

HALMA

Interim Report
& Accounts 2005



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Financial Highlights

	Change	Unaudited 26 weeks to 1 October 2005 £m	Unaudited 26 weeks to 2 October 2004 £m (restated)
Continuing operations:			
Revenue	+9%	152.4	140.1
Adjusted profit before taxation ⁽¹⁾	+8%	26.6	24.6
Statutory profit before taxation	+8%	26.4	24.4
Adjusted earnings per share ⁽²⁾	+6%	4.94p	4.66p
Statutory earnings per share	+6%	4.90p	4.63p
Dividend per share	+5%	2.71p	2.58p
Return on sales ⁽³⁾		17.5%	17.5%
Return on total invested capital ⁽⁴⁾		12.5%	12.2%
Return on capital employed ⁽⁴⁾		50.8%	46.9%

The comparative figures for the 26 weeks to 2 October 2004 have been restated to reflect the adoption of International Financial Reporting Standards. See Note 9 for details.

Pro-forma information:

- Adjusted to remove the amortisation of acquired intangible assets of £237,000 (2004: £175,000).
- Adjusted to remove the amortisation of acquired intangible assets. See Note 6 for details.
- Return on sales is defined as adjusted⁽¹⁾ profit before taxation from continuing operations expressed as a percentage of revenue from continuing operations.
- Organic growth rates, return on total invested capital and return on capital employed are non-GAAP performance measures used by management in measuring the returns achieved from the Group's asset base. See Note 8 for details.

Highlights of the half year

- A 9% increase in revenue from continuing operations at £152.4m (2004: £140.1m), with adjusted profit from continuing operations⁽¹⁾ up by 8% to £26.6m (2004: £24.6m).
- Organic revenue and profit growth from continuing operations of 6%⁽⁴⁾.
- Recovery of Water and Resistors businesses going to plan.
- Completion of two high-quality acquisitions, disposal of one non-core business and exit from unprofitable Resistor Transit contracts.
- Progressive dividend policy maintained with 5% growth underpinned by strong cash generation.

Results

For the first half of this financial year, adjusted profit before tax from continuing operations was £26.6 million (2004: £24.6 million)*, up 8%. Revenue from continuing operations was up 9% at £152.4 million (2004: £140.1 million)*. We achieved organic revenue and profit growth of 6%*.

Return on total invested capital increased to 12.5% (2004: 12.2%)*.

During the period we made two acquisitions: Netherlocks Safety Systems B.V. and Radio-Tech Limited, and disposed of one non-core business, SEAC Limited.

Dividends

The interim dividend will amount to 2.71 pence per share, an increase of 5%, and will be paid on 8 February 2006 to shareholders on the register at 6 January 2006.

Progress

Andrew Williams, our new CEO has made a good start in his first complete half-year with the Group reporting record profits and organic growth in both revenue and profit. He has re-focussed the business along three major divisions:

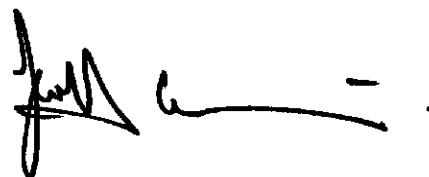
- Infrastructure Sensors
- Health and Analysis
- Industrial Safety.

Our two acquisitions and one disposal support this focus.

We are also seeing significant rejuvenation of management at all levels which is feeding through into an increased rate of progress within the Group. Pleasing to see.

Outlook

The Board remains confident of the Group's prospects for the full year.



Geoff Unwin

*see Financial Highlights

Organic growth of 6% achieved

In my first operating review in our Annual Report 2005, I stated that my top priority for the Group was to generate organic growth. It is pleasing to report we have made a good start. During the first half, for our continuing activities we delivered revenue growth of 9%* on profit growth of 8%*. Statutory profit from continuing operations was £26.4 million (2004: £24.4 million). Underlying organic revenue and profit growth were both 6%*.

