HOLDERS TECHNOLOGY PLC

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTH PERIOD TO 31 MAY 2007

CHAIRMAN'S STATEMENT

Results and activities
The group made further progress in the six months to 31 May 2007 with revenue growing by 4.7% to £9,458,000 (2006: £9,030,000) and pretax profit by 29.1% to £541,000 (2006: £419,000).

AIM companies are required to adopt International Financial Reporting Standards (IFRS) for accounting periods beginning after 1 January 2007. This means that Holders Technology would only have been obliged to adopt IFRS for the accounting period ending 30 November 2008, almost a year after the majority of AIM companies will have transitioned. The board has therefore decided to adopt IFRS in the current financial year.

The adoption of IFRS has had a small favourable impact on reported profitability for Holders. The main change being that goodwill is not amortised under IFRS. Instead goodwill is subject to being tested for impairment. The overall impact of the adoption of IFRS on the reported profit for the 6 months to 31 May 2007 and 2006 was to increase reported profit by £16,000 in each case.

Our UK operations achieved strong growth in both revenue and profitability whilst our Dutch and German subsidiaries saw more moderate growth in revenue but improved profitability. The first half benefited from changes we made last year to achieve cost reductions across the group, coupled with further efficiencies arising from the considerable investment we have made in the IT systems of the group. The impact of these improvements was in part offset by weakness in Scandinavia.

Products have now been identified for our Chinese operation, which will allow it to develop its business in Southern China and export Chinese-sourced materials to Holders group companies; however the new products did not contribute significantly to revenue in the first half. Our newly established Indian joint venture is now trading and has attractive medium term prospects.

Earlier in this statement I made reference to the restructuring we put in place last year and the benefits we are seeing from this. The drive to put this in hand was, in part, to enable our small central corporate staff to devote more attention to developing the group and identifying new product ranges. Identifying opportunities, negotiating appropriate commercial terms and qualifying new product lines with potential customers is necessarily a protracted process but we have identified a number of attractive opportunities further to develop our business.

Our balance sheet remains strong, with net cash reserves, and we are well placed to fund appropriate opportunities as they occur.

To reflect the improved trading position in the first half of the year we are increasing the interim dividend from 2.0p to 2.1p, which will be paid on 18 September 2007 to shareholders on the register on 24 August 2007. We expect the second half of the year to see a continuation of the progress made in the first half of the year thus leading to a satisfactory outcome for the year as a whole.

The interim financial statements were approved by the board on 18 July 2007 and signed on its behalf by:

Rudolf W. Weinreich
Chairman and Chief Executive

Holders Technology plc
Devonshire House
Manor way
Borehamwood
Hertfordshire WD6 1QQ

18 July 2007

Enquiries:

Rudi Weinreich, Chairman and Chief Executive, Holders Technology plc 020 8731 4336
Jim Shawyer, Finance Director, Holders Technology plc 020 8731 4336
Website: www.holderstechnology.com

John Wakefield, Director, Corporate Finance, Blue Oar Securities Plc 0117 9330020

CONSOLIDATED INTERIM INCOME STATEMENT
for the half-year ended 31 May 2007 (Unaudited)

	Notes	**Half-year ended 31 May 2007 £'000**	Half-year ended 31 May 2006 £'000	Full-year ended 30 Nov 2006 £'000
Revenue	1	**9,458**	9,030	18,822
Operating profit		**542**	433	962
Deferred consideration arising on sale of former subsidiary		**-**	6	39
Share of associates operating (loss)/profit		**-**	(25)	(25)
Finance income		**6**	10	9
Finance expense		**(7)**	(5)	(26)
Profit before taxation		**541**	419	959
Taxation	2	**(200)**	(162)	(390)
Profit after taxation		**341**	257	569
Attributable to:				
Equity shareholders of the company		**362**	257	591
Minority interest		**(21)**	-	(22)
		341	257	569
Earnings per share	4	**8.70p**	6.20p	14.24p
Diluted earnings per share	4	**8.22p**	5.98p	13.59p

