Cash generated from operations	13.5	15.2	33.9
Interest paid	(1.2)	(2.5)	(4.5)
Tax paid	(5.2)	(2.9)	(7.7)
Net cash from operating activities	7.1	9.8	21.7
Cash flows from investing activities			
Sale of property plant and equipment	0.1	0.1	0.1
Purchase of tangible and intangible assets	(2.9)	(2.6)	(6.0)
Net cash used in investing activities	(2.8)	(2.5)	(5.9)
Cash flows from financing activities			
Issue of ordinary share capital	1.2	0.7	0.8
Proceeds of borrowings	64.1	-	-
Repayment of short term borrowings	(19.7)	(5.0)	(9.5)
Repayment of long term borrowings	(41.2)	(0.2)	(2.7)
Capital element of finance lease payments	(0.3)	(0.2)	(0.5)
New finance lease	-	0.3	0.4
Dividends paid	(3.5)	(2.9)	(4.3)
Net cash from financing activities	0.6	(7.3)	(15.8)
Net increase in cash and cash equivalents	4.9	-	-
Cash and cash equivalents at 1 April	-	-	-
Cash and cash equivalents at 30 September & 31 March	4.9	-	-

NOTES

1 Basis of Preparation

These interim statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations in issue and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS; with the exception of IAS 34 "Interim Financial Reporting" which is not mandatory for UK groups. The adopted IFRS that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 March 2006 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 March 2006.

The following exemptions as set out in IFRS1 "First Time Adoption of International Financial Reporting Standards" have been adopted:

- (a) Business combinations – no retrospective application of IFRS 3 "Business Combinations" to business combinations that occurred prior to the transition to IFRS on 1 April 2004.
- (b) Share based payments – IFRS 2 has been applied only to share based payments made after 7 November 2002 and any cash settled transactions not vested by 1 January 2005.
- (c) Foreign exchange differences – cumulative foreign exchange differences included in equity, under previous consolidations, have been set to zero at transition.
- (d) Financial instruments – the exemption not to restate comparatives for IAS 32 and IAS 39 has been taken. Under this option financial instruments are accounted for under UK GAAP at the date of transition. In addition, the Group has chosen not to adopt early either IAS 32 "Financial Instruments: Disclosure and Presentation" or IAS 39 "Financial Instruments: Recognition and Measurement" for accounting periods beginning before 1 April 2005.

The interim statements have been prepared under the historical cost convention as modified by the revaluation of certain items as required by IFRS.

In preparing the interim statements set out on the previous four pages, The Group has complied with the UK Listing Authority requirements and has presented a comparative balance sheet at 30 September 2004.

The results for the six months ended 30 September 2005 and the comparatives are not audited.

NOTES

2 Segmental Information

Primary Reporting Format - Business Segments

The Domestic Division supplies a comprehensive range of bathroom, heating and plumbing products to a wide range of customers, both public and private sector, from national house builders to the sole trading plumber through its extensive branch network.

The Industrial Division is the market leader in the UK supply and distribution of Pipeline, Process, Heating and Mechanical Services Equipment. The Division aims to add value to its customers' businesses by providing them with innovative packages of products and services.