There was strong growth in both our Industrial Safety and Health and Analysis sectors – each achieving double-digit revenue increases. The former showed the benefits of our vigorous actions to achieve recovery in our Resistors business and a strong performance from our Process Safety companies. The latter benefited from the planned recovery in Water and continued progress in Optics and Fluid Technology. Significantly, profit growth has been driven by a healthy increase in revenues whilst strong product margins and effective control of our assets and costs have been maintained.

Infrastructure Sensors, incorporating our Fire, Elevator & Door Safety businesses continued to have a more challenging time with revenues only a fraction up and profits down by 12%. The profit decline was mainly a result of our decision to invest more in our sales and distribution internationally and make some organisational changes. We will continue to make these investments in the second half since I believe they are essential if we are to deliver worthwhile organic growth from this sector in the longer term.

Key strategic actions being implemented to drive sustainable growth

The Group has responded to the growth challenge in impressive fashion. The overall energy level in the business has been raised by several notches and directed into selected areas.

Since the start of the year we have;

- Recovered sales and profit growth in our Water businesses as planned.
- Exited the unprofitable Resistor Transit contracts as planned and delivered sales and profit growth in Resistors.
- Completed three acquisitions, one of them since the half year end, all of which strengthen the Group's technology and products in key areas.
- Through the purchase of Texecom in November, at a purchase price of £26 million the second largest in the Group's history, made a strategic move into the growing security sensor market.
- Disposed of a lower technology specialist business, SEAC.
- Merged two sets of businesses in the Industrial Safety and Infrastructure Sensors sectors.
- Established new manufacturing operations in Eastern Europe and North Africa.
- Established further sales offices in the US, Europe, China and India.
- Won new OEM contracts with major global companies in Health Analysis and Infrastructure Sensors.

*see Financial Highlights

- Formalised long-term debt facilities of up to £60 million.

This list is not exhaustive but gives you an indication of the range and significance of our actions. I look forward to reporting further progress in our Annual Report.

New reporting sectors will add clarity externally and increase opportunities

You will note in the following pages that we are now reporting our results under three sector headings. This is not merely a change to make the Group more readily understood, but one that will enable me, through the Divisional Chief Executives and the Subsidiary Executives, to continually develop and implement more coherent market-driven growth strategies. The new sectors group together businesses that have much in common, including market growth rates, market drivers, operating characteristics, distribution channels, technologies and customers.

Improving prospects for sustained organic growth

None of this would be possible without the hard work, commitment and skill of the people at all levels of our organisation. As I travel around the Group I continue to be impressed by what is being achieved and can see a greater sense of common purpose across the Group. It is heartening to see actions starting to translate into improved financial results too.

I believe the progress made so far this year already has put the Group in a stronger position to deliver organic growth on a more sustainable basis.



Andrew J Williams

Consolidated Income Statement

£000

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	Notes	Unaudited 26 weeks to 1 October 2005			Unaudited 26 weeks to 2 October 2004			Unaudited 52 weeks to 2 April 2005 Total (restated)
		Before acquired intangibles amortisation and goodwill written off	Amortisation of acquired intangibles and goodwill written off	Total	Before acquired intangibles amortisation and goodwill written off (restated)	Amortisation of acquired intangibles and goodwill written off (restated)	Total (restated)	
Continuing operations								
Revenue	1	152,436	–	152,436	140,149	–	140,149	291,302
Profit from operations		27,195	(237)	26,958	24,995	(175)	24,820	50,972
Net finance expense		(593)	–	(593)	(433)	–	(433)	(1,052)
Profit before taxation	1	26,602	(237)	26,365	24,562	(175)	24,387	49,920
Taxation	3	(8,366)	83	(8,283)	(7,418)	62	(7,356)	(15,177)
Profit for the period from continuing operations		18,236	(154)	18,082	17,144	(113)	17,031	34,743
Discontinued operations								
Net loss for the period from discontinued operations	5	(767)	(1,308)	(2,075)	(36)	–	(36)	(192)
Profit for the period		17,469	(1,462)	16,007	17,108	(113)	16,995	34,551
Dividend (£000)				10,004			9,511	23,967
Dividend per share				2.71p			2.58p	6.50p
Earnings per share 6								
From continuing operations								
Basic				4.90p			4.63p	9.44p
Diluted				4.90p			4.63p	9.42p
From continuing and discontinued operations								
Basic				4.34p			4.62p	9.38p
Diluted				4.34p			4.62p	9.37p
The comparative figures for the 26 weeks to 2 October 2004 and the 52 weeks to 2 April 2005 have been restated to reflect the adoption of International Financial Reporting Standards. See Note 9 for details.								