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Cumulative translation adjustment £'000	Retained earnings £'000	Minority interest £'000	Total equity £'000
Balance at 1 December 2005	414	1,525	1	-	2,883	247	5,070
Profit/(loss) for the period	-	-	-	-	257	-	257
Dividends	-	-	-	-	(114)	-	(114)
Currency translation differences	-	-	-	(40)	-	-	(40)
Balance at 31 May 2006	414	1,525	1	(40)	3,026	247	5,173
Profit/(loss) for the period	-	-	-	-	334	(22)	312
Dividends	-	-	-	-	(83)	-	(83)
Shares issued during the period	2	6	-	-	-	-	8
Currency translation differences	-	-	-	(44)	-	(31)	(75)
Share-based payment credit	-	-	-	-	8	-	8
Minority interest acquired	-	-	-	-	-	(49)	(49)
Investments by minority interest	-	-	-	-	-	17	17
Balance at 30 November 2006	416	1,531	1	(84)	3,285	162	5,311
Profit/(loss) for the period	-	-	-	-	362	(21)	341
Dividends	-	-	-	-	(125)	-	(125)
Currency translation differences	-	-	-	9	-	-	9
Share-based payment credit	-	-	-	-	12	-	12
Investments by minority interest	-	-	-	-	-	10	10
Balance at 31 May 2007	416	1,531	1	(75)	3,534	151	5,558

CONSOLIDATED INTERIM BALANCE SHEET AT 31 MAY 2007 (UNAUDITED)

	Half-year ended 31 May 2007	Half-year ended 31 May 2006	Full-year ended 30 Nov 2006
	£'000	£'000	£'000
Assets			
Non-current assets			
Goodwill	**413**	409	413
Property, plant and equipment	**627**	502	506
Investment in associate	**-**	65	119
	1,040	976	1,038
Current assets			
Inventories	**2,976**	2,643	3,153
Trade and other receivables	**3,676**	4,218	2,844
Cash and cash equivalents	**701**	376	822
	7,353	7,237	6,819
Liabilities			
Current liabilities			
Trade and other payables	**(2,020)**	(2,203)	(1,678)
Borrowings	**(335)**	(410)	(406)
Current tax liabilities	**(277)**	(241)	(260)
	(2,632)	(2,854)	(2,344)
Net current assets	**4,721**	4,383	4,475
Non-current liabilities			
Borrowings	-	-	(4)
Retirement benefit liability	**(99)**	(82)	(94)
Deferred consideration	**(104)**	(104)	(104)
	(203)	(186)	(202)
Net assets	**5,558**	5,173	5,311
Shareholders' equity			
Share capital	**416**	414	416
Share premium account	**1,531**	1,525	1,531
Capital redemption reserve	**1**	1	1
Retained earnings	**3,534**	3,026	3,285
Cumulative translation adjustment	**(75)**	(40)	(84)
Equity attributable to the equity shareholders	**5,407**	4,926	5,149
Minority interests	**151**	247	162
	5,558	5,173	5,311

CONSOLIDATED INTERIM CASH FLOW STATEMENT
for the half-year ended 31 May 2007 (Unaudited)

