The Berkeley Group Holdings plc

Information on adoption of International Financial Reporting Standards

Impact on results for the year ended 30 April 2005

The Berkeley Group Holdings plc ("the Group") will report its financial results for the year ended 30 April 2006 under International Financial Reporting Standards ("IFRS") for the first time.

The Group's first published accounts prepared under IFRS will be for the six months ended 31 October 2005, which will include comparative results for the six months ended 31 October 2004, restated from UK Generally Accepted Accounting Principles ("UK GAAP") to IFRS. The first Annual Report prepared under IFRS will be for the year ended 30 April 2006, which will include comparative results for the year ended 30 April 2005 restated from UK GAAP to IFRS. The beginning of the IFRS comparative period is 1 May 2004, the effective date of transition.

On transition to IFRS reporting, the principal changes to the Group's reported financial information, and the impact on net assets at the transition date, are as follows:

	£'000
Net assets as reported under UK GAAP at 1 May 2004	1,142,610
• Recognition of revenue on sales of all private properties on exchange of contracts and physical completion of the property;	(29,344)
• Dividends declared after the balance sheet date are not considered a liability at that balance sheet date;	19,646
• Recognition of defined benefit pension obligations in the balance sheet;	(5,074)
• Land purchased on deferred settlement terms is recorded at fair value, with the inherent discount being unwound through finance costs over the period of deferral.	(5,665)
Net assets under IFRS at 1 May 2004	1,122,173

The impact of IFRS on the Group's key reported results for 2005 is as follows:

	Year ended 30 April 2005		**Six months ended 31 October 2004**	
	UK £'000*	**IFRS £'000***	**UK £'000***	**IFRS £'000***
Retained profit	144,643	138,958	77,936	78,492
Earnings per Ordinary share – basic	121.0p	116.2p	65.4p	65.8p
Net assets	669,482	621,409	1,203,373	1,162,776
Net asset value per share	558p	518p	1,005p	971p

* unless otherwise stated

The transition to IFRS has no impact on:

- The Group's net debt position and underlying cash flows;
- The Group's banking arrangements;
- The return of capital to shareholders or the Group's strategy.

The Berkeley Group Holdings plc
Adoption of International Financial Reporting Standards

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1 INTRODUCTION

The Berkeley Group Holdings plc has prepared its consolidated financial statements for all periods up to and including 30 April 2005 under UK GAAP. The adoption of IFRS became mandatory for all European Union companies listed on a regulated market for accounting periods commencing on or after 1 January 2005. IFRS will therefore apply for the first time in the Group's financial statements for the year ending 30 April 2006, in which disclosure of the comparative year ended 30 April 2005 under IFRS will be required.

This document explains how the Group's reported opening balance sheet under UK GAAP at 1 May 2004, its financial results under UK GAAP for the six months ended 31 October 2004 and financial position at that date and its audited financial results for the year ended 30 April 2005 and financial position at that date would have been reported under IFRS. The document also explains the material accounting policy changes resulting from the adoption of IFRS.

The audited consolidated financial statements of The Berkeley Group Holdings plc included in the 2005 Annual Report published in July 2005 were prepared under UK GAAP. Those financial statements included an unqualified report from the Company's auditors. The financial information presented under IFRS in this document does not constitute the Company's financial statements and has not been audited or reviewed.

2 BASIS OF PREPARATION

IFRS 1 "First-time adoption of IFRS" sets out the procedures that companies should follow on adopting IFRS for the first time. The Group must set its IFRS accounting policies and apply them retrospectively, subject to the exemptions explained where appropriate below, and present the IFRS opening balance sheet at the beginning of the first IFRS reporting period, 1 May 2004.

There are a number of optional exemptions to retrospective application offered by IFRS 1. The choices made by the Group in respect of these optional exemptions have been incorporated into the analysis set out in section 3 where relevant.

The financial information presented in this document has been prepared in accordance with IFRS (with the exception of IAS 32 and IAS 39 as explained in 3.9 below) and is subject to any new standards that may be issued by the International Accounting Standards Board ("IASB") for adoption for financial years beginning on or after 1 January 2005, and to interpretive guidance issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Subject to European Union endorsement of IAS 19 (revised) and no further changes from the IASB in the interpretation of existing standards, the information presented is expected to form the basis for comparatives when reporting financial results for 2005, and for subsequent reporting periods.

3 IMPACT OF ADOPTION OF IFRS

3.1 Presentation of financial statements – primary statements

The primary statements have been presented in this document in accordance with the guidelines set out in IAS 1 "Presentation of Financial Statements".

Joint ventures (IAS 31): The Group has elected to account for its investments in joint ventures using the equity method of accounting rather than adopting the proportionate consolidation method that is allowable under IAS 31. This is consistent with the existing UK practice, subject to the following key difference. Under IFRS, the Group's share of the results of joint ventures are presented net of interest and tax in one line in the consolidated income statement. Under UK GAAP, the Group's share of the operating profit, interest and tax of joint ventures were disclosed separately.

Deferred taxation (IAS 12): Under IFRS, the Group's deferred tax asset is presented in non-current assets on the face of the consolidated balance sheet. Under UK GAAP, it was classified within other debtors in current assets.

Discontinued operations (IFRS 5): Under IFRS, the results and profit on disposal from discontinued operations are shown in one line below profit after taxation in the income statement. Under UK GAAP, the results from discontinued operations were included line-by-line in the profit and loss account.

3.2 Group reconstruction

In October 2004, the Group implemented a capital reorganisation, incorporating a Scheme of Arrangement, in order to effect the return of £12 per share to shareholders by January 2011.

In the opinion of the Directors, the Scheme of Arrangement was a group reconstruction rather than an acquisition, since the shareholders in the holding company of the Group after the implementation of the Scheme (The Berkeley Group Holdings plc) were the same as the shareholders in the holding company of the Group before the implementation of the Scheme (The Berkeley Group plc), with no change to the rights of each shareholder, relative to the others, and no alteration to minority interests in the net assets of the Group. Accordingly, the Directors adopted merger rather than acquisition accounting principles in drawing up the financial statements, having regard to the overriding requirement of section 227(6) of the Companies Act 1985 for the accounts to present a true and fair view of the Group's results and financial position.

IFRS 3 ("Business Combinations") does not identify merger accounting as applicable for business combinations; however it does not address the accounting for business combinations involving entities under common control, such as group reconstructions. There is currently no guidance as to the appropriate accounting for group reconstructions under IFRS. The Directors therefore believe that it is appropriate to continue to adopt merger accounting for the Group reconstruction under IFRS.

3.3 Business Combinations before the transition date (IFRS 3)

The Group has elected not to apply IFRS 3 retrospectively to business combinations that took place before the beginning of the first IFRS reporting period.

3.4 Revenue recognition (IAS 18)

On traditional developments under UK GAAP, properties were treated as sold and profits were taken when contracts were exchanged and the building work was physically complete. On complex multi-unit developments, revenue and profit were recognised on a staged basis, commencing when the building work was substantially complete, which was defined as being plastered, and when contracts were exchanged.

On transition to IFRS, the Group has amended its policy to recognise revenue on properties on both traditional and complex multi-unit developments when contracts are exchanged and the building work is physically complete. This brings the policy on complex multi-unit developments into line with the Group's existing revenue recognition policy on traditional developments and reflects the provisions of IAS 18 ("Revenue").

The effect of this change in policy on the Group excluding Joint Ventures is to reduce opening reserves at 1 May 2004 by £25,413,000, and to reduce turnover, operating profit and retained profit for the year ended

3 IMPACT OF ADOPTION OF IFRS continued

30 April 2005 by £38,879,000, £11,272,000 and £7,890,000 respectively. For Joint Ventures, opening reserves are reduced by £3,931,000 and the Group's share of retained profit for the year ended 30 April 2005 is increased by £1,895,000. This gives rise to an overall reduction of net assets of £29,344,000 at 1 May 2004 and £35,339,000 (5%) at 30 April 2005.