Statement of Recognised Income and Expense

£000

	Unaudited 26 weeks to 1 October 2005	Unaudited 26 weeks to 2 October 2004	Unaudited 52 weeks to 2 April 2005
Exchange differences on translation of foreign operations	3,654	1,872	144
Actuarial (losses)/gains on defined benefit pension schemes	(5,760)	254	(48)
Tax on items taken directly to equity	1,520	4	(4)
Net (loss)/income recognised directly in equity	(586)	2,130	92
Profit for the period	16,007	16,995	34,551
Total recognised income and expense for the period	15,421	19,125	34,643

Reconciliation of Shareholders' Equity

£000

	Unaudited 26 weeks to 1 October 2005	Unaudited 26 weeks to 2 October 2004	Unaudited 52 weeks to 2 April 2005
Shareholders' equity brought forward	173,259	159,027	159,027
Profit for the period	16,007	16,995	34,551
Dividends paid	(14,462)	(13,810)	(23,320)
Exchange differences on translation of foreign operations	3,654	1,872	144
Actuarial (losses)/gains on defined benefit pension schemes	(5,760)	254	(48)
Tax on items taken directly to equity	1,520	4	(4)
Net proceeds of shares issued	340	2,127	2,546
Movement in other reserves	253	127	363
Total movement in shareholders' equity	1,552	7,569	14,232
Shareholders' equity carried forward	174,811	166,596	173,259

Consolidated Balance Sheet

£000

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	Unaudited 1 October 2005	Unaudited 2 October 2004 (restated)	Unaudited 2 April 2005 (restated)
Non-current assets			
Goodwill	104,689	102,539	99,276
Other intangible assets	5,878	4,990	4,817
Property, plant and equipment	50,368	47,281	47,784
Deferred tax assets	13,757	12,242	12,253
	<u>174,692</u>	<u>167,052</u>	<u>164,130</u>
Current assets			
Inventories	35,903	37,080	35,502
Trade and other receivables	68,210	68,305	69,816
Cash and cash equivalents	36,232	30,495	45,348
	<u>140,345</u>	<u>135,880</u>	<u>150,666</u>
Total assets	<u>315,037</u>	<u>302,932</u>	<u>314,796</u>
Current liabilities			
Borrowings	34,339	28,307	33,344
Trade and other payables	48,868	50,827	54,228
Tax liabilities	6,856	6,224	5,137
	<u>90,063</u>	<u>85,358</u>	<u>92,709</u>
Net current assets	<u>50,282</u>	<u>50,522</u>	<u>57,957</u>
Non-current liabilities			
Retirement benefit obligations	45,858	40,807	40,845
Trade and other payables	1,900	6,579	5,768
Deferred tax liabilities	2,405	3,592	2,215
	<u>50,163</u>	<u>50,978</u>	<u>48,828</u>
Total liabilities	<u>140,226</u>	<u>136,336</u>	<u>141,537</u>
Net assets	<u>174,811</u>	<u>166,596</u>	<u>173,259</u>
Shareholders' equity			
Called up share capital	36,910	36,848	36,880
Share premium account	10,421	9,724	10,111
Capital redemption reserve	185	185	185
Translation reserve	3,798	1,872	144
Other reserves	766	277	513
Retained earnings	122,731	117,690	125,426
Total shareholders' equity	<u>174,811</u>	<u>166,596</u>	<u>173,259</u>

The comparative figures as at 2 October 2004 and 2 April 2005 have been restated to reflect the adoption of International Financial Reporting Standards. See Note 9 for details.