	Half-year ended 31 May 2007	Half-year ended 31 May 2006	Full-year ended 30 Nov 2006
	£'000	£'000	£'000
Cash flows from operating activities			
Operating profit	**542**	433	962
Share-based payment charge	**12**	-	8
Depreciation	**98**	69	208
Reduction in impairment re associate	**-**	-	(35)
Currency translation	**7**	(26)	(79)
(Gain)/loss on sale of tangible fixed assets	**-**	(15)	1
Movement in inventories	**177**	(19)	(529)
Movement in trade and other receivables	**(835)**	(1,366)	(29)
Movement in trade and other payables	**357**	615	76
Cash generated from/(used in) operations	**358**	(309)	583
Tax (paid)/recovered	**(180)**	64	(96)
Net cash generated from/(used in) operations	**178**	(245)	487
Cash flows from investing activities			
Disposal of investment in associate	**119**	-	-
Increase in investment in existing subsidiary	**-**	-	(54)
Deferred consideration arising on sale of former subsidiary	**-**	6	39
Purchase of property, plant and equipment	**(217)**	(65)	(244)
Proceeds from sale of property, plant and equipment	**-**	18	29
Interest received	**6**	3	9
Net cash generated from/(used in) investing activities	**(92)**	(38)	(221)
Cash flows from financing activities			
Proceeds from issue of shares	**-**	-	8
Interest paid	**(7)**	(5)	(26)
Equity dividends paid	**(125)**	(114)	(197)
Finance lease principal repayments	**(6)**	(7)	(16)
Net cash used in financing activities	**(138)**	(126)	(231)
Net change in cash and cash equivalents	**(52)**	(409)	35
Cash and cash equivalents at start of period	**418**	383	383
Effect of exchange rate fluctuations on cash held	**-**	7	-
Cash and cash equivalents at end of period	**366**	(19)	418

Notes:

1. Basis of preparation

The consolidated interim financial statements have been prepared in accordance with the AIM Rules for Companies and on a basis consistent with the accounting policies set out in note 2 of the appendix below, which will be applied when the group prepares its first set of annual financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU for the financial year ending 30 November 2007.

These are the group's first interim financial statements prepared under IFRS and therefore IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been applied. An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the group together with a summary of significant accounting policies is provided in an appendix to this statement. This note includes reconciliations of equity and profit or loss for the comparative periods under UK Generally Accepted Accounting Practices ("UK GAAP") to those reported for those periods under IFRS.

As permitted, the group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing these interim financial statements and therefore the interim financial information is not in full compliance with IFRS.

The adopted IFRS that will be effective in the annual financial statements for year ending 30 November 2007 are still subject to change and to additional interpretations and therefore cannot be determined with complete certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 30 November 2007.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These interim financial statements have been prepared under the historical cost convention.

The board of Holders Technology plc approved this interim report on 18 July 2007.

2. The tax charge for the six months ended 31 May 2007 is calculated based on the tax rates applicable in the country in which each company operates. The effective rate of tax is 37.0% (2006: 39.0%). Taxation includes a charge of £76,000 (2006: £129,000) relating to overseas operations.

3. A final dividend of 3.0p per share on the total issued share capital of 4,159,551 10p ordinary shares was paid on 22 May 2007 in respect of the year ended 30 November 2006.

   An interim dividend payment of 2.1p per share (2006: 2.0p per share) will be payable on 18 September 2007 to shareholders on the register at 24 August 2007. The shares will go ex-dividend on 22 August. The interim dividend was not approved by the board at 31 May 2007 and accordingly, has not been included as a liability as that date.

4. The earnings per ordinary share (basic and diluted) for the six months ended 31 May 2007 have been calculated by reference to the profit attributable to equity shareholders of £362,000 (2006: £257,000) and on 4,159,551 ordinary shares (2006: 4,144,551) being the weighted average number of shares in issue during the period. Diluted earnings per share is based on 4,404,551 ordinary shares (2006: 4,299,551), being the weighted average number of ordinary shares after an adjustment of 245,000 shares (2006: 155,000) in relation to share options.

5. The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The auditors have not issued a review report on the restated financial information for the six months ended 31 May 2006. The financial information for the year ended 30 November 2006 has been derived from the published statutory accounts as restated by the IFRS adjustments set out in note 3. A copy of the full accounts for that period, on which the auditors issued an unqualified report that did not contain statements under Section 237 (2) or (3) of the Companies Act 1985, has been delivered to the Registrar of Companies.

6. A copy of this interim report is being sent to shareholders and is available for inspection at the company's registered office, Devonshire House, Manor Way Borehamwood, Herts WD6 1QQ.

Appendix 1

Restatement of Financial Information under International Financial Reporting Standards

1. Introduction

Holders Technology plc has previously prepared consolidated financial statements in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"). Following a European Union Regulation issued in 2002, the group will now report its consolidated figures under International Accounting Standards and International Financial Reporting Standards (collectively IFRS) as adopted by the European Union.