This change in policy constitutes a timing difference in terms of the point at which revenue is recognised, and has no impact on the underlying profitability of the Group. Profit in any one year will be higher or lower than under the existing policy based on the timing of build programmes.

There is no impact on the Group's net debt position as a result of the change in policy.

3.5 Events after the Balance Sheet date (IAS 10)

IAS 10 ("Events after the Balance Sheet date") requires that dividends approved after the balance sheet date should not be recognised as a liability at that balance sheet date since the liability did not represent a present obligation at that date.

The final dividend approved in respect of the financial year ended 30 April 2004 of £19,646,000 has been reversed in the opening balance sheet at 1 May 2004 and is charged, based on shareholders on the register on 10 August 2004, in the year ended 30 April 2005.

3.6 Employee benefits (IAS 19)

Under UK GAAP, the Group currently applies SSAP 24 in respect of the Group's pension schemes, and provides detailed information under the FRS 17 transitional disclosures.

The Group has adopted IAS 19 ("Employee benefits") in preparing the IFRS opening balance sheet, including the amendment to IAS 19 issued by the IASB on 16 December 2004 which allows all actuarial gains and losses to be charged or credited to equity through the statement of recognised income and expense. Since the Group has elected to follow this approach, all cumulative actuarial gains and losses in relation to employee benefit schemes have been recognised at the beginning of the first IFRS reporting period.

The Group's opening IFRS balance sheet reflects the recognition of a net deficit of £6,214,000 (after taking account of the related £2,663,000 deferred tax asset) in respect of the Group's defined benefit scheme. The transitional adjustment of £5,074,000 to opening reserves includes the reversal of SSAP 24 accounting under UK GAAP and the recognition of the net liabilities of the Group's defined benefit scheme.

The impact of the change to IAS 19 on the consolidated income statement for the year ended 30 April 2005 is a credit to retained profit of £363,000. The actuarial loss of £2,284,000 (net of associated deferred tax) has been recorded in the statement of recognised income and expense.

3.7 Share-based payments (IFRS 2)

The Group has elected to follow the transitional provisions of IFRS 2, and therefore to apply IFRS 2 only to grants under the Group's share option schemes and Long Term Incentive Plans made after 7 November 2002 which had not vested by 1 January 2005.

All options under the Group's existing share option schemes had vested by 1 January 2005, and as such, in accordance with IFRS 2, will be included on a disclosure basis in the first IFRS financial statements.

Of the four grants under The Berkeley Group plc 2000 Long Term Incentive Plan, only the grant of 22 July 2003 has been accounted for under IFRS 2. The earlier grants of 21 December 2000, 7 August 2001 and 19 August 2002 will be included on a disclosure basis in the first IFRS financial statements. The change to IFRS 2 has no impact on the opening IFRS balance sheet, but the exclusion of the profit and loss charge in relation to the pre-November 2002 grants under the 2000 LTIP has reduced operating expenses by £679,000 in the year ended 30 April 2005.

3 IMPACT OF ADOPTION OF IFRS continued

Deferred tax on the 2000 LTIP is calculated at each reporting date based on an estimate of the future tax deduction. The tax benefit up to the amount of the tax effect of the cumulative expense is recorded in the income statement, and the excess tax benefit above this amount is recorded in equity.

The Berkeley Group Holdings plc 2004(b) Long-Term Incentive Plan was introduced during the year ended 30 April 2005, and the only grants under this scheme were those made to four main Board Directors on Court approval of the Scheme of Arrangement on 26 October 2004. As such these grants fall to be treated under IFRS 2. The accounting treatment under IFRS 2 is similar to the UK GAAP treatment under UITF 17 (revised) and no significant adjustment arises on transition to IFRS.

3.8 Land purchased on deferred settlement terms (IAS 2)

IAS 2 ("Inventories") requires that, where a company purchases inventories on deferred settlement terms and the arrangement effectively contains a financing element, then that element should be recognised as interest expense over the period of financing. This affects the Group in respect of long-term land creditors (which have a price determined at inception but payable a year or more in the future) which must be recognised at a discounted net present ("fair") value on recognition, with the discount being unwound through finance costs over the period to settlement of the liability.

This adjustment does not affect net profit or net assets over time. It is a reduction of work in progress and creditors by an equal amount in the balance sheet at inception, and a reclassification between cost of sales and finance costs in the income statement. The timing of recognition of the finance costs (on an effective interest basis) and of the equivalent benefit in operating profit (when sales are recognised on the relevant sites) will however give rise to a net impact on net assets at each balance sheet date.

The impact of IAS 2 in the opening IFRS balance sheet at 1 May 2004 is to reduce inventories by £2,716,000 and to reduce other non-current creditors by £1,067,000, with an associated reduction of net assets, net of tax, of £1,154,000 at that date.

In the year ended 30 April 2005, this adjustment increases net finance costs payable by £1,206,000, and reduces cost of sales by £250,000. In the closing balance sheet at 30 April 2005, inventories reduce by £5,646,000 and other non-current liabilities by £3,041,000, with an associated reduction of net assets, net of tax, of £1,824,000 at that date.

This change in accounting also affects the results of joint ventures. The impact of this adjustment in the opening balance sheet at 1 May 2004 is to reduce investments in joint ventures and reserves by £4,511,000, and in the year ended 30 April 2005 to increase the Group's share of joint ventures' profit after tax by £595,000, resulting in a reduction of investments in joint ventures of £3,916,000 at 30 April 2005.

The overall impact is a reduction of net assets of £5,665,000 at 1 May 2004 and £5,740,000 (1%) at 30 April 2005.

3.9 Financial Instruments (IAS 32 and IAS 39)

The Group has elected to take the optional exemption from applying IAS 32 and IAS 39 in the comparative year (and to first apply them at 1 May 2005 and for the year ended 30 April 2006). There is one area in which the adoption of these standards would have impacted on the comparative results as at 31 October 2004:

Classification of B shares

IAS 32 sets out guidelines in respect of the classification of financial instruments between debt and equity. Following the Scheme of Arrangement, the new holding company of the Group, The Berkeley Group Holdings plc, issued Units (each Unit comprising one ordinary share of 5p, one 2004 B share of 5p, one 2006 B share of 5p, one 2008 B share of 5p and one 2010 B share of 5p) to existing shareholders in The Berkeley Group plc in return for their shares in The Berkeley Group plc. Each B share is a non-voting redeemable share in the capital of the Company and is entitled to a return of £5, £2, £2, and £3 respectively at specified dates at the discretion of the Directors. The B shares are classified as equity under UK GAAP, and will continue to be classified as equity under IFRS. The share capital of the Company (including the ordinary shares and the B shares) can only be held and traded in the form of Units and, having no fixed redemption date and amount, are equity.

3 IMPACT OF ADOPTION OF IFRS continued

However, at the point at which the Board formally commits to making each B share payment, that B share will become debt under IFRS. Were IAS 32 to have been adopted early, the 2004 B shares would have been reclassified as debt in the Half Year balance sheet at 31 October 2004 under IFRS, as the Directors, at that date, had formally committed to the redemption of the 2004 B shares in December 2004. This would have resulted in a reclassification of £604,153,000 from shareholders' equity to borrowings in creditors (amounts falling due in less than one year) at 31 October 2004.

There is no significant impact of IAS 32 and IAS 39 on the results at 1 May 2004 and 30 April 2005.

In respect of another option allowed by IFRS 1, the Group has elected not to designate any financial assets or liabilities at 'fair value through profit or loss' or as 'available for sale' on transition to IFRS.