Consolidated Cash Flow Statement

£000

	Notes	Unaudited 26 weeks to 1 October 2005	Unaudited 26 weeks to 2 October 2004 (restated)	Unaudited 52 weeks to 2 April 2005 (restated)
Net cash inflow from operating activities	7	23,943	21,326	46,944
Cash flows from investing activities				
Purchase of property, plant and equipment		(6,110)	(4,037)	(9,419)
Proceeds from sale of property, plant and equipment		387	182	418
Development costs capitalised		(1,115)	(631)	(1,122)
Interest received		642	594	1,086
Acquisition of businesses		(12,363)	(22,829)	(23,536)
Disposal of businesses		396	(512)	(1,681)
Net cash used in investing activities		<u>(18,163)</u>	<u>(27,233)</u>	<u>(34,254)</u>
Financing activities				
Dividends paid		(14,462)	(13,810)	(23,320)
Proceeds from issue of share capital		340	2,127	2,546
Interest paid		(612)	(338)	(889)
(Repayment)/drawdown of borrowings		(240)	(589)	5,764
Net cash used in financing activities		<u>(14,974)</u>	<u>(12,610)</u>	<u>(15,899)</u>
Decrease in cash and cash equivalents	7	(9,194)	(18,517)	(3,209)
Cash and cash equivalents brought forward		45,348	48,482	48,482
Exchange adjustments		78	530	75
Cash and cash equivalents carried forward		<u>36,232</u>	<u>30,495</u>	<u>45,348</u>

The comparative figures for the 26 weeks to 2 October 2004 and the 52 weeks to 2 April 2005 have been restated to reflect the adoption of International Financial Reporting Standards.

1 Segmental analysis

Sector analysis	Unaudited 26 weeks to 1 October 2005	Unaudited 26 weeks to 2 October 2004 (restated)
Revenue		
Infrastructure Sensors	58,573	58,466
Health and Analysis	51,307	44,185
Industrial Safety	42,864	37,907
Inter-segmental sales	(308)	(409)
Revenue from continuing operations	<u>152,436</u>	<u>140,149</u>
Discontinued operations (note 5)	4,368	3,980
Group revenue	<u>156,804</u>	<u>144,129</u>
Profit before taxation		
Infrastructure Sensors	10,370	11,723
Health and Analysis	10,222	7,009
Industrial Safety	6,120	5,707
Central companies	483	556
Profit from continuing operations	<u>27,195</u>	<u>24,995</u>
Amortisation of acquired intangibles	(237)	(175)
Net finance expense	(593)	(433)
Profit from continuing operations before taxation	<u>26,365</u>	<u>24,387</u>
Taxation	(8,283)	(7,356)
Profit for the period from continuing operations	<u>18,082</u>	<u>17,031</u>
Net loss from discontinued operations (note 5)	<u>(2,075)</u>	<u>(36)</u>
Profit for the period	<u>16,007</u>	<u>16,995</u>

1 Segmental analysis continued

Geographical analysis	By destination		By origin	
	Unaudited 26 weeks to 1 October 2005	Unaudited 26 weeks to 2 October 2004	Unaudited 26 weeks to 1 October 2005	Unaudited 26 weeks to 2 October 2004 (restated)
Revenue				
United Kingdom	39,471	37,515	80,066	75,557
United States of America	50,041	42,291	55,024	47,478
Europe excluding UK	35,053	34,363	20,572	20,354
Far East and Australasia	16,026	15,941	7,772	7,204
Africa, Near and Middle East	5,705	4,977	-	-
Other	6,140	5,062	1,994	1,665
Inter-segmental sales	-	-	(12,992)	(12,109)
Revenue from continuing operations	152,436	140,149	152,436	140,149
Discontinued operations (note 5)	4,368	3,980	4,368	3,980
Group revenue	156,804	144,129	156,804	144,129
Profit before taxation				
United Kingdom			13,148	13,033
United States of America			9,354	7,088
Europe excluding UK			3,167	3,154
Far East and Australasia			1,067	1,408
Other			459	312
Profit from continuing operations			27,195	24,995
Amortisation of acquired intangibles			(237)	(175)
Net finance expense			(593)	(433)
Profit from continuing operations before taxation			26,365	24,387
Taxation			(8,283)	(7,356)
Profit for the period from continuing operations			18,082	17,031
Net loss from discontinued operations (note 5)			(2,075)	(36)
Profit for the period			16,007	16,995