The group's first annual report under IFRS will be for year ending 30 November 2007 and these financial statements will include restated figures under IFRS for the year ended 30 November 2006. The group's date of transition to IFRS is 1 December 2005, being the start of the previous period that will be presented as comparative information. The first "IFRS" results announced are for the half-year ended 31 May 2007.

This document sets out the changes in accounting policies arising from the adoption of IFRS and presents restated information for the opening balance sheet at 1 December 2005, the half-year ended 31 May 2006 and the year ended 30 November 2006 which were previously published under UK GAAP.

Conversion to IFRS affects the group's reporting particularly in the area of accounting for goodwill arising from acquisitions. This said, the adoption of IFRS represents an accounting change only and does not change the cash flows of the group or its operations.

2. Basis of preparation and summary of significant accounting policies

Basis of preparation

The interim financial statements have been prepared in accordance with the accounting policies the company expects to adopt in its 2007 annual report. These accounting policies are based on the IAS, IFRS and IFRIC interpretations that the company expects to be applicable at that time. The IFRS and IFRIC interpretations that will be applicable at 30 November 2007, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing the interim financial statements.

The group's consolidated financial statements were prepared in accordance with UK GAAP until 30 November 2006. The company has applied the same accounting policies and methods of computation in the interim financial statements as those published by the group within its 2006 Annual Report, except as explained in notes 3 and 4 of this document, where the effects of changes in accounting policies arising as a result of the adoption of IFRS are set out. Reconciliations between previously reported financial statements prepared under UK GAAP and the IFRS equivalents are presented for profit for the year ended 30 November 2006 and the six months ended 31 May 2006 and net assets as at 30 November 2006, 31 May 2006 and 1 December 2005. Further disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are also given in notes 3 and 4 of this document.

IFRS 1 provides certain optional exemptions from full retrospective application of all accounting standards effective at the company's reporting date. As discussed in more detail in the relevant sections below, the company has taken advantage of the exemptions relating to: business combinations, cumulative translation differences and share-based payment transactions. The company has not taken advantage of the available optional exemption relating to fair value measurement of financial assets and financial liabilities at initial recognition.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Principles of consolidation

The consolidated interim financial statements incorporate the interim financial statements of the company and all its subsidiaries. Intra-group transactions, including sales, profits, receivables and payables, have been eliminated on the group consolidation.

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included from the date that control commences until the date that control ceases.

Goodwill and business combinations

The results of subsidiaries acquired in the period are included in the income statement from the date they are acquired. On acquisition, all of the subsidiaries' assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

All business combinations are accounted for by applying the purchase method. Goodwill represents the excess of the fair value of the consideration paid on acquisition of a business over the fair value of the assets, including any intangible assets identified and liabilities acquired. Goodwill is not amortised but is measured at cost less impairment losses. Impairment losses are immediately recognised in the income statement and are not subsequently reversed. In determining the fair value of consideration, the fair value of equity issued is the market value of equity at the date of completion, and the fair value of contingent consideration is based upon the extent to which the directors believe performance conditions will be met and thus whether any further consideration will be payable.

As permitted by IFRS 1, goodwill arising on acquisitions before 1 December 2005 (date of transition to IFRS) has been frozen at the UK GAAP amounts subject to being tested for impairment at that date. Goodwill is tested for impairment annually. The company performs its annual impairment review at the cash generating unit level.

Impairment charges

The company considers at each reporting date whether there is any indication that non-current assets are impaired. If there is such an indication, the company carries out an impairment test by measuring an asset's recoverable amount, which is the higher of its fair value less costs to sell and its value in use (effectively the expected cash to be generated from using the asset in the business). If the recoverable amount is less than the carrying amount an impairment loss is recognised, and the asset is written down to its recoverable amount.

Revenue recognition

Revenue comprises the value of sales of goods and services to third party customers occurring in the period, stated exclusive of value added tax and net of trade discounts and rebates.

