



**Press Release**

**02 October 2006**

**Hamworthy plc**

("Hamworthy" or "the Group")

**Transition to International Financial Reporting Standards**

In accordance with the AIM Rules for Companies issued by London Stock Exchange plc, all AIM listed companies are required to report their financial statements in accordance with International Financial Reporting Standards (IFRS) for all accounting periods commencing on or after 1 January 2007.

Hamworthy plc has stated its intention to introduce IFRS for the year ending 31 March 2007, a year earlier than required. Consequently Hamworthy will publish its Interim Report for the six months ended 30 September 2006 in accordance with IFRS, including the restatement of the comparative information for the six months ended 30 September 2005.

The purpose of this document is to demonstrate how the adoption of IFRS will impact upon Hamworthy's financial performance and financial position.

The numbers presented in this report are not audited and consequently could be subject to revisions when the audited results for the year ending 31 March 2007 are published. The Company's auditors have, however, provided guidance and commented upon the process of transition.

**Implementation process**

Hamworthy plc has undertaken a detailed review of the differences between UK GAAP and IFRS in order to identify those differences which may have a material impact upon the Group. All UK GAAP accounting policies were examined to assess any impact from IFRS.

The implementation process was undertaken in four stages:

- An initial review to determine which international standards were most likely to have a significant impact upon Hamworthy;
- A detailed review of each standard in order to determine the extent of any work which was required;
- The completion of the detailed work programme for each standard. This work was completed at the operating unit level where appropriate;
- A central review of the results of the detailed work undertaken.

Throughout the process management consulted with the Company's auditors and other professional firms as required.

Hamworthy plc does not anticipate any requirement to change the conduct of its business as a result of the implementation of IFRS.

### **Summary of impacts to the financial statements**

In preparation of the financial statements under IFRS for the year ending 31 March 2007, it is necessary for Hamworthy to restate its balance sheet at 1 April 2005 (which is Hamworthy's transition date for the adoption of IFRS) in order to correctly present the comparative analysis in the profit and loss account for the year ended 31 March 2006 and in the balance sheet at 31 March 2006.

The un-audited financial information presented in this document has been prepared on the basis of all International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations that are expected to be applicable to the preparation of Hamworthy's financial statements for the year ending 31 March 2007. These are subject to ongoing review and possible amendment. Consequently it is possible that further standards and/or interpretations may be issued which would apply to Hamworthy's results for the year ending 31 March 2007 and that the financial information presented in this document may need to be changed accordingly.

A summary of the principal adjustments, which have been made, is set out below.

## Summary profit and loss account impact

The table below sets out a reconciliation of operating profit and profit on ordinary activities after taxation for the year ended 31 March 2006 under UK GAAP and under IFRS.

	Operating profit		Profit after tax	
	£'000	£'000	£'000	£'000
As reported under UK GAAP		<b>8,944</b>		<b>6,467</b>
IAS 12: Income taxes	-		35	
IAS 16: Property, plant and equipment	204		147	
IAS 36: Goodwill amortisation	422		422	
IAS 38: Development costs	9		6	
IFRS 2: Share-based payment	(186)		(139)	
IFRS 3: Negative goodwill	(307)		(307)	
		142		164
<b>Under IFRS (unaudited)</b>		<b>9,086</b>		<b>6,631</b>

A more detailed analysis of the adjustments made to the profit and loss account for the year ended 31 March 2006 and the six months ended 30 September 2005 can be found in Appendix 1 to this statement.

## Summary balance sheet impact

The table below sets out a reconciliation of net assets under UK GAAP and under IFRS at 1 April 2005 and 31 March 2006.

	Balance sheet At 1 April 2005		Balance sheet At 31 March 2006	
	£'000	£'000	£'000	£'000
Net assets as reported (UK GAAP)		<b>10,687</b>		<b>32,920</b>
IAS 12: Income taxes	260		295	
IAS 16: Property, plant and equipment	-		147	
IAS 36: Goodwill amortisation	-		422	
IAS 38: Intangible assets	49		55	
IAS 39: Financial instruments	(230)		(677)	

IFRS 2: Share-based payment	46	409
IFRS 3: Negative goodwill	1,220	913
	1,345	1,564
<b>Net assets under IFRS (unaudited)</b>	<b>12,032</b>	<b>34,484</b>

A more detailed analysis of the adjustments made to the balance sheet at 1 April 2005, 30 September 2005 and 31 March 2006 can be found in Appendix 2 to this statement.