2 Basis of preparation

In common with other European listed companies, Halma p.l.c. is required to adopt International Financial Reporting Standards ('IFRS') for its consolidated financial statements with effect from 2 April 2005. This interim report for the 26 weeks to 1 October 2005 is the first interim report under IFRS and the first Annual Report under IFRS will be the Annual Report and Accounts for the 52 weeks to 1 April 2006. The interim report is unaudited and has been prepared on the basis of the accounting policies set out in the accounts for the 52 weeks to 2 April 2005, amended where necessary to comply with IFRS. Details of these amendments are set out in 'Adoption of International Financial Reporting Standards', a separate document released by the Company on 2 September 2005 and available on the Company's website (www.halma.com) or from the Company Secretary.

The accounting policies are drawn up in accordance with those International Accounting Standards ('IAS') and IFRS issued by the International Accounting Standards Board ('IASB') that are expected to be adopted by the European Union and available for use when the Annual Report and Accounts for the 52 weeks ended 1 April 2006 are prepared. However the accounting policies may need to be updated for interpretations issued by the International Financial Reporting Interpretations Committee, new standards issued by the IASB, or continuing evolution of interpretation of existing IAS and IFRS.

The figures shown for the 52 weeks to 2 April 2005 are based on the Group's statutory accounts for that period, restated for IFRS. These statutory accounts, which were prepared under UK Generally Accepted Accounting Principles ('UK GAAP'), received an unqualified audit report and have been filed with the Registrar of Companies.

This interim report was approved by the Board of Directors on 6 December 2005.

3 Taxation

The total Group tax charge for the 26 weeks to 1 October 2005 of £8,168,000 (2004: £7,300,000) is made up of a tax charge on profit from continuing operations of £8,283,000 (2004: £7,356,000) and a tax credit on losses from discontinued operations of £(115,000) (2004: £(56,000)).

The tax charge for the 26 weeks to 1 October 2005 comprises a current taxation charge of £8,066,000 (2004: £7,224,000) and a deferred tax charge of £102,000 (2004: £76,000). The tax charge is based on the estimated effective tax rate for the year.

The tax charge includes £4,481,000 (2004: £3,889,000) in respect of overseas tax.

4 Acquisitions

In July 2005 the Group acquired Netherlocks Safety Systems B.V. for an initial cash consideration of €3,000,000 plus additional consideration of up to €7,000,000, conditional on profit growth over the current and following financial year. In August 2005 the Group acquired Radio-Tech Limited for an initial cash consideration of £2,000,000 plus additional consideration of up to £2,500,000, based on earnings growth to March 2007. Together these acquisitions contributed £1,078,000 to Group revenue and £340,000 to Group profit from continuing operations and are reported in the Industrial Safety and Health and Analysis sectors respectively.

5 Discontinued operations

During the period the Group exited from its Resistor Transit operations and in September 2005 sold SEAC Limited. The loss on closure/disposal includes gross disposal proceeds of £1,300,000. Both of these operations were previously included in the Industrial Safety sector. The results of these discontinued operations, which have been included in the Consolidated Income Statement, were as follows:

	26 weeks to 1 October 2005	26 weeks to 2 October 2004	52 weeks to 2 April 2005
Revenue	4,368	3,980	7,817
Expenses	(4,196)	(4,072)	(8,186)
Profit/(loss) from operations	172	(92)	(369)
Taxation	(54)	56	177
Profit/(loss) from operations after taxation	118	(36)	(192)
Loss on closure/disposal of operations	(1,054)	-	-
Associated goodwill	(1,308)	-	-
Taxation	169	-	-
Net loss from discontinued operations	(2,075)	(36)	(192)