3.10 Property, plant and equipment (IAS 16)

Fair value of property plant and equipment on transition

The Group has not previously applied a policy of revaluation to property, plant and equipment. The Group will continue to hold property, plant and equipment at depreciated cost under IFRS.

The provisions of IFRS 1 allow companies to revalue property, plant and equipment to fair value on transition to IFRS, and to treat the fair value as deemed cost on transition, even where a policy of revaluation will not be applied going forward. The Group has elected not to revalue property, plant and equipment to fair value on transition. Therefore there is no adjustment to the carrying value of property, plant and equipment on transition to IFRS.

Residual value of property, plant and equipment

Under IFRS, the residual value of property, plant and equipment should be reassessed annually based on values current at the balance sheet date (rather than at the date of capitalisation of the asset under existing accounting). If there is any change, future depreciation charges should be adjusted accordingly.

This change has no impact on the opening balance sheet at 1 May 2004, and has no material impact on the Group's results for the year ended 30 April 2005.

3.11 Segmental reporting (IAS 14)

The primary reporting format for the Group is by activity, reflecting the different risks and returns in the Group's residential and commercial activities. As all of the Group's operations are within the United Kingdom, one economic environment in the context of the Group's activities, there are no geographic segments to be disclosed.

4 ACCOUNTING POLICIES

This section sets out the anticipated accounting policies which are expected to be disclosed in the IFRS compliant financial statements of the Group for the year ended 30 April 2006. These accounting policies may be updated for any subsequent amendments to IFRS which the Group is required or may elect to adopt. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS, apart from the exception described below. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group has elected to take the optional exemption from applying IAS 32 and IAS 39 in the comparative year (and to first apply them at 1 May 2005 and for the year ended 30 April 2006). No significant adjustments would have been required in order to make the comparative information at 30 April 2005 comply with IAS 32 and IAS 39.

4.2 Basis of consolidation

The consolidated accounts comprise the accounts of the parent company and all its subsidiary undertakings. The accounting date for subsidiary undertakings is 30 April. In the case of acquisitions or disposals, the Group's result includes that proportion from or to the effective date of acquisition or disposal as appropriate.

4.3 Goodwill

Where the cost of acquiring new and additional interests in subsidiaries, joint ventures and businesses exceeds the fair value of the net assets acquired, the resulting premium on acquisition (goodwill) is capitalised and its subsequent measurement is based on annual impairment reviews, with any impairment losses recognised immediately in the income statement. Goodwill written off to reserves prior to 1998 under UK GAAP was not reinstated on transition to IFRS and is not included in determining any subsequent profit or loss on disposal.

4.4 Joint ventures

The results attributable to the Company's holding in joint ventures are shown separately in the consolidated profit and loss account. The amount included in the consolidated balance sheet is the Group's share of the net assets of the joint ventures plus net loans receivable. Goodwill arising on the acquisition of joint ventures is accounted for in accordance with the policy set out above. The carrying value of goodwill is included in the carrying value of the investment in joint ventures.

4.5 Revenue

Revenue represents the amounts receivable from the sale of properties during the year. Properties are treated as sold and profits are taken when contracts are exchanged and the building work is physically complete. This policy applies to both residential housebuilding and commercial property activities. Revenue does not include the value of the onward sale of part exchange properties, for which the net gain or loss is recognised in cost of sales.

4.6 Taxation

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

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised on all taxable temporary differences. Deferred taxation 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 goodwill, or from the initial recognition (except in a business combination) of other

4 ACCOUNTING POLICIES continued

assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, or from differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. The carrying value of deferred taxation assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves.

4.7 **Property, plant and equipment**
Property, plant and equipment is carried at cost. Depreciation is provided to write off the cost of the assets over their estimated useful lives at the following annual rates:

Freehold property	2%	Fixtures and fittings	15% / 20%
Motor vehicles	25%	Computer equipment	33 $^1/_3$%

Leasehold property is amortised over the period of the lease. Computer equipment is included within fixtures and fittings.

4.8 **Investments**
The parent company’s investments in subsidiary undertakings are included in the balance sheet at cost less provision for any permanent diminution in value.

4.9 **Inventories**
Property in the course of development is valued at the lower of cost and net realisable value. Direct cost comprises the cost of land, raw materials and development costs but excludes indirect overheads and interest. Progress payments are deducted from work in progress. Provision is made, where appropriate, to reduce the value of inventories and work in progress to their net realisable value.

Land purchased for development, including land in the course of development, is initially recorded at fair value. Where such land is purchased on deferred settlement terms, and the fair value differs from the amount that will subsequently be paid in settling the liability, this difference is charged as a finance cost in the income statement over the period to settlement.

4.10 **Cash and cash equivalents**
Cash and cash equivalents comprises cash balances in hand and at the bank, including bank overdrafts repayable on demand which form part of the Group’s cash management, for which offset arrangements across Group businesses have been applied where appropriate.

4.11 **Derivative financial instruments**
From time to time the Group makes use of interest rate swaps and caps to manage its exposure to fluctuations in interest rates. The Group does not use derivative financial instruments for speculative purposes.

The Group did not use any derivative financial instruments in the year ended 30 April 2005. On 1 May 2005, the Group adopted IAS 32 and IAS 39. Derivative financial instruments are initially recognised at cost. Subsequent to initial recognition these instruments are stated at fair value. Where the derivative instrument is deemed an effective hedge over the interest rate exposure, the instrument is treated as a cash flow hedge, and hedge accounting is applied, whereby gains and losses in the fair value of the derivative instrument are recognised directly in equity until such time as the gains or losses are realised. On realisation, any gains are reported in the income statement net of related charges.

4 ACCOUNTING POLICIES continued

4.12 **Employee benefits**

(a) Pensions

The Group accounts for pensions and similar benefits under IAS 19 “Employee benefits”.

For defined benefit schemes, the obligations are measured at discounted present value whilst plan assets are recorded at fair value. The calculation of the net obligation is performed by a qualified actuary. The operating and financing costs of these plans are recognised separately in the income statement; service costs are spread systematically over the lives of the employees and financing costs are recognised in the period in which they arise. Actuarial gains and losses are recognised immediately in the statement of recognised income and expense. Cumulative actuarial gains and losses were recognised at 1 May 2004, the beginning of the first IFRS reporting period, within the net obligation at that date.

Pension contributions under defined contribution schemes are charged to the income statement as incurred.

(b) Share-based payments

The Group has applied the requirements of IFRS 2 “Share-based payments”, in accordance with the transitional provisions of IFRS 2, to all grants of equity instruments after 7 November 2002 which had not vested as of 1 January 2005. The fair value of awards under the Group’s Long-Term Incentive Plans are charged against profit on a straight-line basis over the vesting period of the awards, based on the Group’s estimate of the awards that will eventually vest. Shares held in trust to satisfy these awards are treated as a deduction from shareholders’ funds.

4.13 **Leasing and rental agreements**
Payments under rental and operating lease agreements are charged against profit on a straight line basis over the life of the lease.