	Six months ended 30 September 2005			Six months ended 30 September 2004			Year ended 31 March 2005		
	Industrial Division	Domestic Division	Total	Industrial Division	Domestic Division	Total	Industrial Division	Domestic Division	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue	129.6	284.3	413.9	115.6	243.8	359.4	230.7	515.8	746.5
Segment result	8.3	12.9	21.2	7.6	10.6	18.2	14.5	27.0	41.5
Unallocated charges									
Long Term Incentive Plan charge			(1.7)			(0.4)			(0.8)
Other			(1.7)			(1.4)			(2.5)
Operating profit			17.8			16.4			38.2
Interest payable and similar charges			(2.4)			(2.8)			(5.3)
Profit before taxation			15.4			13.6			32.9
Taxation			(4.7)			(4.1)			(9.6)
Profit after taxation for the period			10.7			9.5			23.3
Segment assets	98.9	193.9	292.8	95.3	164.1	259.4	90.4	172.0	262.4
Goodwill	0.9	45.4	46.3	0.9	45.4	46.3	0.9	45.4	46.3
Unallocated assets			339.1	96.2	209.5	305.7	91.3	217.4	308.7
Deferred taxation			15.9			16.1			16.5
Cash			4.9			-			-
Properties			2.1			2.1			2.1
Group fixed assets			3.7			2.7			4.0
Total assets			365.7			326.6			331.3
Segment liabilities	(48.1)	(92.4)	(140.5)	(42.9)	(76.9)	(119.8)	(36.3)	(80.5)	(116.8)
Unallocated liabilities									
Retirement benefit liability			(49.5)			(50.8)			(50.1)
Onerous lease and surplus property dilapidation provision			(1.1)			(1.1)			(1.2)
Borrowings			(65.2)			(69.2)			(62.3)
Tax liabilities			(6.0)			(5.5)			(6.7)
Total liabilities			(262.3)			(246.4)			(237.1)
Other segment items									
Capital expenditure									
Segment	0.3	2.3	2.6	0.2	1.2	1.4	0.5	3.4	3.9
Group			0.3			1.2			2.1
			2.9			2.6			6.0
Depreciation									
Segment	0.7	1.2	1.9	0.5	0.9	1.4	0.9	1.9	2.8
Group			0.2			0.3			0.6
			2.1			1.7			3.4
Amortisation of intangible assets									
Segment	-	-	-	-	-	-	-	-	-
Group			0.1			0.1			0.2
			0.1			0.1			0.2

There are immaterial sales between the business segments and all inter-segment transfers are transacted on an arms length basis. Unallocated costs represent corporate and head office costs. Segment assets include property, plant and equipment, goodwill, stocks and debtors. Segment liabilities comprise operating liabilities and exclude taxation and borrowings.

Secondary Reporting Format - Geographical Segments

The Group manages in what it considers to be one economic environment being the UK and Ireland. The UK is the home country of the parent. All of the Group's sales, segment assets and capital expenditure are made in this segment.

NOTES

3 Pension scheme	£'m
Gross deficit 1 April 2005	50.1
Current service costs	1.6
Contributions	(1.8)
Other finance costs	0.4
Actuarial gain	(0.8)
<hr/> Gross deficit 30 September 2005	<hr/> 49.5
Deferred tax asset	(15.2)
<hr/> Net deficit at 30 September 2005	<hr/> 34.3

4 Finance costs	Six months ended 30 September 2005 £'m	Six months ended 30 September 2004 £'m	Year ended 31 March 2005 £'m
Loan and other bank interest	1.9	2.3	4.1
Finance lease charges	-	-	0.1
Other finance costs - pension schemes	0.4	0.5	1.1
Other finance costs - revaluation of financial instruments	0.1	-	-
<hr/> Interest payable and similar charges	<hr/> 2.4	<hr/> 2.8	<hr/> 5.3
<hr/> Interest cover (times)	<hr/> 9.4	<hr/> 7.1	<hr/> 9.3

Interest cover is calculated by dividing operating profit by loan and other bank interest

5 Dividend

The final dividend for the year ended 31 March 2005 of 2.94 pence per share on 118.472m shares (2004: 2.46 pence per share on 117.552m shares) was paid on 22nd July 2005 to shareholders registered on 24th June 2005 (all figures are restated for a four for one share split).

In addition the Directors are proposing an interim dividend in respect of the six months ended 30 September 2005 of 1.43p per share (2004: 1.19 per share) which will absorb an estimated £1.7 million of shareholders' funds. It will be paid on 11 January 2006 to shareholders who are on the register on 9 December 2005.

NOTES

6 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 outstanding during the period.

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 Group has one class of dilutive potential ordinary shares: 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 period.

In July 2005 a share split was approved at the Company's AGM and four 5 pence shares were issued for each existing 20 pence share.

The earnings per share have been restated for September 2004 and March 2005 to allow for easy comparison.

