

## The Clapham House Group PLC – Unaudited Interim Results

**The Clapham House Group PLC (“Clapham House” or the “Company”)  
5 December 2007**

**Unaudited Interim Results  
for the six months ended 30 September 2007**

Clapham House, owner and operator of Gourmet Burger Kitchen (“GBK”), Tootsies, The Bombay Bicycle Club (“BBC”) and The Real Greek (“TRG”), today announces its interim results for the six months ended 30 September 2007.

### Highlights :

- Turnover increased for the six months by 37% to £28.1m (2006: £20.6m)
- Adjusted EBITDA\* increased for the six months by 50% to £3.3m, (2006: £2.2m)
- Adjusted profit before taxation\* increased for the six months by 21% to £1.5m (2006: £1.2m)
- Net debt at 30 September 2007 of £13.3m (2006: £5.8m)
- Clapham House operates 90 restaurants, up from 72 at the start of the current financial year

### Current trading :

- Continued successful expansion of GBK with encouraging results from openings outside London
- Sales shortfall at Tootsies exacerbated by recent poor sales at 11 shopping and leisure centres restaurants
- Clapham House plans a more conservative opening programme of 18 restaurants for FY09

David Page, Executive Chairman, The Clapham House Group PLC, commented:

“During the first six months of the year we have again seen an increase in profits and an acceleration of our opening programme for GBK, where returns continue to be excellent. The performance of the GBKs opened this year outside London underlines our confidence that this format can be rolled out nationally. As a result of our cautious view on the UK economic outlook, we are now adopting a more conservative opening programme for the next financial year in which we now anticipate opening a total of 18 restaurants.”

\* before restructuring costs and share based payments

### Enquiries

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[www.claphamhousegroup.com](http://www.claphamhousegroup.com)

**NOTE TO EDITORS:****The Clapham House Group PLC ([www.claphamhousegroup.com](http://www.claphamhousegroup.com))**

Floated on AIM in November 2003 to acquire and develop a small number of quality, “best in class” branded restaurant formats for expansion as a high growth restaurant group. There are currently 90 Clapham House restaurant locations across four brands, 86 of which are within the UK and 4 GBK restaurants operating under franchise in the Middle East.

**Gourmet Burger Kitchen ([www.gbk.co.uk](http://www.gbk.co.uk))**

Gourmet Burger Kitchen (“GBK”) offers a range of nutritious, delicious and sophisticated burgers (Winner of Retailers’ Retailer Best Concept 2007, Harden’s London Restaurants 2006: “Best Burger”, “Market Hero 2007” Peach Networks, Time Out 2007: “the first and remains our favourite gourmet burger chain”). GBK uses only high quality, fresh ingredients to create each burger including oversized sourdough buns, 100% fully traceable Aberdeen Angus Scotch Beef patties, English chicken and other fresh produce delivered to the restaurants each day. GBK offers a variety of 29 burgers including Beef, Chicken, Lamb, Venison and Chorizo, as well as four Vegetarian burgers, Junior Beef and Junior Chicken burgers and delicious flavour combinations such as the Pesterella Burger (Beef, Mozzarella and Pesto). Seasonal specialities include the new GBK Laverstoke Park Buffalo Burger and lighter summer options including GBK salads and bespoke GBK ice creams. The 38th GBK restaurant in the UK opened in Milton Keynes in November 2007. The fourth GBK operating under franchise in the Middle East opened in Kuwait in June 2007.

**Tootsies ([www.tootsiesrestaurants.co.uk](http://www.tootsiesrestaurants.co.uk))**

Tootsies first opened its doors to London diners in Holland Park back in 1971 and rapidly built up a loyal local following. Over the past 35 years, Tootsies has opened many more restaurants throughout London and the United Kingdom, offering high quality, freshly prepared food in a friendly atmosphere. The new Tootsies menu offers “great food for everyone” including legendary breakfasts and brunches, imaginative salads whilst the char-grill offers steaks, ribs and a superb selection of burgers, including the famous Jalapeno (avocado, Monterey Jack cheese and Mexican hot sauce). Children are very welcome and are offered a bespoke menu, in partnership with Annabel Karmel, and the renowned freshly blended Tootsies milkshakes. (Zagat 2007: “the staff are cheerful and friendly even when your children aren’t”, Hardens 2007: “a great family destination”). Tootsies operates 24 restaurants within the UK.

**The Bombay Bicycle Club ([www.thebombaybicycleclub.com](http://www.thebombaybicycleclub.com))**

The Bombay Bicycle Club (“BBC”) operates 3 restaurants and 15 delivery kitchens and has built an outstanding reputation for quality Indian cuisine over a period of 20 years using the freshest ingredients and providing excellent service, regularly receiving positive plaudits from leading food critics (Zagat 2007: “posh takeaways are good value especially when delivered to your door”, Hardens 2007: “light, fresh and well-crafted curries”). The Bombay Bicycle Club home delivery service provides quality, freshly prepared food to more than 10,000 customers a week in the comfort of their own homes. Our loyalty scheme, the Penny Farthing Club, has over 5,000 registered users with members enjoying a range of special offers and loyalty discounts. The Bombay Bicycle Club will continue to expand across and beyond Greater London and is seeking to become the largest operator in the quality Indian food market.