5 CONSOLIDATED INCOME STATEMENT

		Six months ended 31 October 2004 Unaudited	Year ended 30 April 2005 Unaudited
		£'000	£'000
Continuing operations			
Revenue		419,521	794,461
Cost of sales		(292,155)	(565,395)
Gross profit		127,366	229,066
Net operating expenses		(37,192)	(75,687)
Net operating expenses include:			
Merger expenses		(1,536)	(1,633)
Operating profit		90,174	153,379
Interest receivable		6,031	11,292
Finance costs		(4,145)	(19,573)
Share of post tax results of joint ventures		7,103	10,358
Profit on ordinary activities before taxation		99,163	155,456
Taxation		(27,092)	(41,439)
Profit on ordinary activities after taxation		72,071	114,017
Discontinued operations			
Profit from discontinued operations		6,421	24,941
Profit for the financial period / year		78,492	138,958
Earnings per Ordinary Share	- Basic	65.8p	116.2p
	- Continuing operations	60.3p	95.3p
	- Discontinued operations	5.5p	20.9p
	- Diluted	65.1p	115.1p
	- Continuing operations	59.8p	94.4p
	- Discontinued operations	5.3p	20.7p

6 CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Six months ended 31 October 2004 Unaudited	Year ended 30 April 2005 Unaudited
	£'000	£'000
Profit for the financial period / year	78,492	138,958
Actuarial loss recognised in the pension scheme	(1,518)	(3,262)
Deferred tax on actuarial loss recognised in the pension scheme	455	978
Credit in respect of employee share schemes	417	3,533
Deferred tax in respect of employee share schemes	329	658
Total recognised income for the period / year	78,175	140,865

7 CONSOLIDATED BALANCE SHEET

	At 31 October 2004 Unaudited £'000	At 30 April 2005 Unaudited £'000
Assets		
Non-current assets		
Property, plant and equipment	10,462	8,883
Investments accounted for using equity method	63,929	64,497
Deferred tax assets	4,816	8,074
	79,207	81,454
Current assets		
Inventories	1,109,032	1,103,045
Trade and other receivables	27,595	48,873
Cash and cash equivalents	349,311	344,948
	1,485,938	1,496,866
Liabilities		
Current liabilities		
Borrowings	(25,106)	(88)
Trade and other payables	(253,436)	(293,896)
Current tax liabilities	(23,520)	(17,870)
	(302,062)	(311,854)
Net current assets	1,183,876	1,185,012
Total assets less current liabilities	1,263,083	1,266,466
Non-current liabilities		
Borrowings	(75,000)	(600,000)
Retirement benefit obligation	(10,716)	(12,089)
Other non-current liabilities	(14,591)	(32,968)
	(100,307)	(645,057)
Net assets	1,162,776	621,409
Shareholders' equity		
Share capital	30,200	24,164
Share premium	–	264
Capital redemption reserve	–	6,091
Other reserve	(961,299)	(961,299)
Retained profit	2,066,786	1,522,976
Joint ventures' reserves	26,589	28,713
Total shareholders' equity	1,162,276	620,909
Minority interest in equity	500	500
Total equity	1,162,776	621,409
Net assets per ordinary share	971p	518p

8 CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 31 October 2004 Unaudited £'000	Year ended 30 April 2005 Unaudited £'000
Cash flows from operating activities		
Cash generated from operations	164,169	289,187
Dividends from joint ventures	510	1,564
Interest received	5,580	11,413
Interest paid	(4,055)	(7,845)
Tax paid	(29,534)	(59,754)
Net cash from operating activities	136,670	234,565
Cash flows from investing activities		
Purchase of tangible fixed assets	(789)	(1,853)
Sale of tangible fixed assets	3,365	5,764
Movements in loans with joint ventures	3,910	4,490
Merger expenses	(1,536)	(1,633)
Net cash from investing activities	4,950	6,768
Cash flows from financing activities		
Cost of share buybacks	(20,656)	(20,656)
Share options exercised	5,477	5,667
Issue / redemption expenses	(2,746)	(2,841)
Redemption of shares	–	(604,153)
Repayment of loan stock	(14)	(32)
Repayment of bank loan	–	(100,000)
New bank loan issued	–	600,000
Equity dividends paid	(19,676)	(19,676)
Net cash used in financing activities	(37,615)	(141,691)
Net increase in cash and cash equivalents	104,005	99,642
Cash and cash equivalents at 1 May 2004	245,306	245,306
Cash and cash equivalents at end of the period	349,311	344,948

9 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 31 October 2004 Unaudited	Year ended 30 April 2005 Unaudited
	£'000	£'000
Net cash flows from operating activities		
Continuing operations		
Profit for the period / year	72,071	114,017
Adjustments for:		
- Tax	27,092	41,439
- Depreciation	1,151	2,168
- Profit on sale of property, plant and equipment	(366)	(1,340)
- Interest income	(6,031)	(11,292)
- Finance costs	4,145	19,573
- Share of results of joint ventures after tax	(7,103)	(10,358)
- Merger expenses	1,536	1,633
- Non-cash charge in respect of share awards	417	3,533
Changes in working capital:		
- Increase in inventories	(15,105)	(26,281)
- Decrease in debtors	44,533	31,017
- Increase in creditors	11,747	34,404
- Increase / (decrease) in employee benefit obligations	167	(359)
Cash generated from continuing operating activities	134,254	198,154
Dividends from joint ventures	183	459
Interest received	5,519	11,292
Interest paid	(3,872)	(7,528)
Taxation	(29,534)	(59,754)
Net cash from continuing operating activities	106,550	142,623
Discontinued operations		
Profit for the period / year	6,421	24,941
Adjustments for:		
- Tax	2,635	10,453
- Depreciation	207	413
- Profit on sale of property, plant and equipment	(34)	(39)
- Interest income	(61)	(121)
- Finance costs	183	317
- Share of results of joint ventures after tax	(602)	(548)
Changes in working capital:		
- Increase in inventories	(2,958)	14,205
- Decrease in debtors	33,999	28,655
- Increase in creditors	(9,875)	12,757
Cash generated from discontinued operating activities	29,915	91,033
Dividends from joint ventures	327	1,105
Interest received	61	121
Interest paid	(183)	(317)
Net cash from discontinued operating activities	30,120	91,942
Net cash from operating activities	136,670	234,565

Other net cash flows from discontinued operations

The Consolidated Cash Flow Statement also includes the following net cash flows from discontinued operations:

Net cash from investing activities	4,012	441
Net cash from financing activities	-	-

APPENDICES

A. Reconciliation of Income statements and Statements of changes in shareholders' equity for the six months ended 31 October 2004 and the year ended 30 April 2005

B. Reconciliation of Balance Sheets at 1 May 2004, 31 October 2004 and 30 April 2005

C. Detailed balance sheet reconciliation at 1 May 2004

D. Detailed balance sheet and income statement reconciliations for six months ended 31 October 2004

E. Detailed balance sheet and income statement reconciliations for year ended 30 April 2005

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Appendix A

Consolidated profit and loss account for the six months ended 31 October 2004 under UK GAAP	Six months ended 31 October 2004 UK GAAP £'000	Effect of transition to IFRS £'000	**Six months ended 31 October 2004 IFRS £'000**	***Consolidated income statement for the six months ended 31 October 2004 under IFRS***
				Continuing operations
Group Turnover	518,665	(99,144)	**419,521**	Revenue
- Continuing operations	401,246	18,275	**419,521**	- Continuing operations
- Discontinued operations	117,419	(117,419)	**-**	
Cost of sales	(374,709)	82,554	**(292,155)**	Cost of sales
Gross profit	143,956	(16,590)	**127,366**	Gross profit
Net operating expenses	(43,165)	7,509	**(35,656)**	Net operating expenses
Group operating profit	100,791	(9,081)	**91,710**	
- Continuing operations	83,328	8,382	**91,710**	- Continuing operations
- Discontinued operations	17,463	(17,463)	**-**	
Merger expenses	(1,536)	-	**(1,536)**	Merger expenses
	99,255	(9,081)	**90,174**	Operating profit
Interest receivable	6,092	(61)	**6,031**	Interest receivable
Interest payable	(5,462)	1,317	**(4,145)**	Finance costs
Share of operating profits of joint ventures	10,663	(3,560)	**7,103**	Share of post tax results of joint ventures
- Continuing operations	9,756	(2,653)	**7,103**	- Continuing operations
- Discontinued operations	907	(907)	**-**	
Profit on ordinary activities before taxation	110,548	(11,385)	**99,163**	Profit on ordinary activities before taxation
Taxation	(32,612)	5,520	**(27,092)**	Taxation
Profit on ordinary activities after taxation	77,936	(5,865)	**72,071**	Profit on ordinary activities after taxation
				Discontinued operations
	-	6,421	**6,421**	Profit for the period from discontinued operations
Retained profit for the period	77,936	556	**78,492**	Profit for the financial period
Earnings per Ordinary Share - Basic	65.4p	0.4p	**65.8p**	Earnings per Ordinary Share - Basic
- Continuing operations	57.2p	3.1p	**60.3p**	- Continuing operations
- Discontinued operations	8.2p	(2.7p)	**5.5p**	- Discontinued operations
Earnings per Ordinary Share - Diluted	64.7p	0.4p	**65.1p**	Earnings per Ordinary Share - Diluted
- Continuing operations	56.6p	3.2p	**59.8p**	- Continuing operations
- Discontinued operations	8.1p	(2.8p)	**5.3p**	- Discontinued operations