Revenue on the sale of goods is recognised when substantially all of the risks and rewards in the product have passed to the customer, which is usually upon delivery to the customer.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the company.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The company considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management system are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other receivables

Trade and other receivables do not carry interest and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is evidence that the group will not be able to collect all amounts due according to the original terms of these receivables. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the income statement.

Trade and other payables

Trade and other payables are not interest bearing and are stated at their settlement amount.

Borrowings

Borrowings are recognised initially at proceeds received, net of transaction costs. Subsequent measurement is at amortised cost. Finance charges, including any premiums payable or discounts, and direct issue costs are recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis, except in Germany, where an average cost basis is used. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal. Where necessary, provision is made for obsolete, slow-moving and defective inventory.

Property, plant and equipment

The cost of items of property, plant and equipment is its purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated to write off assets over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. No depreciation is provided on freehold land. Depreciation is calculated at the following rates:

Freehold buildings	2% on cost
Leasehold buildings	Over the period of the lease
Motor vehicles	20% on either cost or written down value
Plant and machinery	20% - 33% on either cost or written down value
Office equipment	25% on cost

Provision is made against the carrying value of items of property, plant and equipment where an impairment in value is deemed to have occurred.

Leased assets

Rentals payable under operating leases are charged to the income statement on a straight line basis over the periods of the leases.

Assets held under finance leases are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the income statement over the period of the lease in proportion to the balance of capital repayments outstanding.

Foreign currencies

In the consolidated financial statements, the net assets of the group's foreign operations are translated at the rate of exchange at the balance sheet date. Income and expense items are translated at the average rates for the period. The resulting exchange differences are recognised in equity and included in the translation reserve. Such translation differences are recognised in the income statement on the disposal of the foreign operation. All other currency differences are taken to the income statement. Differences between forward exchange contract rates and the year end spot rate are taken to the income statement. Profit and losses on holding foreign currency balances are treated as a finance cost.

Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of directly attributable issue costs

Taxes

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date. For the purposes of interim statements, the current tax charge is based upon a prudent expectation of the likely full year position.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the asset is realised or the liability settled.

Provision is not made for deferred tax on the unremitted earnings of foreign subsidiaries where such remittances are not considered probable as the group's policy is to reinvest profits to fund growth locally. Provision is made where it is likely that dividends will be remitted within the foreseeable future.

A net deferred tax asset is recognised only when it is probable that suitable taxable profits will be available in the foreseeable future from which the reversal of the temporary differences can be deducted.

Employee share option scheme

The fair value of employee share plans is calculated using a Black Scholes model. In accordance with IFRS 2 the resulting cost is charged to the income statement over the vesting period of the plans. The value of the charge is adjusted to reflect the expected and the actual levels of options vesting. IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 December 2005, in accordance with the transitional arrangements of IFRS 1.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

Pension contributions

The group does not operate a pension scheme. Pension costs relate to group contributions to the personal pension schemes of certain directors and employees.

Investment income

Investment income relates to interest income, which is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends payable

Distributions to equity holders are disclosed as a component of the movement in shareholders' equity. A liability is recorded for a final dividend when the dividend is declared by the company's shareholders, and, for an interim dividend, when the dividend is paid.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3. Explanation of transition to IFRS

The company's financial statements for the year ending 30 November 2007 will be the first annual financial statements that comply with IFRS. The interim financial statements have been prepared as described in note 2 of this document. The company has applied IFRS 1 in preparing the interim financial statements.

The last financial statements under UK GAAP were for the year ended 30 November 2006 and the date of transition was therefore 1 December 2005. Presented below is the reconciliation of profit for the year ended 30 November 2006 and the reconciliations of equity at 1 December 2005, being the start of that period ("Transition Date") and at 30 November 2006 (date of last UK GAAP financial statements) as required by IFRS 1. In addition, the reconciliation of equity at 31 May 2006 and the reconciliation of profit for the 6 month period ended 31 May 2006 have been included below as required by IFRS 1 to enable a comparison of the 2007 interim figures with those published in the corresponding period of the previous financial year. For explanations of the nature and effect of the changes in accounting policies as a consequence of the transition to IFRS, refer to note 4 of this document.