### **First time adoption of IFRS**

When a company adopts IFRS for the first time it is generally required to present comparative data as though IFRS had always been applicable. However the standard which covers the initial introduction of IFRS, IFRS 1: First-time adoption of International Financial Reporting Standards, allows companies to take advantage of a number of exemptions from restating historical data in order to simplify the transition process.

Hamworthy has taken advantage of the exemptions set out below.

#### IAS 21: The Effects of Changes in Foreign Exchange Rates

*IAS 21 requires the cumulative foreign exchange differences that arise on the retranslation of overseas subsidiaries to be separately calculated within shareholder's equity and, should that subsidiary subsequently be sold, that cumulative translation difference is reversed as part of the sale transaction. Hamworthy has taken advantage of the exemption within IFRS 1 which allows that the cumulative translation differences relating to overseas subsidiaries can be set to zero as at 1 April 2005.*

#### IFRS 3: Business combinations

Hamworthy has decided not to apply IFRS 3 retrospectively. Consequently acquisitions prior to 31 March 2005 have not been restated for the effects of IFRS 3.

Fixed assets

Hamworthy has taken advantage of the IFRS 1 exemption to incorporate the accounting values of fixed assets at 1 April 2005 as deemed fair value.

### **Presentation of financial information**

IAS 1: Presentation of financial statements sets out the primary statements (together with the line items which must be contained therein) which must be included within a set of financial statements prepared under IFRS. Consequently there are a number of presentational changes in financial statements prepared under IFRS compared with those presented under UK GAAP. These comprise both items needing to be separately disclosed on the face of the profit and loss account or balance sheet and reclassifications within the balance sheet.

#### *Disclosure items*

The items needing to be separately disclosed on the face of the profit and loss account or balance sheet are set out below:

- Interest income and expense are separately disclosed on the face of the profit and loss account;
- Debtors due after more than one year (for example, deferred taxation assets) are shown within non-current assets under IFRS rather than under current assets under UK GAAP;
- The corporation tax creditor is separately disclosed on the face of the balance sheet;
- The gross deferred tax liability and retirement benefit obligations are shown within the category of non-current creditors.

#### *Reclassifications*

The principal items requiring reclassification within the balance sheet are set out below:

- Capitalised software costs, which were included within tangible assets under UK GAAP, represent an intangible asset under IFRS;
- Certain assets and liabilities relating to construction contracts have been reclassified within stocks, debtors and creditors;

- Deferred tax assets relating to pension scheme deficits are shown separately from the gross deficit.

It should be noted that the reclassifications set out above do not affect the reported value of Hamworthy's net assets.

### **Principal changes arising from the transition from UK GAAP to IFRS**

#### *IAS 12: Income taxes*

Under UK GAAP deferred tax is provided based on timing differences between accounting and taxable profits. Under IFRS deferred tax is required to be provided on all temporary differences between the book carrying value of assets and liabilities and their related tax bases. After reviewing Hamworthy's tax position with respect to its accounting base, a number of specific areas for change were identified. The main adjustments related to:

- A reduction in the deferred tax liability of £76,000 at 1 April 2005 and £68,000 at 31 March 2006 has been recorded in respect of Hamworthy's freehold land and buildings in Denmark which has been subject to a downwards revaluation in the past;
- A deferred tax asset of £208,000 at 1 April 2005 and 31 March 2006 has been recognised in relation to intra-group stock profit.

In addition Hamworthy's tax charge in the profit and loss account and tax assets/liabilities have been adjusted to reflect the impact of the other principal changes arising from the transition to IFRS. The most significant of these adjustments relates to the deferred tax asset, which is recognised in respect of the share based remuneration, which is being recognised under IFRS 2.

#### *IAS 16: Property, plant and equipment*

Under IAS 16 each significant item of property, plant and equipment should be reviewed annually in order to assess whether the residual value, remaining useful life and method used to depreciate the asset are reasonable.

Hamworthy has undertaken a detailed review of residual values, remaining useful lives and depreciation methods used for all fixed assets at the date of transition (1 April 2005) and at 31 March 2006. No significant changes to residual values have been identified. However the review has identified certain assets, principally relating to freehold and leasehold property, where the useful lives of the assets concerned were significantly longer than the period over which they were being depreciated historically. Consequently £204,000 of depreciation which was charged under UK GAAP in the year ended 31 March 2006 has not been charged in the financial statements prepared under IFRS.