Reconciliation of movements in shareholders' funds for the six months ended 31 October 2004 under UK GAAP	Six months ended 31 October 2004 UK GAAP £'000	Effect of transition to IFRS £'000	**Six months ended 31 October 2004 IFRS £'000**	***Statement of changes in shareholders' equity for the six months ended 31 October 2004 under IFRS***
Retained profit for the period	77,936	556	**78,492**	Profit for the financial period
	-	(19,646)	**(19,646)**	Dividends paid to shareholders
Share buy-backs	(20,656)	-	**(20,656)**	Share buy-backs
Shares issued on exercise of share options	5,476	-	**5,476**	Shares issued on exercise of share options
Issue/redemption expenses	(2,746)	-	**(2,746)**	Issue/redemption expenses
Share redemptions	-	-	**-**	Share redemptions
	-	(1,518)	**(1,518)**	Actuarial loss recognised in the pension scheme
	-	455	**455**	Deferred tax on actuarial loss in the pension scheme
Credit in respect of employee share schemes	753	(336)	**417**	Credit in respect of employee share schemes
	-	329	**329**	Deferred tax in respect of employee share schemes
Net movement on equity shareholders' funds	60,763	(20,160)	**40,603**	Net movement on shareholders' equity
Opening equity shareholders' funds	1,142,110	(20,437)	**1,121,673**	Opening shareholders' equity
Closing equity shareholders' funds	1,202,873	(40,597)	**1,162,276**	Closing shareholders' equity

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Appendix A

Consolidated profit and loss account for the year ended 30 April 2005 under UK GAAP	Year ended 30 April 2005 UK GAAP £'000	Effect of transition to IFRS £'000	**Year ended 30 April 2005 IFRS £'000**	***Consolidated income statement for the year ended 30 April 2005 under IFRS***
				Continuing operations
Group Turnover	1,070,317	(275,856)	**794,461**	Revenue
- Continuing operations	824,086	(29,625)	**794,461**	- Continuing operations
- Discontinued operations	246,231	(246,231)	**-**	
Cost of sales	(781,429)	216,034	**(565,395)**	Cost of sales
Gross profit	288,888	(59,822)	**229,066**	Gross profit
Net operating expenses	(89,319)	15,265	**(74,054)**	Net operating expenses before merger expenses
Group operating profit	199,569	(44,557)	**155,012**	
- Continuing operations	162,271	(7,259)	**155,012**	- Continuing operations
- Discontinued operations	37,298	(37,298)	**-**	
Merger expenses	(1,633)	-	**(1,633)**	Merger expenses
	197,936	(44,557)	**153,379**	Operating profit
Interest receivable	11,413	(121)	**11,292**	Interest receivable
Interest payable	(21,702)	2,129	**(19,573)**	Finance costs
Share of operating profits of joint ventures	15,244	(4,886)	**10,358**	Share of post tax results of joint ventures
- Continuing operations	14,330	(3,972)	**10,358**	- Continuing operations
- Discontinued operations	914	(914)	**-**	
Profit on ordinary activities before taxation	202,891	(47,435)	**155,456**	Profit on ordinary activities before taxation
Taxation	(58,248)	16,809	**(41,439)**	Taxation
Profit on ordinary activities after taxation	144,643	(30,626)	**114,017**	Profit on ordinary activities after taxation
				Discontinued operations
	-	24,941	**24,941**	Profit for the year from discontinued operations
Retained profit for the year	144,643	(5,685)	**138,958**	Profit for the financial year
Earnings per Ordinary Share - Basic	121.0p	(4.8p)	**116.2p**	Earnings per Ordinary Share - Basic
- Continuing operations	102.5p	(7.2p)	**95.3p**	- Continuing operations
- Discontinued operations	18.5p	2.4p	**20.9p**	- Discontinued operations
Earnings per Ordinary Share - Diluted	120.0p	(4.9p)	**115.1p**	Earnings per Ordinary Share - Diluted
- Continuing operations	101.7p	(7.3p)	**94.4p**	- Continuing operations
- Discontinued operations	18.3p	2.4p	**20.7p**	- Discontinued operations

Reconciliation of movements in shareholders' funds for the year ended 30 April 2005 under UK GAAP	Year ended 30 April 2005 UK GAAP £'000	Effect of transition to IFRS £'000	**Year ended 30 April 2005 IFRS £'000**	***Statement of changes in shareholders' equity for the year ended 30 April 2005 under IFRS***
Retained profit for the year	144,643	(5,685)	**138,958**	Profit for the financial year
	-	(19,646)	**(19,646)**	Dividends paid to shareholders
Share buy-backs	(20,656)	-	**(20,656)**	Share buy-backs
Shares issued on exercise of share options	5,667	-	**5,667**	Shares issued on exercise of share options
Issue/redemption expenses	(2,841)	-	**(2,841)**	Issue/redemption expenses
Share redemptions	(604,153)	-	**(604,153)**	Share redemptions
	-	(3,262)	**(3,262)**	Actuarial loss recognised in the pension scheme
	-	978	**978**	Deferred tax on actuarial loss in the pension scheme
Credit in respect of employee share schemes	4,212	(679)	**3,533**	Credit in respect of employee share schemes
	-	658	**658**	Deferred tax in respect of employee share schemes
Net movement on equity shareholders' funds	(473,128)	(27,636)	**(500,764)**	Net movement on shareholders' equity
Opening equity shareholders' funds	1,142,110	(20,437)	**1,121,673**	Opening shareholders' equity
Closing equity shareholders' funds	668,982	(48,073)	**620,909**	Closing shareholders' equity