The basic EPS prior to the share split was 78.8 pence and the diluted EPS was 77.2 pence at 31 March 2005 and 32.4 pence and 31.6 pence at 30 September 2004 respectively.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	30 September 2005			30 September 2004 restated			31 March 2005 restated		
	Earnings £m	Weighted average number of shares millions	Per-share Amount pence	Earnings £m	Weighted average number of shares millions	Per-share Amount pence	Earnings £m	Weighted average number of shares millions	Per-shar Amour penc
Statutory									
Basic EPS									
Earnings attributable to ordinary shareholders	10.7	118.675	9.0	9.5	117.738	8.1	23.3	118.084	19.7
Effect of dilutive securities									
Options	-	2.615	-	-	2.323	-	-	2.628	-
Diluted EPS									
Adjusted earnings	10.7	121.290	8.8	9.5	120.061	7.9	23.3	120.712	19.3
Before LTIP* charges									
Basic EPS									
Earnings attributable to ordinary shareholders	11.9	118.675	10.0	9.8	117.738	8.3	23.9	118.084	20.2
Effect of dilutive securities									
Options	-	2.615	-	-	2.323	-	-	2.628	-
Diluted EPS									
Adjusted earnings	11.9	121.290	9.8	9.8	120.061	8.2	23.9	120.712	19.8

* Long Term Incentive Plan

NOTES

7 Reconciliation of net assets and profits under previously reported GAAP to IFRS

This is the first set of results produced in accordance with the International Financial Reporting Standards ("IFRS"),

The analysis below provides a reconciliation of profit under previously reported GAAP to profit as reported under IFRS for the six months to 30 September 2005.

BSS Group PLC previously reported under UK GAAP in its published interim statements for the six months ended 30 September 2004 and financial statements for the year ended 31 March 2005.

The reconciliations of net assets and profit as reported under UK GAAP as at 30 September 2004 and at 31 March 2005 to the revised net assets and profit under IFRS as reported are also shown on the following pages. In addition, there is a reconciliation of net assets under UK GAAP to IFRS at the transition date, being 1 April 2004.

The significant changes as a result of the transition to IFRS and of adopting the IFRS Group accounting policies are described in the Group's IFRS transition document which has previously been circulated to the London Stock Exchange. The following results include an adjustment from those previously circulated for pensions.

Reconciliation of profit after interest

	Six months ended 30 September 2005 £'m
Profit after interest under previously reported GAAP	18.1
Goodwill amortisation write back	1.4
IAS 19 pension charge	(2.0)
Reversal of SSAP 24 pension charge	0.7
Share based payment charge - equity settled schemes	(0.3)
Alignment of Long Term Incentive Plan accounting with IFRS 2	(2.3)
Other	(0.2)
Profit after interest reported under IFRS	15.4

Reconciliation of profit after taxation

	Six months ended 30 September 2005 £'m
Profit for the period under previously reported GAAP	12.4
Goodwill amortisation write back	1.4
IAS 19 pension charge	(2.0)
Reversal of SSAP 24 pension charge	0.7
Deferred tax on retirement benefit liability	0.4
Share based payment charge - equity settled schemes	(0.3)
Alignment of Long Term Incentive Plan accounting with IFRS 2	(2.3)
Deferred tax on share based payments	0.6
Other	(0.2)
Profit after taxation reported under IFRS	10.7