**The Real Greek ([www.therealgreek.com](http://www.therealgreek.com))**

The Real Greek (“TRG”) offers highly acclaimed traditional Greek cooking (Time Out 2007: “faultless Souvlaki...perfectly char-grilled”, Harden’s 2007: “revolutionised our notions of Greek cooking”) using fresh and seasonal ingredients served in an informal setting and accompanied by specially imported Greek wines. The Real Greek concept derives its style from Greek “Street Food”, where eating meze and char-grilled souvlaki is part of everyday life. The Real Greek currently operates from six locations, including a landmark restaurant on London’s South Bank and a busy restaurant in a converted pub in Covent Garden.

**The Clapham House Group PLC**  
**Unaudited Interim Results**  
**for the six months ended 30 September 2007**

**Chairman's Statement**

*Results*

During the six months ended 30 September 2007, Clapham House's turnover increased to £28.1 million from £20.6 million for the six months ended 1 October 2006. This is a result of the continuing organic growth of our restaurant businesses.

The Company's Adjusted EBITDA (as defined in note 7) increased for the six months by 50% to £3.3m, (2006: £2.2m) while adjusted profit before share based payments, restructuring costs and taxation in the period increased by 21% to £1.5m (2006: £1.2m). This is after higher pre-opening costs incurred in the period of £0.6m (2006: £0.3m) due to a significantly greater number of openings than the previous year. Before these pre-opening costs our adjusted profits increased by 40% to £2.1m (2006: £1.5m).

The Company incurred a one off restructuring charge of £0.7m relating to the write down of fixed assets at the Canary Wharf restaurant which has been converted from a Tootsies to a GBK. Clapham House achieved net profit before taxation during the period of £0.6m (2006: £0.6m).

Diluted earnings per share for the period were 0.8p (2006: 1.6p) while adjusted diluted earnings per share before restructuring costs, share based payments and deferred taxation arising on share based payments were 3.1p (2006: 3.4p). The taxation charge for the period of £0.3m (2006: £0.1m) consists entirely of deferred taxation charges.

*Openings*

Our restaurant opening programme has progressed well with thirteen new restaurant locations added in the first half. Ten new GBKs were opened including restaurants in Oxford, Cambridge and two in Greater Manchester, three new BBC delivery kitchens were opened and two loss-making Tootsies restaurants were sold. This first half activity took the total number of Clapham House restaurants and delivery kitchens to 84 at 30 September 2007.

Since that date, a further five GBK restaurants (including Leeds and Milton Keynes) and a BBC delivery kitchen have been opened and the Tootsies restaurant at Canary Wharf has been converted to a GBK, taking the total number of locations operated by the Company today to 90: 42 GBK restaurants (38 UK; 4 international), 24 Tootsies and Dexters restaurants, 18 BBC restaurants and delivery kitchens and 6 TRG restaurants.

We are building at five locations for GBK including Cardiff, Birmingham and Edinburgh, all of which are expected to open before the end of the current financial year. In addition, our franchise partner in Turkey is constructing a GBK restaurant in Istanbul which is expected to commence trading early in 2008.

There has been at least a 12 month delay in opening our eagerly anticipated GBK and TRG restaurants in the Spitalfields development in London. Contracts have been exchanged on these properties but the necessary enabling works have not yet been completed and consequently these restaurants are unlikely to open until well into the financial year to March 2009. This will have an impact on this year's financial results as set out in our Trading Update released on 3 December 2007 as both sites were expected to have traded strongly from their original anticipated opening dates early in this financial year.

In the last six months we have noticed a number of properties coming to market at inflated rental and premium prices. It is our clear policy not to enter into un-economic and over rented leases and this will continue to be the case.

The Board is concerned about the uncertain economic outlook, potential food cost inflation and recent increases in rents quoted for new properties. As a result it has concluded that it is prudent to adopt a more conservative opening programme for the Group in the UK for the year ending March 2009. This will concentrate on the expansion of the GBK format in the UK and internationally under franchise. The Board anticipates the opening of 18 new restaurants across all formats in the year to March 2009, of which 13 will be in the UK and 5 overseas.

### *Gourmet Burger Kitchen*

The GBK business continues to go from strength to strength as it successfully expands across the UK. Furthermore GBK continues to be recognised within the industry as a leading eating out format, winning a “Market Hero” award from Peach Networks in November 2007.