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Appendix B

Consolidated Balance Sheet at 1 May 2004 under UK GAAP	At 1 May 2004 UK GAAP £'000	Effect of transition to IFRS £'000	**At 1 May 2004 IFRS £'000**	***Consolidated Balance Sheet at 1 May 2004 under IFRS***
				Assets
Fixed assets				*Non-current assets*
Tangible assets	13,996	–	**13,996**	Property, plant and equipment
Joint ventures	67,907	(8,442)	**59,465**	Investments accounted for using equity method
	–	5,146	**5,146**	Deferred tax assets
	81,903	(3,296)	**78,607**	
Current assets				*Current assets*
Stocks	1,066,275	24,694	**1,090,969**	Inventories
Debtors	172,301	(66,686)	**105,615**	Trade and other receivables
Cash at bank and in hand	245,306	–	**245,306**	Cash and cash equivalents
	1,483,882	(41,992)	**1,441,890**	
				Liabilities
Creditors (amounts falling due within one year)				*Current liabilities*
Borrowings	(25,120)	–	**(25,120)**	Borrowings
Other creditors (excl corporation tax creditor)	(277,649)	21,275	**(256,374)**	Trade and other payables
Corporation tax creditor	(35,827)	11,386	**(24,441)**	Current tax liabilities
	(338,596)	32,661	**(305,935)**	
Net current assets	1,145,286	(9,331)	**1,135,955**	Net current assets
Total assets less current liabilities	1,227,189	(12,627)	**1,214,562**	Total assets less current liabilities
Creditors (amounts falling due after one year)				*Non-current liabilities*
Borrowings	(75,000)	–	**(75,000)**	Borrowings
	–	(8,877)	**(8,877)**	Retirement benefit obligation
Other creditors	(9,579)	1,067	**(8,512)**	Other creditors
	(84,579)	(7,810)	**(92,389)**	
Net assets	1,142,610	(20,437)	**1,122,173**	Net assets
Capital and reserves				*Shareholders' equity*
Share capital	30,516	–	**30,516**	Share capital
Share premium	–	–	**–**	Share premium
Capital redemption reserve	–	–	**–**	Capital redemption reserve
Other reserve	431,055	–	**431,055**	Other reserve
Retained profit	652,725	(11,995)	**640,730**	Retained earnings
Joint ventures' reserves	27,814	(8,442)	**19,372**	Joint ventures' reserves
Equity shareholders' funds	1,142,110	(20,437)	**1,121,673**	Total shareholders' equity
Equity minority interest	500	–	**500**	Minority interest in equity
Total shareholders' funds	1,142,610	(20,437)	**1,122,173**	Total equity
Net assets per ordinary share	944p	(4p)	**940p**	Net assets per ordinary share

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Appendix B

Consolidated Balance Sheet at 31 October 2004 under UK GAAP	At 31 October 2004 UK GAAP £'000	Effect of transition to IFRS £'000	**At 31 October 2004 IFRS £'000**	***Consolidated Balance Sheet at 31 October 2004 under IFRS***
				Assets
Fixed assets				*Non-current assets*
Tangible assets	10,462	–	**10,462**	Property, plant and equipment
Joint ventures	70,794	(6,865)	**63,929**	Investments accounted for using equity method
	–	4,816	**4,816**	Deferred tax assets
	81,256	(2,049)	**79,207**	
Current assets				*Current assets*
Stocks	1,070,871	38,161	**1,109,032**	Inventories
Debtors	108,416	(80,821)	**27,595**	Trade and other receivables
Cash at bank and in hand	349,311	–	**349,311**	Cash and cash equivalents
	1,528,598	(42,660)	**1,485,938**	
				Liabilities
Creditors (amounts falling due within one year)				*Current liabilities*
Borrowings	(25,106)	–	**(25,106)**	Borrowings
Other creditors (excl corporation tax creditor)	(255,309)	1,873	**(253,436)**	Trade and other payables
Corporation tax creditor	(35,323)	11,803	**(23,520)**	Current tax liabilities
	(315,738)	13,676	**(302,062)**	
Net current assets	1,212,860	(28,984)	**1,183,876**	Net current assets
Total assets less current liabilities	1,294,116	(31,033)	**1,263,083**	Total assets less current liabilities
Creditors (amounts falling due after one year)				*Non-current liabilities*
Borrowings	(75,000)	–	**(75,000)**	Borrowings
	–	(10,716)	**(10,716)**	Retirement benefit obligation
Other creditors	(15,743)	1,152	**(14,591)**	Other creditors
	(90,743)	(9,564)	**(100,307)**	
Net assets	1,203,373	(40,597)	**1,162,776**	Net assets
Capital and reserves				*Shareholders' equity*
Share capital	30,200	–	**30,200**	Share capital
Share premium	–	–	**–**	Share premium
Capital redemption reserve	–	–	**–**	Capital redemption reserve
Other reserve	(961,299)	–	**(961,299)**	Other reserve
Retained profit	2,100,518	(33,732)	**2,066,786**	Retained earnings
Joint ventures' reserves	33,454	(6,865)	**26,589**	Joint ventures' reserves
Equity shareholders' funds	1,202,873	(40,597)	**1,162,276**	Total shareholders' equity
Equity minority interest	500	–	**500**	Minority interest in equity
Total shareholders' funds	1,203,373	(40,597)	**1,162,776**	Total equity
Net assets per ordinary share	1,005p	(34p)	**971p**	Net assets per ordinary share

Appendix B

Consolidated Balance Sheet at 30 April 2005 under UK GAAP	At 30 April 2005 UK GAAP £'000	Effect of transition to IFRS £'000	**At 30 April 2005 IFRS £'000**	***Consolidated Balance Sheet at 30 April 2005 under IFRS***
				Assets
Fixed assets				*Non-current assets*
Tangible assets	8,883	–	**8,883**	Property, plant and equipment
Joint ventures	70,449	(5,952)	**64,497**	Investments accounted for using equity method
	–	8,074	**8,074**	Deferred tax assets
	79,332	2,122	**81,454**	
Current assets				*Current assets*
Stocks	1,053,674	49,371	**1,103,045**	Inventories
Debtors	156,543	(107,670)	**48,873**	Trade and other receivables
Cash at bank and in hand	344,948	–	**344,948**	Cash and cash equivalents
	1,555,165	(58,299)	**1,496,866**	
				Liabilities
Creditors (amounts falling due within one year)				*Current liabilities*
Borrowings	(88)	–	**(88)**	Borrowings
Other creditors (excl corporation tax creditor)	(295,994)	2,098	**(293,896)**	Trade and other payables
Corporation tax creditor	(32,924)	15,054	**(17,870)**	Current tax liabilities
	(329,006)	17,152	**(311,854)**	
Net current assets	1,226,159	(41,147)	**1,185,012**	Net current assets
Total assets less current liabilities	1,305,491	(39,025)	**1,266,466**	Total assets less current liabilities
Creditors (amounts falling due after one year)				*Non-current liabilities*
Borrowings	(600,000)	–	**(600,000)**	Borrowings
	–	(12,089)	**(12,089)**	Retirement benefit obligation
Other creditors	(36,009)	3,041	**(32,968)**	Other creditors
	(636,009)	(9,048)	**(645,057)**	
Net assets	669,482	(48,073)	**621,409**	Net assets
Capital and reserves				*Shareholders' equity*
Share capital	24,164	–	**24,164**	Share capital
Share premium	264	–	**264**	Share premium
Capital redemption reserve	6,091	–	**6,091**	Capital redemption reserve
Other reserve	(961,299)	–	**(961,299)**	Other reserve
Retained profit	1,565,097	(42,121)	**1,522,976**	Retained earnings
Joint ventures' reserves	34,665	(5,952)	**28,713**	Joint ventures' reserves
Equity shareholders' funds	668,982	(48,073)	**620,909**	Total shareholders' equity
Equity minority interest	500	–	**500**	Minority interest in equity
Total shareholders' funds	669,482	(48,073)	**621,409**	Total equity
Net assets per ordinary share	558p	(40p)	**518p**	Net assets per ordinary share