*IAS 38: Intangible assets*

Historically under UK GAAP Hamworthy has written off all expenditure relating to research and development activities in the period in which they have been incurred.

IAS 38 differs from UK GAAP to the extent that it requires development costs to be capitalised as an intangible asset and amortised once certain criteria are met. Costs incurred before all criteria are met are written off as incurred.

A detailed review of all material development projects has been undertaken. Whilst Hamworthy continues to invest significantly in research and development activities, the detailed review identified very few projects, which had incurred significant development costs after meeting all of the criteria set out in IAS 38.

At transition on 1 April 2005 an intangible asset of £49,000 was recognised. Under IFRS in the year ended 31 March 2006 £93,000 of costs, which had been written off under UK GAAP were capitalised. This was offset by an amortisation charge of £84,000, resulting in a net improvement in operating profit in the year ended 31 March 2006 of £9,000.

Development costs capitalised have been amortised on a straight-line basis over a period not exceeding 3 years.

### *IAS 39: Financial instruments: Recognition and measurement*

Under UK GAAP, derivative financial instruments are not recognised on the face of the balance sheet, although valuations and other key information are disclosed in the notes to the accounts, presented under FRS 13. IAS 32 and 39 require that all derivative financial instruments are recognised at fair value on the balance sheet and that movements in the fair values of these instruments are recorded through the income statement unless certain specific criteria apply.

If derivative financial instruments are specifically matched against an individual financial exposure at their inception and the effectiveness of the hedge thus provided meets certain criteria, movements in the fair value of that instrument may be recycled through equity via the hedging reserve and released to the Profit and Loss Account at the same time as the base transaction. This is the process known as “hedge accounting” under the principles of IAS 39 and the treatment in the profit and loss account effectively replicates the current UK GAAP accounting.

With the exception of an interest rate derivative, all of Hamworthy’s derivatives are forward exchange contracts that relate specifically to underlying commercial transactions and therefore the group has taken advantage of hedge accounting whenever possible to minimise volatility in the Profit and Loss Account. As a result the adoption of IAS 39 has no impact on the group’s reported profit for the year ended 31 March 2006. If in the future it is found that a hedge does not meet the criteria set out under IAS 39 or if the group elects not to meet the criteria for certain contracts then hedge accounting will not apply for those specific forward exchange contracts. The resultant movements in the fair values of those derivatives will be recognised through the profit and loss account.

Effective from 1 April 2005 onwards adjustments will be made to reflect the notional value of the derivatives. These amount to derivative financial instrument assets of £1,241,000 at 1 April 2005 and £1,509,000 at 31 March 2006 and derivative financial instrument liabilities of £1,161,000 at 1 April 2005 and £3,637,000 at 31 March 2006 being recognised. The impact on consolidated net assets is offset by adjustments to contract balances and deferred tax such that the net adjustment arising from IAS 39 is to reduce net assets by £230,000 at 1 April 2005 and by £677,000 at 31 March 2006.

Under the provisions of IAS 32 and 39, there are requirements to identify and, in certain circumstances separately report and value, implied derivative instruments contained within business contracts. These are referred to as embedded derivatives. A review of significant contracts has indicated that there are no contracts that contain this sort of instrument and the group is not expected to enter into any such contracts in the foreseeable future.

#### *IFRS 2: Share-based payment*

Under UK GAAP share incentives provided to employees were accounted for under UITF 17, which is based upon the intrinsic value of the awards. All options were granted at a strike price equal to the market value at the time of grant. Consequently the intrinsic value of these awards was calculated as zero and no charge was made in the profit and loss account.

Under IFRS 2 charges are required for all share based remuneration schemes designed to reflect the fair value of the option awarded at the time of grant. Hamworthy has calculated the value of the options using a Black-Scholes model.

As a consequence of the cost of share based payments being reflected, Hamworthy's operating profit in the year ended 31 March 2006 under IFRS will be reduced by £186,000.

#### *IFRS 3: Business combinations*

Under UK GAAP Hamworthy has historically amortised goodwill (being the excess of the cost of acquisition of subsidiary undertakings and businesses over the fair value attributed to their net assets) through the profit and loss account on a straight-line basis over its estimated useful economic life up to a maximum of 20 years. Negative goodwill has been amortised over the periods in which the non-monetary assets of acquisitions made are recovered, whether through depreciation or sale and the period expected to benefit from the monetary assets.