6 Earnings per share

Earnings per share are calculated using the weighted average of 368,917,910 (2004: 367,669,622) shares in issue during the period. Earnings for continuing and discontinued operations were £18,082,000 and £(2,075,000) respectively (2004: £17,031,000 and £(36,000)). Diluted earnings per share are calculated using 369,212,399 shares (2004: 368,223,286) which includes dilutive potential ordinary shares of 294,489 (2004: 553,664). The Company's dilutive potential ordinary shares are calculated from those exercisable share options where the exercise price is less than the average price of the Company's ordinary shares during the period.

Earnings from continuing operations per ordinary share before the amortisation of acquired intangibles represents a more consistent measure of underlying performance. A reconciliation of earnings and the effect on per share figures is presented below:

	Per ordinary share			
	26 weeks to 1 October 2005	26 weeks to 2 October 2004	26 weeks to 1 October 2005 p	26 weeks to 2 October 2004 p
Profit for the period from continuing operations	18,082	17,031	4.90	4.63
Add back: amortisation of acquired intangibles (after tax)	154	113	0.04	0.03
Adjusted earnings	18,236	17,144	4.94	4.66

7 Notes on cash flow statement

	26 weeks to 1 October 2005	26 weeks to 2 October 2004	52 weeks to 2 April 2005
Reconciliation of profit from operations to net cash inflow from operating activities			
Profit from continuing operations	26,958	24,820	50,972
Profit/(loss) from discontinued operations (before taxation)	172	(92)	(369)
Depreciation and amortisation	5,067	4,474	9,316
Loss/(profit) on sale of tangible fixed assets	89	70	(21)
Operating cashflows before movement in working capital	32,286	29,272	59,898
Decrease/(increase) in inventories	7	(1,907)	(1,000)
Decrease in receivables	2,403	3,843	780
(Decrease)/increase in payables	(4,136)	(3,799)	1,760
Cash generated from operations	30,560	27,409	61,438
Taxation paid	(6,617)	(6,083)	(14,494)
Net cash inflow from operating activities	23,943	21,326	46,944
Reconciliation of net cash flow to movement in net cash			
Decrease in cash and cash equivalents	(9,194)	(18,517)	(3,209)
Loans acquired	-	(1,125)	(1,125)
Cash outflow/(inflow) from borrowings	240	589	(5,764)
Exchange adjustments	(1,157)	(307)	554
	(10,111)	(19,360)	(9,544)
Net cash brought forward	12,004	21,548	21,548
Net cash carried forward	1,893	2,188	12,004

8 Non-GAAP measures

(i) Organic growth

Organic growth measures the change in the revenue and profits from continuing Group operations. The effect of acquisitions made during the current or prior financial period has been equalised by subtracting from the current year figures a pro-rated contribution based on their revenue and profits at the date of acquisition.

(ii) Return on capital employed

	Unaudited 1 October 2005	Unaudited 2 October 2004
Profit from continuing operations before amortisation of acquired intangibles	27,195	24,995
Loss from discontinued operations in prior period	–	(92)
Operating return	27,195	24,903
Capitalised software costs within intangible assets	1,350	1,044
Capitalised development costs within intangible assets	2,817	2,872
Property, plant and equipment	50,368	47,281
Inventories	35,903	37,080
Trade and other receivables	68,210	68,305
Trade and other payables	(48,868)	(50,827)
Tax liabilities	(6,856)	(6,224)
Non-current trade and other payables	(1,900)	(6,579)
Add back: accrued deferred purchase consideration	5,968	13,335
Capital employed	106,992	106,287
Return on capital employed (annualised)	50.8%	46.9%