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Appendix C

Opening Balance Sheet Restatement **Consolidated Balance Sheet** under UK GAAP	1 May 2004 UK GAAP £'000	IAS 18 Revenue Recognition	IAS 10 Proposed Dvidends	IAS 19 Employee Benefits	IAS 12 Deferred Tax Reclassfn.	IAS 2 Land Creditor Discounting	IFRS 2 2000 LTIP Charge Red'n.	JV: IAS 18 Rvenue Recognition	JV: IAS 2 Land Creditor Discounting	**1 May 2004** **IFRS** **£'000**	**Consolidated Balance Sheet** **under IFRS**
											Assets
Fixed assets											*Non-current assets*
Tangible assets	13,996									**13,996**	Property, plant and equipment
Joint ventures	67,907							(3,931)	(4,511)	**59,465**	Investments using equity method
	–			2,174	2,972					**5,146**	Deferred tax assets
	81,903	–	–	2,174	2,972	–	–	(3,931)	(4,511)	**78,607**	
Current assets											*Current assets*
Stocks	1,066,275	27,410				(2,716)				**1,090,969**	Inventories
Debtors	172,301	(63,714)			(2,972)					**105,615**	Trade and other receivables
Cash at bank and in hand	245,306									**245,306**	Cash and cash equivalents
	1,483,882	(36,304)	–	–	(2,972)	(2,716)	–	–	-	**1,441,890**	
											Liabilities
Creditors (amounts falling due within one year)											*Current liabilities*
Borrowings	(25,120)									**(25,120)**	Borrowings
Other creditors (excl corporation tax creditor)	(277,649)		19,646	1,629						**(256,374)**	Trade and other payables
Corporation tax creditor	(35,827)	10,891				495				**(24,441)**	Current tax liabilities
	(338,596)	10,891	19,646	1,629	–	495	–	–	–	**(305,935)**	
Net current assets	1,145,286	(25,413)	19,646	1,629	(2,972)	(2,221)	–	–	–	**1,135,955**	Net current assets
Total assets less current liabilities	1,227,189	(25,413)	19,646	3,803	–	(2,221)	–	(3,931)	(4,511)	**1,214,562**	Total assets less current liabilities
Creditors (amounts falling due after one year)											*Non-current liabilities*
Borrowings	(75,000)									**(75,000)**	Borrowings
	–			(8,877)						**(8,877)**	Retirement benefit obligation
Other creditors	(9,579)					1,067				**(8,512)**	Other creditors
	(84,579)	–	–	(8,877)	–	1,067	–	–	–	**(92,389)**	
	1,142,610	**(25,413)**	**19,646**	**(5,074)**	**–**	**(1,154)**	**–**	**(3,931)**	**(4,511)**	**1,122,173**	
Capital and reserves											*Shareholders' equity*
Share capital	30,516									**30,516**	Share capital
Share premium	–									**–**	Share premium
Capital redemption reserve	–									**–**	Capital redemption reserve
Other reserve	431,055									**431,055**	Other reserve
Retained profit	652,725	(25,413)	19,646	(5,074)		(1,154)				**640,730**	Retained profit
Joint ventures' reserves	27,814							(3,931)	(4,511)	**19,372**	Joint ventures' reserves
Equity shareholders' funds	1,142,110	–	–	–	–	–	–	–	–	**1,121,673**	Total shareholders' equity
Equity minority interest	500									**500**	Minority interest in shareholders' equity
Total shareholders' funds	**1,142,610**	**(25,413)**	**19,646**	**(5,074)**	**–**	**(1,154)**	**–**	**(3,931)**	**(4,511)**	**1,122,173**	Total equity

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Appendix D

Half Year 2004-05 restatement **Consolidated Balance Sheet** under UK GAAP	31 October 2004 UK GAAP £'000	IAS 18 Revenue Recognition	IAS 10 Proposed Dividends	IAS 19 Employee Benefits	IAS 12 Deferred Tax Reclassfn	IAS 2 Land Creditor Discounting	IFRS 2 2000 LTIP Charge Red'n	JV: IAS 18 Revenue Recognition	JV: IAS 2 Land Creditor Discounting	**31 October 2004** **IFRS** **£'000**	**Consolidated Balance Sheet** **under IFRS**
											Assets
Fixed assets											*Non-current assets*
Tangible assets	10,462									**10,462**	Property, plant and equipment
Joint ventures	70,794							(2,652)	(4,213)	**63,929**	Investments using equity method
	–			2,653	2,163					**4,816**	Deferred tax assets
	81,256	–	–	2,653	2,163	–	–	(2,652)	(4,213)	**79,207**	
Current assets											*Current assets*
Stocks	1,070,871	41,308				(3,147)				**1,109,032**	Inventories
Debtors	108,416	(78,658)			(2,163)					**27,595**	Trade and other receivables
Cash at bank and in hand	349,311									**349,311**	Cash and cash equivalents
	1,528,598	(37,350)	–	–	(2,163)	(3,147)	–	–	–	**1,485,938**	
											Liabilities
Creditors (amounts falling due within one year)											*Current liabilities*
Borrowings	(25,106)									**(25,106)**	Borrowings
Other creditors (excl corporation tax creditor)	(255,309)			1,873						**(253,436)**	Trade and other payables
Corporation tax creditor	(35,323)	11,205				598				**(23,520)**	Current tax liabilities
	(315,738)	11,205	–	1,873	–	598	–	–	–	**(302,062)**	
Net current assets	1,212,860	(26,145)	–	1,873	(2,163)	(2,549)	–	–	–	**1,183,876**	Net current assets
Total assets less current liabilities	1,294,116	(26,145)	–	4,526	–	(2,549)	–	(2,652)	(4,213)	**1,263,083**	Total assets less current liabilities
Creditors (amounts falling due after one year)											*Non-current liabilities*
Borrowings	(75,000)									**(75,000)**	Borrowings
	–			(10,716)						**(10,716)**	Retirement benefit obligation
Other creditors	(15,743)					1,152				**(14,591)**	Other creditors
	(90,743)	–	–	(10,716)	–	1,152	–	–	–	**(100,307)**	
	1,203,373	**(26,145)**	**–**	**(6,190)**	**–**	**(1,397)**	**–**	**(2,652)**	**(4,213)**	**1,162,776**	
Capital and reserves											*Shareholders' equity*
Share capital	30,200									**30,200**	Share capital
Share premium	–									**–**	Share premium
Capital redemption reserve	–									**–**	Capital redemption reserve
Other reserve	(961,299)									**(961,299)**	Other reserve
Retained profit	2,100,518	(26,145)		(6,190)		(1,397)				**2,066,786**	Retained profit
Joint ventures' reserves	33,454							(2,652)	(4,213)	**26,589**	Joint ventures' reserves
Equity shareholders' funds	1,202,873	(26,145)	–	(6,190)	–	(1,397)	–	(2,652)	(4,213)	**1,162,276**	Total shareholders' equity
Equity minority interest	500									**500**	Minority interest in shareholders' equity
Total shareholders' funds	**1,203,373**	**(26,145)**	**–**	**(6,190)**	**–**	**(1,397)**	**–**	**(2,652)**	**(4,213)**	**1,162,776**	Total equity

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Appendix D

Half Year 2004-05 restatement **Consolidated profit and loss account** under UK GAAP	31 October 2004 UK GAAP £'000	IAS 18 Revenue Recognition	IAS 10 Proposed Dividends	IAS 19 Employee Benefits	IAS 2 Land Cred. Discounting	IFRS 2 2000 LTIP Charge Red'n.	IAS 31 Reclass. JV Int. & Tax	IFRS 5 Discont'd Operations	JV: IAS 18 Revenue Recognition	JV: IAS 2 Land Cred. Discounting	JV Turnover Not Discl.	**31 October 2004** **IFRS** **£'000**	**Consolidated Income Statement** **under IFRS**
Turnover including share of joint ventures	587,357	(14,944)						(89,576)	(894)		(62,422)		
Less: share of joint ventures' turnover	(68,692)	–						5,376	894		62,422		*Continuing operations*
Group Turnover	518,665	(14,944)	–	–	–	–	–	(84,200)	–	–	–	**419,521**	Revenue
Cost of sales	(374,709)	13,898			127			68,529				**(292,155)**	Cost of sales
Gross profit	143,956	(1,046)	–	–	127	–	–	(15,671)	–	–	–	**127,366**	Gross profit
Net operating expenses	(43,165)			78		336		7,095				**(35,656)**	Net operating expenses
Merger expenses	(1,536)											**(1,536)**	Merger expenses
Net interest receivable	630			(155)	(473)		1,762	122				**1,886**	Finance costs - net
Share of operating profit in joint ventures	10,663						(4,535)	(602)	1,279	298		**7,103**	Share of post tax results of joint ventures
Profit on ordinary activities before taxation	110,548	(1,046)	–	(77)	(346)	336	(2,773)	(9,056)	1,279	298	–	**99,163**	Profit on ordinary activities before taxation
Taxation on profit on ordinary activities	(32,612)	314		23	104	(329)	2,773	2,635				**(27,092)**	Taxation
Profit on ordinary activities after taxation	77,936	(732)	–	(54)	(242)	7	–	(6,421)	1,279	298	–	**72,071**	Profit on ordinary activities after taxation
													Discontinued operations
	–							6,421				**6,421**	Profit from discontinued operations
Retained profit for the period	**77,936**	**(732)**	**–**	**(54)**	**(242)**	**7**	**–**	**–**	**1,279**	**298**	–	**78,492**	Profit attributable to equity shareholders
Other movements on shareholders' funds	(17,173)		(19,646)	(1,518)		(336)						**(38,673)**	Other movements on equity
	–			455		329						**784**	Tax impact of other movements on equity
Net movement on equity shareholders' funds	**60,763**	**(732)**	**(19,646)**	**(1,117)**	**(242)**	**–**	**–**	**–**	**1,279**	**298**	**–**	**40,603**	Net movements on shareholders' equity