(i) Reconciliations of UK GAAP profit and loss account to IFRS income statement

Half-year ended 31 May 2006
(Date of corresponding interim financial statements)

	Notes	UK GAAP Unaudited £'000	Effect of transition to IFRS Unaudited £'000	IFRS Unaudited £'000
Revenue		9,030	-	9,030
Cost of sales		(6,729)	-	(6,729)
Gross Profit		2,301	-	2,301
Distribution costs		(156)		(156)
Administrative expenses	a	(1,743)	16	(1,727)
Other operating income		15		15
Operating profit		417	16	433
Deferred consideration arising on sale of former subsidiary		6	-	6
Finance income		10	-	10
Finance expenses		(5)	-	(5)
Share of loss of associate		(25)	-	(25)
Profit before tax		403	16	419
Taxation		(162)		(162)
Profit after tax		241	16	257
Attributable to:				
Equity shareholders of the company		241	16	257
Minority interests		-	-	-
		241	16	257

Year ended 30 November 2006
(End of last period presented under UK GAAP)

	Notes	UK GAAP Audited £'000	Effect of transition to IFRS Unaudited £'000	IFRS Unaudited £'000
Revenue		18,822	-	18,822
Cost of sales		(13,891)	-	(13,891)
Gross Profit		4,931	-	4,931
Distribution costs		(446)		(446)
Administrative expenses		(3,592)	31	(3,561)
Other operating income		38	-	38
Operating profit		931	31	962
Deferred consideration arising on sale of former subsidiary		39	-	39
Finance income		9	-	9
Finance expenses		(26)	-	(26)
Share of loss of associate		(25)	-	(25)
Profit before tax		928	31	959
Taxation		(390)	-	(390)
Profit after tax		538	31	569
Attributable to:				
Equity shareholders of the company		560	31	591
Minority interests		(22)	-	(22)
		538	31	569

(ii) Reconciliation of UK GAAP profit to IFRS profit

		Half-year ended 31 May 2006 £'000	Year ended 30 November 2006 £'000
Profit after tax as reported under UK GAAP		241	560
Adjustments for:			
Goodwill not amortised subsequent to the Transition Date	a	16	31
Profit after tax as reported under IFRS		257	591

(iii) Reconciliations of equity at 1 December 2005 from UK GAAP to IFRS

	Notes	UK GAAP Audited £'000	Effect of transition to IFRS Unaudited £'000	IFRS Unaudited £'000
Assets				
Non-current assets				
Goodwill	a	410	-	410
Property, plant and equipment		509	-	509
Investment in associate		103	-	103
		1,022	-	1,022
Current assets				
Inventories		2,624	-	2,624
Trade and other receivables		2,970	-	2,970
Cash and cash equivalents		734	-	734
		6,328	-	6,328
Liabilities				
Current liabilities				
Trade and other payables		(1,588)	-	(1,588)
Borrowings		(367)	-	(367)
Current tax liabilities		(133)	-	(133)
		(2,088)	-	(2,088)
Net current assets		4,240	-	4,240
Non-current liabilities				
Borrowings		(6)	-	(6)
Retirement benefit liability		(82)	-	(82)
Deferred consideration		(104)	-	(104)
		(192)	-	(192)
Net assets		5,070	-	5,070
Shareholders' equity				
Share capital		414	-	414
Share premium account		1,525	-	1,525
Capital redemption reserve		1	-	1
Retained earnings	a	2,883	-	2,883
Cumulative translation adjustment	b	-	-	-
Total equity attributable to the equity shareholders		4,823	-	4,823
Minority interests		247	-	247
		5,070	-	5,070