Under IFRS 3, goodwill, including residual goodwill from pre-transition acquisitions, is no longer amortised but is required to be reviewed for impairment at least annually.

At transition on 1 April 2005 the net book value of Hamworthy's goodwill was £7,082,000 which under the transitional arrangements laid out in IFRS 1 was deemed to be the fair value of these assets, following impairment reviews. Negative goodwill of £1,220,000 is written off to reserves under IFRS3.

Hamworthy's financial statements for the year ended 31 March 2006, which were prepared under UK GAAP, included an amortisation charge of £422,000 and a write back of negative goodwill of £307,000, representing a net charge of £115,000. These amounts will not be reflected in Hamworthy's financial statements prepared under IFRS.

**- Ends -**

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**Notes to editors**

Hamworthy specialises in the design and manufacture of innovative marine fluid handling systems focused on gas handling, pumping and wastewater management. The products address all types of merchant and naval vessels and offshore applications and the Group has a reputation for producing technically advanced, reliable and environmentally sound solutions.

The Hamworthy business was founded in 1911 and has an established name in the world marine engineering business. With its headquarters in the UK, manufacturing

and engineering sites in five countries and a presence in 50, the Company has established a leading global position in the consolidating marine technologies market.

Further information on Hamworthy plc can be found at [www.hamworthy.com](http://www.hamworthy.com)

HAMWORTHY PLC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2006

	Under UK GAAP	Reformat to IFRS Disclosure	IFRS Classification	UK GAAP under IFRS presentation	Development costs	Negative goodwill	Goodwill amortisation	Fixed Assets	Share based payments	Financial instruments	Taxation	Other	Unaudited IFRS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>													
<b>Intangible assets</b>													
Goodwill	6,660												
Negative goodwill	(913)												
	5,747		148	5,895	77	913	422			0	0		7,307
<b>Tangible assets</b>	5,685		(148)	5,537				204		0	0		5,741
			472	472						0	0		0
									711	1,014	304		2,501
	11,432	0	472	11,904	77	913	422	204	711	1,014	304	0	15,549
<b>Current Assets</b>													
Stocks	33,795		(13,998)	19,797						0	0		19,797
Debtors: Amounts falling due within one year	28,794		2,011	30,805						32	0		30,837
				0						1,509	0		1,509
Cash at bank and in hand	34,268			34,268						0	0		34,268
	96,857	0	(11,987)	84,870	0	0	0	0	0	1,541	0	0	86,411
<b>Current Liabilities</b>													
Creditors: Amounts falling due within one year													
Borrowings	(2,363)			(2,363)						0	0		(2,363)
Other creditors	(63,577)	273	11,987	(51,317)					(302)	818	0		(50,801)
		(273)		(273)						(3,637)	0		(3,637)
			11,987	(53,953)						0	0		(273)
	(65,940)	0	11,987	(53,953)	0	0	0	0	(302)	(2,819)	0	0	(57,074)
<b>Net Current Assets</b>	30,917	0	0	30,917									
<b>Total Assets less Current Liabilities</b>	42,349	0	472	42,821									
<b>Non-Current Liabilities</b>													
Creditors: Amounts falling due after more than one year													
Borrowings	(4,494)			(4,494)						0	0		(4,494)
Other creditors		(1,335)		(1,335)	(22)			(57)		0	0		0
		(2,387)		(2,387)						(413)	(9)		(1,836)
		(1,213)	(472)	(1,685)						0	0		(2,387)
	(4,494)	(4,935)	(472)	(9,901)	(22)	0	0	(57)	0	(413)	(9)	0	(10,402)
<b>Provisions for liabilities and charges</b>	(3,722)	3,722		0									
<b>Net assets excluding pension liabilities</b>	34,133	(1,213)	0	32,920									
<b>Deficit on group pension schemes</b>	(1,213)	1,213		0									
<b>Net assets including pension liabilities</b>	32,920	0	0	32,920	55	913	422	147	409	(677)	295	0	34,484
<b>Capital and reserves</b>													
Called up share capital	2,157			2,157						0	0		2,157
Share premium account	16,686			16,686						0	0		16,686
				0						0	0		0
				0						0	0		0
				0						(677)	0		(677)
Profit and loss account	14,077			14,077						0	0		14,077
					55	913	422	147	409	0	295		2,241
<b>Shareholders Funds</b>	32,920	0	0	32,920	55	913	422	147	409	(677)	295	0	34,484