(iii) Return on total invested capital

Profit for the period from continuing operations before amortisation of acquired intangibles after taxation	18,236	17,144
Loss from discontinued operations in prior period after taxation	–	(36)
Return	18,236	17,108
Total shareholders' equity	174,811	166,596
Add back: retirement benefit obligations	45,858	40,807
Less: associated deferred tax assets	(13,757)	(12,242)
Cumulative amortisation of acquired intangibles	598	175
Goodwill on disposals	1,308	–
Goodwill amortised prior to 3 April 2004	13,177	13,177
Goodwill taken to reserves prior to 28 March 1998	70,931	70,931
Total invested capital	292,926	279,444
Return on total invested capital (annualised)	12.5%	12.2%

9 Transition to IFRS

The following reconciliations of equity at 3 April 2004 (the date of transition to IFRS), 2 October 2004 and 2 April 2005 and of the income statement for the 26 weeks ended 2 October 2004 and the 52 weeks ended 2 April 2005 complement the summary reconciliations given in the document 'Adoption of International Financial Reporting Standards', released by the Company on 2 September 2005, which includes the significant accounting policies and further explanations on the adjustments.

Reconciliation of profit

	As reported under UK GAAP	Defined benefit pension schemes	Share-based payments	Development costs capitalised	Reverse goodwill amortisation	Amortisation of acquired intangibles	Deferred tax on goodwill in reserves	Other restatements	As restated under IFRS
26 weeks to 2 October 2004									
Revenue from continuing operations	140,149								140,149
Revenue from discontinued operations	3,980								3,980
Group revenue	144,129	-	-	-	-	-	-	-	144,129
Profit from continuing operations	21,928	383	(72)	194	2,667	(175)		(105)	24,820
Loss from discontinued operations	(92)								(92)
Total profit from operations	21,836	383	(72)	194	2,667	(175)	-	(105)	24,728
Net finance income/(charges)	115	(548)							(433)
Profit before taxation	21,951	(165)	(72)	194	2,667	(175)	-	(105)	24,295
Taxation	(7,570)						195	75	(7,300)
Profit for the period	14,381	(165)	(72)	194	2,667	(175)	195	(30)	16,995
52 weeks to 2 April 2005									
Revenue from continuing operations	291,302								291,302
Revenue from discontinued operations	7,817								7,817
Group revenue	299,119	-	-	-	-	-	-	-	299,119
Profit from continuing operations	45,222	767	(192)	68	5,491	(361)		(23)	50,972
Loss from discontinued operations	(369)								(369)
Total profit from operations	44,853	767	(192)	68	5,491	(361)	-	(23)	50,603
Net finance income/(charges)	45	(1,097)							(1,052)
Profit before taxation	44,898	(330)	(192)	68	5,491	(361)	-	(23)	49,551
Taxation	(15,540)						344	196	(15,000)
Profit for the period	29,358	(330)	(192)	68	5,491	(361)	344	173	34,551

Reconciliation of equity

	As reported under UK GAAP	Defined benefit pension schemes	Share-based payments	Release dividend accrual	Development costs capitalised	Holiday pay accrual	Acquired intangible assets	Goodwill	Other restatements	As restated under IFRS
As at 4 April 2004										
Goodwill	71,425									71,425
Other intangible assets	-				2,653				969	3,622
Property, plant and equipment	47,139								(969)	46,170
Deferred tax assets	-	12,231								12,231
Total non-current assets	118,564	12,231	-	-	2,653	-	-	-	-	133,448
Inventories	31,208									31,208
Trade and other receivables	67,080		604							67,684
Cash and cash equivalents	48,482									48,482
Total current assets	146,770	-	604	-	-	-	-	-	-	147,374
Total assets	265,334	12,231	604	-	2,653	-	-	-	-	280,822
Borrowings	26,934									26,934
Trade and other payables	45,648	(69)				806				46,385
Tax liabilities	5,563									5,563
Dividends payable	13,762			(13,762)						-
Retirement benefit obligations	-	40,769								40,769
Deferred tax liabilities	6,067		156		816	(259)		(4,636)		2,144
Total liabilities	97,974	40,700	156	(13,762)	816	547	-	(4,636)	-	121,795
Net assets	167,360	(28,469)	448	13,762	1,837	(547)	-	4,636	-	159,027
Called up share capital	36,677									36,677
Share premium account	7,768									7,768
Capital redemption reserve	185									185
Translation reserve	-									-
Other reserves	-		150							150
Retained earnings	122,730	(28,469)	298	13,762	1,837	(547)		4,636		114,247
Total equity	167,360	(28,469)	448	13,762	1,837	(547)	-	4,636	-	159,027