(iv) Reconciliations of equity at 30 November 2006 from UK GAAP to IFRS

	Notes	UK GAAP Audited £'000	Effect of transition to IFRS Unaudited £'000	IFRS Unaudited £'000
Assets				
Non-current assets				
Goodwill	a	382	31	413
Property, plant and equipment		506	-	506
Investment in associate		119	-	119
		1,007	31	1,038
Current assets				
Inventories		3,153	-	3,153
Trade and other receivables		2,844	-	2,844
Cash and cash equivalents		822	-	822
		6,819	-	6,819
Liabilities				
Current liabilities				
Trade and other payables		(1,678)	-	(1,678)
Borrowings		(406)	-	(406)
Current tax liabilities		(260)	-	(260)
		(2,344)	-	(2,344)
Net current assets		4,475	-	4,475
Non-current liabilities				
Borrowings		(4)	-	(4)
Retirement benefit liability		(94)	-	(94)
Deferred consideration		(104)	-	(104)
		(202)	-	(202)
Net assets		5,280	31	5,311
Shareholders' equity				
Share capital		416	-	416
Share premium account		1,531	-	1,531
Capital redemption reserve		1	-	1
Retained earnings	a	3,170	115	3,285
Cumulative translation adjustment	b	-	(84)	(84)
Total equity attributable to the equity shareholders		5,118	31	5,149
Minority interests		162	-	162
		5,280	31	5,311

(v) Reconciliations of equity at 31 May 2006 from UK GAAP to IFRS

	Notes	UK GAAP Unaudited £'000	Effect of transition to IFRS Unaudited £'000	IFRS Unaudited £'000
Assets				
Non-current assets				
Goodwill	a	393	16	409
Property, plant and equipment		502	-	502
Investment in associate		65	-	65
		960	16	976
Current assets				
Inventories		2,643	-	2,643
Trade and other receivables		4,218	-	4,218
Cash and cash equivalents		376	-	376
		7,237	-	7,237
Liabilities				
Current liabilities				
Trade and other payables		(2,203)	-	(2,203)
Borrowings		(410)	-	(410)
Current tax liabilities		(241)	-	(241)
		(2,854)	-	(2,854)
Net current assets		4,383	-	4,383
Non-current liabilities				
Borrowings		-	-	-
Retirement benefit liability		(82)	-	(82)
Deferred consideration		(104)	-	(104)
		(186)	-	(186)
Net assets		5,157	16	5,173
Shareholders' equity				
Share capital		414	-	414
Share premium account		1,525	-	1,525
Capital redemption reserve		1	-	1
Retained earnings	a	2,970	56	3,026
Cumulative translation adjustment	b	-	(40)	(40)
Total equity attributable to the equity shareholders		4,910	16	4,926
Minority interests		247	-	247
		5,157	16	5,173

(vi) Reconciliation of equity from UK GAAP to IFRS

	Notes	1 December 2005 £'000	31 May 2006 £'000	30 November 2006 £'000
Total equity as reported under UK GAAP		5,070	5,157	5,280
Adjustments for:				
Goodwill not amortised subsequent to transition date	a	-	16	31
Total equity as reported under IFRS		5,070	5,173	5,311

4. Explanation of adjustments.

The transition to IFRS resulted in the following changes in accounting policies:

a. Goodwill

Goodwill is not amortised under IFRS but is measured at cost less impairment losses. Under UK GAAP, goodwill was amortised on a straight line basis over the time that the group was estimated to benefit from it. The change does not affect equity at 1 December 2005 because, as permitted by IFRS 1, goodwill arising on acquisitions before 1 December 2005 (date of transition to IFRS) has been frozen at the UK GAAP amounts subject to being tested for impairment at that date, the results of which assessment indicated no such impairment.

Under UK GAAP, goodwill on acquisitions prior to 1 July 1998 was eliminated directly against reserves. The gain or loss on the disposal of a previously acquired business reflects the attributable amount of purchased goodwill in respect of that business. As the group has opted not to restate business combinations prior to the date of transition, the goodwill written off to reserves under UK GAAP has been frozen and remains in reserves.

b. Other reserves

The group has adopted IAS 21 and discloses separately the exchange differences arising on the translation of foreign subsidiaries' results as a component of equity with effect from 1 December 2005. In order to eliminate the need to retrospectively apply this requirement, the group took the exemption to set cumulative translation differences to zero at the date of transition.