Reconciliation of equity at 30 September 2004

	Previous GAAP £m	Pensions charge £m	Share based payment £m	Effect of transition to IFRS				Split of tax liabilities £m	IFRS £m
				Goodwill amortisation £m	Reclassification of leases £m	Reclassification of software £m	Interim dividend adjustment £m		
Goodwill	44.9	-	-	1.4	-	-	-	-	46.3
Intangible assets	-	-	-	-	-	0.4	-	-	0.4
Property, plant and equipment	20.4	-	-	-	0.5	(0.4)	-	-	20.5
Deferred tax asset	-	15.4	0.7	-	-	-	-	-	16.1
Total non-current assets	65.3	15.4	0.7	1.4	0.5	-	-	-	83.3
Inventories	98.4	-	-	-	-	-	-	-	98.4
Trade and other receivables	144.9	-	-	-	-	-	-	-	144.9
Total current assets	243.3	-	-	-	-	-	-	-	243.3
Total assets	308.6	15.4	0.7	1.4	0.5	-	-	-	326.6
Borrowings	(68.7)	-	-	-	(0.5)	-	-	-	(69.2)
Trade and other payables	(126.7)	0.2	1.6	-	-	-	1.4	4.8	(118.7)
Current tax liabilities	-	0.3	(0.3)	-	-	-	-	(4.8)	(4.8)
Deferred tax liabilities	-	(0.3)	-	-	-	-	-	(0.4)	(0.7)
Retirement benefit liability	-	(50.8)	-	-	-	-	-	-	(50.8)
Provisions	(2.6)	-	-	-	-	-	-	0.4	(2.2)
Total liabilities	(198.0)	(50.6)	1.3	-	(0.5)	-	1.4	-	(246.4)
Total assets less total liabilities	110.6	(35.2)	2.0	1.4	-	-	1.4	-	80.2
Share capital	5.9	-	-	-	-	-	-	-	5.9
Share premium account	27.8	-	-	-	-	-	-	-	27.8
Merger reserve	12.4	-	-	-	-	-	-	-	12.4
Retained earnings	64.5	(35.2)	2.0	1.4	-	-	1.4	-	34.1
Total shareholders' equity	110.6	(35.2)	2.0	1.4	-	-	1.4	-	80.2

Reconciliation of equity at 31 March 2005

	Previous GAAP £m	Pensions charge £m	Share based payment	Effect of transition to IFRS			Final dividend adjustment £m	Split of tax liabilities £m	IFRS £m
				Goodwill amortisation	Reclassification of leases £m	Reclassification of software			
Goodwill	43.4	-	-	2.9	-	-	-	-	46.3
Intangible assets	-	-	-	-	-	0.5	-	-	0.5
Property, plant and equipment	21.9	-	-	-	0.5	(0.5)	-	-	21.9
Deferred tax asset	-	15.3	1.2	-	-	-	-	-	16.5
Total non-current assets	65.3	15.3	1.2	2.9	0.5	-	-	-	85.2
Inventories	100.8	-	-	-	-	-	-	-	100.8
Trade and other receivables	145.3	-	-	-	-	-	-	-	145.3
Total current assets	246.1	-	-	-	-	-	-	-	246.1
Total assets	311.4	15.3	1.2	2.9	0.5	-	-	-	331.3
Borrowings	(61.8)	-	-	-	(0.5)	-	-	-	(62.3)
Trade and other payables	(126.4)	(0.2)	2.3	-	-	-	3.5	5.1	(115.7)
Current tax liabilities	-	0.7	(0.6)	-	-	-	-	(5.1)	(5.0)
Deferred tax liabilities	-	(0.6)	-	-	-	-	-	(1.1)	(1.7)
Retirement benefit liability	-	(50.1)	-	-	-	-	-	-	(50.1)
Provisions	(3.4)	-	-	-	-	-	-	1.1	(2.3)
Total liabilities	(191.6)	(50.2)	1.7	-	(0.5)	-	3.5	-	(237.1)
Total assets less total liabilities	119.8	(34.9)	2.9	2.9	-	-	3.5	-	94.2
Share capital	5.9	-	-	-	-	-	-	-	5.9
Share premium account	27.8	-	-	-	-	-	-	-	27.8
Merger reserve	12.4	-	-	-	-	-	-	-	12.4
Retained earnings	73.7	(34.9)	2.9	2.9	-	-	3.5	-	48.1
Total shareholders' equity	119.8	(34.9)	2.9	2.9	-	-	3.5	-	94.2

Reconciliation of equity at 1 April 2004
(Date of transition to IFRS)