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Appendix E

Full Year 2004-05 restatement **Consolidated Balance Sheet** under UK GAAP	30 April 2005 UK GAAP £'000	IAS 18 Revenue Recognition	IAS 10 Proposed Dividends	IAS 19 Employee Benefits	IAS 12 Deferred Tax Reclassfn	IAS 2 Land Creditor Discounting	IFRS 2 2000 LTIP Charge Red'n	JV: IAS 18 Revenue Recognition	JV: IAS 2 Land Creditor Discounting	**30 April 2005** **IFRS** **£'000**	**Consolidated Balance Sheet** **under IFRS**
											Assets
Fixed assets											*Non-current assets*
Tangible assets	8,883									**8,883**	Property, plant and equipment
Joint ventures	70,449							(2,036)	(3,916)	**64,497**	Investments using equity method
	–			2,997	5,077					**8,074**	Deferred tax assets
	79,332	–	–	2,997	5,077	–	–	(2,036)	(3,916)	**81,454**	
Current assets											*Current assets*
Stocks	1,053,674	55,017				(5,646)				**1,103,045**	Inventories
Debtors	156,543	(102,593)			(5,077)					**48,873**	Trade and other receivables
Cash at bank and in hand	344,948									**344,948**	Cash and cash equivalents
	1,555,165	(47,576)	–	–	(5,077)	(5,646)	–	–	–	**1,496,866**	
											Liabilities
Creditors (amounts falling due within one year)											*Current liabilities*
Borrowings	(88)									**(88)**	Borrowings
Other creditors (excl corporation tax creditor)	(295,994)			2,098						**(293,896)**	Trade and other payables
Corporation tax creditor	(32,924)	14,273				781				**(17,870)**	Current tax liabilities
	(329,006)	14,273	–	2,098	–	781	–	–	–	**(311,854)**	
Net current assets	1,226,159	(33,303)	–	2,098	(5,077)	(4,865)	–	–	–	**1,185,012**	Net current assets
Total assets less current liabilities	1,305,491	(33,303)	–	5,095	–	(4,865)	–	(2,036)	(3,916)	**1,266,466**	Total assets less current liabilities
Creditors (amounts falling due after one year)											*Non-current liabilities*
Borrowings	(600,000)									**(600,000)**	Borrowings
				(12,089)						**(12,089)**	Retirement benefit obligation
Other creditors	(36,009)					3,041				**(32,968)**	Other creditors
	(636,009)	–	–	(12,089)	–	3,041	–	–	–	**(645,057)**	
	669,482	**(33,303)**	**–**	**(6,994)**	**–**	**(1,824)**	**–**	**(2,036)**	**(3,916)**	**621,409**	
Capital and reserves											*Shareholders' equity*
Share capital	24,164									**24,164**	Share capital
Share premium	264									**264**	Share premium
Capital redemption reserve	6,091									**6,091**	Capital redemption reserve
Other reserve	(961,299)									**(961,299)**	Other reserve
Retained profit	1,565,097	(33,303)		(6,994)		(1,824)				**1,522,976**	Retained profit
Joint ventures' reserves	34,665							(2,036)	(3,916)	**28,713**	Joint ventures' reserves
Equity shareholders' funds	668,982	(33,303)	–	(6,994)	–	(1,824)	–	(2,036)	(3,916)	**620,909**	Total shareholders' equity
Equity minority interest	500									**500**	Minority interest in shareholders' equity
Total shareholders' funds	**669,482**	**(33,303)**	**–**	**(6,994)**	**–**	**(1,824)**	**–**	**(2,036)**	**(3,916)**	**621,409**	Total equity

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Full Year 2004-05 restatement **Consolidated profit and loss account** under UK GAAP	30 April 2005 UK GAAP £'000	IAS 18 Revenue Recognition	IAS 10 Proposed Dividends	IAS 19 Employee Benefits	IAS 2 Land Creditor Discounting	IFRS 2 2000 LTIP Charge Red'n	IAS 31 Reclass. JV Int. & Tax	IFRS 5 Discont'd Operations	JV: IAS 18 Revenue Recognition	JV: IAS 2 Land Creditor Discounting	JV Turnover Not Discl.	**30 April 2005** **IFRS** **£'000**	**Consolidated Income Statement** **under IFRS**
Turnover including share of joint ventures	1,216,193	(38,879)						(242,475)	3,257		(143,635)		
Less: share of joint ventures' turnover	(145,876)	–						5,498	(3,257)		143,635		*Continuing operations*
Group Turnover	1,070,317	(38,879)	–	–	–	–	–	(236,977)	–	–	–	**794,461**	Revenue
Cost of sales	(781,429)	27,607			250			188,177				**(565,395)**	Cost of sales
Gross profit	288,888	(11,272)	–	–	250	–	–	(48,800)	–	–	–	**229,066**	Gross profit
Net operating expenses	(89,319)			828		679		13,758				**(74,054)**	Net operating expenses
Merger expenses	(1,633)							–				**(1,633)**	Merger expenses
Net interest payable	(10,289)			(309)	(1,206)		3,327	196				**(8,281)**	Finance costs - net
Share of operating profit in joint ventures	15,244						(6,828)	(548)	1,895	595		**10,358**	Share of post tax results of joint ventures
Profit on ordinary activities before taxation	202,891	(11,272)	–	519	(956)	679	(3,501)	(35,394)	1,895	595	–	**155,456**	Profit on ordinary activities before taxation
Taxation on profit on ordinary activities	(58,248)	3,382		(156)	287	(658)	3,501	10,453				**(41,439)**	Taxation
Profit on ordinary activities after taxation	144,643	(7,890)	–	363	(669)	21	–	(24,941)	1,895	595	–	**114,017**	Profit on ordinary activities after taxation
													Discontinued operations
								24,941				**24,941**	Profit from discontinued operations
Retained profit for the year	**144,643**	**(7,890)**	**–**	**363**	**(669)**	**21**	**–**	**–**	**1,895**	**595**	**–**	**138,958**	Profit attributable to equity shareholders
Other movements on shareholders' funds	(617,771)		(19,646)	(3,262)		(679)						**(641,358)**	Other movements on equity
	–			978		658						**1,636**	Tax impact of other movements on equity
Net movement on equity shareholders' funds	(473,128)	**(7,890)**	**(19,646)**	**(1,921)**	**(669)**	**–**	**–**	**–**	**1,895**	**595**	**–**	**(500,764)**	Net movements on shareholders' equity