9 Transition to IFRS continued

Reconciliation of equity continued

	As reported under UK GAAP	Defined benefit pension schemes	Share-based payments	Release dividend accrual	Development costs capitalised	Holiday pay accrual	Acquired intangible assets	Goodwill	Other restatements	As restated under IFRS
As at 2 October 2004										
Goodwill	98,356						(899)	5,082		102,539
Other intangible assets	-				2,872		1,074		1,044	4,990
Property, plant and equipment	48,325								(1,044)	47,281
Deferred tax assets	-	12,242								12,242
Total non-current assets	146,681	12,242	-	-	2,872	-	175	5,082	-	167,052
Inventories	37,080									37,080
Trade and other receivables	67,652		653							68,305
Cash and cash equivalents	30,495									30,495
Total current assets	135,227	-	653	-	-	-	-	-	-	135,880
Total assets	281,908	12,242	653	-	2,872	-	175	5,082	-	302,932
Borrowings	28,307									28,307
Trade and other payables	56,681	(196)				921				57,406
Tax liabilities	6,224									6,224
Dividends payable	9,511			(9,511)						-
Retirement benefit obligations	-	40,807								40,807
Deferred tax liabilities	7,202		121		889	(299)	292	(4,613)		3,592
Total liabilities	107,925	40,611	121	(9,511)	889	622	292	(4,613)	-	136,336
Net assets	173,983	(28,369)	532	9,511	1,983	(622)	(117)	9,695	-	166,596
Called up share capital	36,848									36,848
Share premium account	9,724									9,724
Capital redemption reserve	185									185
Translation reserve	-							2,198	(326)	1,872
Other reserves	-		277							277
Retained earnings	127,226	(28,369)	255	9,511	1,983	(622)	(117)	7,497	326	117,690
Total equity	173,983	(28,369)	532	9,511	1,983	(622)	(117)	9,695	-	166,596
As at 2 April 2005										
Goodwill	94,848						(990)	5,418		99,276
Other intangible assets	-				2,739		966		1,112	4,817
Property, plant and equipment	48,896								(1,112)	47,784
Deferred tax assets	-	12,253								12,253
Total non-current assets	143,744	12,253	-	-	2,739	-	(24)	5,418	-	164,130
Inventories	35,502									35,502
Trade and other receivables	69,062		754							69,816
Cash and cash equivalents	45,348									45,348
Total current assets	149,912	-	754	-	-	-	-	-	-	150,666
Total assets	293,656	12,253	754	-	2,739	-	(24)	5,418	-	314,796
Borrowings	33,344									33,344
Trade and other payables	58,934	233				829				59,996
Tax liabilities	5,137									5,137
Dividends payable	14,457			(14,457)						-
Retirement benefit obligations	-	40,845								40,845
Deferred tax liabilities	6,186		63		854	(266)	260	(4,882)		2,215
Total liabilities	118,058	41,078	63	(14,457)	854	563	260	(4,882)	-	141,537
Net assets	175,598	(28,825)	691	14,457	1,885	(563)	(284)	10,300	-	173,259
Called up share capital	36,880									36,880
Share premium account	10,111									10,111
Capital redemption reserve	185									185
Translation reserve	-							(171)	315	144
Other reserves	-		513							513
Retained earnings	128,422	(28,825)	178	14,457	1,885	(563)	(284)	10,471	(315)	125,426
Total equity	175,598	(28,825)	691	14,457	1,885	(563)	(284)	10,300	-	173,259