

ACCOUNTING POLICIES

This interim financial information has been prepared by applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2005, except for the following changes:

RETIREMENT BENEFIT OBLIGATION

The Group has assumed additional retirement benefit obligations following the acquisition of Westbury plc. The schemes have been stated at the present value of the obligation at the date of acquisition, less the fair value of the scheme assets. Further detail on the schemes will be presented in the financial statements for the year ending 31 December 2006.

The Group has applied the requirements of IAS 19 (Employee Benefits) (Revised), recognising expected scheme gains and losses via operating expenses and actuarial gains and losses via the statement of recognised income and expense.

JOINTLY CONTROLLED ENTITIES

Investment in jointly controlled entities is measured using the net equity method. The Group's share of the result of jointly controlled entities is credited/charged to the income statement. Exchange rate differences arising from foreign currency translation are reflected in the income statement.

BASIS OF PREPARATION

These interim financial statements are condensed financial statements.

The results stated for the year ended 31 December 2005 are not statutory accounts. A copy of the statutory accounts for this year has been filed at Companies House. The report from the auditors on these accounts was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention to without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.