**HAMWORTHY PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 1 APRIL 2005**

	Under UK GAAP	Reformat to IFRS Disclosure	IFRS Classification	UK GAAP under IFRS presentation	Development costs	Negative goodwill	Share based payments	Financial instruments	Taxation	Other	Unaudited IFRS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>											
<b>Intangible assets</b>											
Goodwill	7,082										
Negative goodwill	(1,220)										
	5,862		111	5,973	68	1,220		0	0		7,261
<b>Tangible assets</b>	5,762		(111)	5,651				0	0		5,651
								0	0		0
			431	431				321	284		1,198
	11,624	0	431	12,055	68	1,220	162	321	284	0	14,110
<b>Current Assets</b>											
Stocks	22,181		(7,366)	14,815				0	0		14,815
Debtors: Amounts falling due within one year	16,961		3,074	20,035				(99)	0		19,936
				0				1,241	0		1,241
Cash at bank and in hand	11,337			11,337				0	0		11,337
	50,479	0	(4,292)	46,187	0	0	0	1,142	0	0	47,329
<b>Current Liabilities</b>											
Borrowings	(2,644)			(2,644)				0	0		(2,644)
Other creditors	(38,844)	334	4,292	(34,218)			(116)	(184)	0		(34,518)
		(334)		(334)				(1,161)	0		(1,161)
			4,292	(37,196)	0	0	(116)	0	0		(334)
	(41,488)	0	4,292	(37,196)	0	0	(116)	(1,345)	0	0	(38,657)
<b>Net Current Assets</b>	8,991	0	0	8,991							
<b>Total Assets less Current Liabilities</b>	20,615	0	431	21,046							
<b>Non-Current Liabilities</b>											
Borrowings	(6,172)			(6,172)				0	0		(6,172)
Other creditors				0				0	0		0
		(389)		(389)	(19)			(348)	(24)		(780)
		(2,258)		(2,258)				0	0		(2,258)
		(1,109)	(431)	(1,540)				0	0		(1,540)
	(6,172)	(3,756)	(431)	(10,359)	(19)	0	0	(348)	(24)	0	(10,750)
<b>Provisions for liabilities and charges</b>	(2,647)	2,647		0							
<b>Net assets excluding pension liabilities</b>	11,796	(1,109)	0	10,687							
<b>Deficit on group pension schemes</b>	(1,109)	1,109		0							
<b>Net assets including pension liabilities</b>	10,687	0	0	10,687	49	1,220	46	(230)	260	0	12,032
<b>Capital and reserves</b>											
Called up share capital	1,850			1,850				0	0		1,850
Share premium account	85			85				0	0		85
				0				0	0		0
				0				0	0		0
				0				(230)	0		(230)
Profit and loss account	8,752			8,752	49	1,220	46	0	0		8,752
				0				0	260		1,575
<b>Shareholders Funds</b>	10,687	0	0	10,687	49	1,220	46	(230)	260	0	12,032