	Previous GAAP £m	Pensions charge £m	Share based payment £m	Effect of transition to IFRS			Final dividend adjustment £m	Split of tax liabilities £m	IFRS £m
				Goodwill amortisation £m	Reclassification of leases £m	Reclassification of software £m			
Goodwill	46.3	-	-	-	-	-	-	-	46.3
Intangible assets	-	-	-	-	-	0.3	-	-	0.3
Property, plant and equipment	19.9	-	-	-	0.3	(0.3)	-	-	19.9
Deferred tax asset	-	15.4	0.2	-	-	-	-	-	15.6
Total non-current assets	66.2	15.4	0.2	-	0.3	-	-	-	82.1
Inventories	87.8	-	-	-	-	-	-	-	87.8
Trade and other receivables	128.4	-	-	-	-	-	-	-	128.4
Total current assets	216.2	-	-	-	-	-	-	-	216.2
Total assets	282.4	15.4	0.2	-	0.3	-	-	-	298.3
Borrowings	(74.0)	-	-	-	(0.3)	-	-	-	(74.3)
Trade and other payables	(103.4)	1.0	1.0	-	-	-	2.9	3.5	(95.0)
Tax liabilities	-	-	-	-	-	-	-	(3.5)	(3.5)
Deferred tax liabilities	-	-	-	-	-	-	-	(0.4)	(0.4)
Retirement benefit liability	-	(51.5)	-	-	-	-	-	-	(51.5)
Provisions	(2.6)	-	-	-	-	-	-	0.4	(2.2)
Total liabilities	(180.0)	(50.5)	1.0	-	(0.3)	-	2.9	-	(226.9)
Total assets less total liabilities	102.4	(35.1)	1.2	-	-	-	2.9	-	71.4
Share capital	5.9	-	-	-	-	-	-	-	5.9
Share Premium	27.0	-	-	-	-	-	-	-	27.0
Merger Reserve	12.4	-	-	-	-	-	-	-	12.4
Retained earnings	57.1	(35.1)	1.2	-	-	-	2.9	-	26.1
Total shareholders' equity	102.4	(35.1)	1.2	-	-	-	2.9	-	71.4

Reconciliation of profit for the six months ended 30 September 2004

	Effect of transition to IFRS						IFRS £m
	Previous GAAP £m	Pensions charge £m	Share based payment £m	Intangibles amortisation £m	Split of operating income and expenses £m	Reclassification of leases £m	
Revenue	359.4	-	-	-	-	-	359.4
Cost of sales	(276.5)	-	-	-	-	-	(276.5)
Staff costs	(38.7)	(0.8)	0.4	-	-	-	(39.1)
Depreciation	(1.7)	-	-	-	-	(0.1)	(1.8)
Other operating charges	(25.7)	-	-	-	(0.2)	0.1	(25.8)
Other operating income	-	-	-	-	0.2	-	0.2
Operating profit	16.8	(0.8)	0.4	-	-	-	16.4
Interest payable and similar charges	(2.3)	(0.5)	-	-	-	-	(2.8)
Taxation	(4.3)	0.4	(0.2)	-	-	-	(4.1)
Profit after taxation	10.2	(0.9)	0.2	-	-	-	9.5

Reconciliation of profit for the year ended 31 March 2005

	Effect of transition to IFRS						IFRS £m
	Previous GAAP £m	Pensions charge £m	Share based payment £m	Intangibles amortisation £m	Split of operating income and expenses £m	Reclassification of leases £m	
Revenue	746.5	-	-	-	-	-	746.5
Cost of sales	(572.3)	-	-	-	-	-	(572.3)
Staff costs	(78.3)	(1.4)	0.9	-	-	-	(78.8)
Depreciation	(3.4)	-	-	-	-	(0.2)	(3.6)
Other operating charges	(53.9)	-	-	-	(1.0)	0.3	(54.6)
Other operating income	-	-	-	-	1.0	-	1.0
Operating profit	38.6	(1.4)	0.9	-	-	0.1	38.2
Interest payable and similar charges	(4.1)	(1.1)	-	-	-	(0.1)	(5.3)
Taxation	(10.1)	0.8	(0.3)	-	-	-	(9.6)
Profit after taxation	24.4	(1.7)	0.6	-	-	-	23.3