**HAMWORTHY PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2005**

	Under UK GAAP	Reformat to IFRS Disclosure	Classification	UK GAAP under IFRS presentation	Development costs	Negative goodwill	Goodwill amortisation	Fixed Assets	Share based payments	Financial instruments	Taxation	Other	Unaudited IFRS
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>													
<b>Intangible assets</b>													
Goodwill	6,872												
Negative goodwill	(1,057)												
	5,815		101	5,916	74	1,057	210			0	0		7,257
<b>Tangible assets</b>	5,745		(101)	5,644				106		0	0		5,750
			412	412					497	0	0		0
										1,151	336		2,396
	11,560	0	412	11,972	74	1,057	210	106	497	1,151	336	0	15,403
<b>Current Assets</b>													
Stocks	27,072		(9,576)	17,496						0	0		17,496
Debtors: Amounts falling due within one year	22,928		1,921	24,849						249	0		25,098
				0						1,267	0		1,267
Cash at bank and in hand	10,900			10,900						0	0		10,900
	60,900	0	(7,655)	53,245	0	0	0	0	0	1,516	0	0	54,761
<b>Current Liabilities</b>													
Debtors: Amounts falling due within one year													
Borrowings	(2,040)			(2,040)						0	0		(2,040)
Other creditors	(47,329)	685	7,655	(38,989)					(207)	541	0		(38,655)
				0						(4,143)	0		(4,143)
		(685)		(685)						0	0		(685)
	(49,369)	0	7,655	(41,714)	0	0	0	0	(207)	(3,602)	0	0	(45,523)
<b>Net Current Assets</b>	11,531	0	0	11,531									
<b>Total Assets less Current Liabilities</b>	23,091	0	412	23,503									
<b>Non-Current Liabilities</b>													
Debtors: Amounts falling due after more than one year													
Borrowings	(5,533)			(5,533)						0	0		(5,533)
Other creditors				0						0	0		0
		(452)		(452)	(21)			(30)		(350)	(24)		(877)
		(3,690)		(3,690)						0	0		(3,690)
		(1,060)	(412)	(1,472)						0	0		(1,472)
	(5,533)	(5,202)	(412)	(11,147)	(21)	0	0	(30)	0	(350)	(24)	0	(11,572)
<b>Provisions for liabilities and charges</b>	(4,142)	4,142		0									
<b>Net assets excluding pension liabilities</b>	13,416	(1,060)	0	12,356									
<b>Deficit on group pension schemes</b>	(1,060)	1,060		0									
<b>Net assets including pension liabilities</b>	12,356	0	0	12,356	53	1,057	210	76	290	(1,285)	312	0	13,069
<b>Capital and reserves</b>													
Called up share capital	1,850			1,850						0	0		1,850
Share premium account	85			85						0	0		85
				0						0	0		0
				0						0	0		0
				0						(1,285)	0		(1,285)
Profit and loss account	10,421			10,421						0	0		10,421
					53	1,057	210	76	290	0	312		1,998
<b>Shareholders Funds</b>	12,356	0	0	12,356	53	1,057	210	76	290	(1,285)	312	0	13,069

**HAMWORTHY PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2005**

	<b>Under UK GAAP</b>	Reformat to IFRS Disclosure	<b>UK GAAP under IFRS presentation</b>		Development costs	Negative goodwill	Goodwill amortisation	Fixed Assets	Share based payments	Financial instruments	Taxation	Other	<b>Unaudited IFRS</b>
	<b>£'000</b>	£'000	<b>£'000</b>		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	<b>£'000</b>
				<b>Continuing Operations</b>									
<b>Group Turnover</b>	<b>61,933</b>		<b>61,933</b>	Revenue							0	0	<b>61,933</b>
Cost of sales	<b>(46,036)</b>		<b>(46,036)</b>	Cost of sales							0	0	<b>(46,036)</b>
Gross Profit	<b>15,897</b>	0	<b>15,897</b>	Gross Profit	0	0	0	0	0	0	0	0	<b>15,897</b>
Selling and distribution costs		(801)	<b>(801)</b>	Selling and distribution costs							0	0	<b>(801)</b>
Administrative expenses	<b>(11,797)</b>	801	<b>(10,996)</b>	Administrative expenses	7	(163)	210	106	(91)	0	0	0	<b>(10,927)</b>
<b>Group Operating Profit</b>	<b>4,100</b>	0	<b>4,100</b>	<b>Group Operating Profit</b>	7	(163)	210	106	(91)	0	0	0	<b>4,169</b>
Net Interest payable	<b>(381)</b>	400 (400)	<b>19 (400)</b>	Finance income Finance expense						0 0	0 0	0	<b>19 (400)</b>
<b>Profit on ordinary activities before taxation</b>	<b>3,719</b>	0	<b>3,719</b>	<b>Profit on continuing operations before taxation</b>	7	(163)	210	106	(91)	0	0	0	<b>3,788</b>
Tax on profit on ordinary activities	<b>(966)</b>		<b>(966)</b>	Tax on continuing operations	(2)			(30)	23	0	52	0	<b>(923)</b>
<b>Profit on ordinary activities after taxation</b>	<b>2,753</b>	0	<b>2,753</b>	<b>Profit on continuing operations after taxation</b>	5	(163)	210	76	(68)	0	52	0	<b>2,865</b>
Dividends	<b>(1,200)</b>		<b>(1,200)</b>	Dividends						0	0	0	<b>(1,200)</b>
<b>Retained profit for the financial year</b>	<b>1,553</b>	0	<b>1,553</b>	<b>Retained profit for the financial year</b>	5	(163)	210	76	(68)	0	52	0	<b>1,665</b>