GBK’s sales and financial returns continue to be strong from both existing restaurants which have been open for several years and new locations. The experience outside London has also been encouraging. For example, the new GBK restaurant in Leeds is generating good weekly sales on a rent level substantially lower than would be expected for a similar restaurant in London. Our Manchester restaurant is trading ahead of expectations in the as yet unfinished City Centre development and we expect our Brighton GBK restaurant to generate a significant EBITDA in its first full year of operation. Consequently we expect GBK’s strong financial model to continue to be reproduced across the country.

In London, returns continue to be excellent and our most recent opening, the conversion of the Tootsies at Canary Wharf into a GBK, generated record sales for a GBK, in its first week of trading.

GBK today trades in the UK from 26 locations within London and 12 outside. We expect to have opened a total of 23 new GBK restaurants by the end of this financial year (21 UK; 2 international), taking the total GBK estate to 48 at the financial year end (43 UK; 5 international). Although we are planning a more conservative opening programme next year, we are still planning to open 10 GBKs in the UK and expect our franchise partners to open at least 5 GBKs overseas. The UK openings will be focussed on the locations which we consider will give us the strongest returns. We have already built a pipeline of properties for GBK for the year ending March 2009 and remain committed to the national roll out of the GBK format.

We are increasingly excited by the opportunities presented by the GBK international business where we have already signed deals in the Middle East and Turkey. This gives us the opportunity to expand the GBK brand at no capital cost and build a steadily increasing royalty stream. We have received approaches from potential franchisees in many overseas territories and will look to accelerate our controlled franchise expansion over the next eighteen months.

### *The Bombay Bicycle Club*

We opened three BBC delivery kitchens during the first half of the year and a further delivery kitchen in October 2007. Whilst we expect new delivery kitchens to generate losses in their first year of operation, we are delighted that the latest opening at East Dulwich has been profitable immediately. On line ordering as a proportion of overall delivery sales continues to build and now accounts for more than 16% of sales.

### *The Real Greek*

The Real Greek traded well in the first half of the year, boosted by a new menu and several new marketing initiatives. We have seen strong sales at the flagship restaurant on London’s South Bank and also at the Covent Garden location. We have two excellent London locations at Spitalfields and White City scheduled for this format for the next financial year.

### *Tootsies*

The sales shortfall in Tootsies, as announced in the September AGM statement, has been exacerbated in recent weeks by poor sales at the eleven Tootsies restaurants located at shopping and leisure centres throughout the UK. These restaurants are normally the most profitable within the Tootsies estate so any sales shortfall tends to have a disproportionate effect on profits. The Board attributes this to pressure on UK consumer spending which appears to be affecting these locations in particular. Whilst the Board has launched a number of initiatives to address this, the trend is expected to continue into the new financial year. Consequently the Board expects the contribution this year from the Tootsies business to be significantly below original expectations.

Initiatives include a new menu launched in November 2007 with an improved food offer, a broader range of classic dishes under the “food for everyone” banner, a new kids menu in partnership with child nutritionist Annabel Karmel, the introduction of daily specials and a fixed price menu to drive footfall and localised marketing initiatives.

To date this year there have been closures to facilitate refurbishments at seven Tootsies restaurants. In addition, the busy Tootsies at Canary Wharf has been closed for three months whilst it has been converted to a GBK. We have now largely completed the refurbishment of the Tootsies estate and any remaining works should require minimal closures.

We expect Tootsies performance to stabilise next year as the business benefits from the store refurbishments, lack of closures, menu improvements, local sales initiatives and sales performance against this summer's comparables.

#### *Costs*

We are concerned about potential food cost inflation but will continue to seek to address any adverse effects with better buying. Similarly we are introducing a new management system to all our restaurants in the next financial year to ensure that labour costs are managed as tightly as possible given ongoing increases in the level of the minimum wage.

#### *Funding*

We have continued to invest in management and infrastructure overhead to support our restaurant expansion programme. Despite this, we generated a net cash inflow from operating activities of £1.9 million (2006: £1.7 million). We invested £10.4 million in the period (2006: £3.6 million) in capital expenditure on new sites and infrastructure.

The Company anticipates that the interest charge for the year ending 30 March 2008 will be approximately £0.2 million higher than previously anticipated. This is due to higher LIBOR rates and a higher level of debt due to opening more GBK restaurants in the year than originally planned. Net debt at 30 September 2007 was £13.3 million (2006: £5.8 million). The Company's banking facilities are £20.2 million.

#### *Impact of the adoption of International Financial Reporting Standards*

The financial information shown in this interim statement is presented for the first time in accordance with International Financial Reporting Standards ("IFRS"). The comparative information for the six months ended 1 October 2006 and the year ended 1 April 2007 have been restated under these standards.

The impact on the Group's income statement for the six months ended 30 September 2007 has been to reduce the UK GAAP profit for the period by £0.1m as a result of the change in treatment of lease inducements and deferred taxation on share based payments. Under UK GAAP, the Group recognised rent-free periods on property leases over the period to the commencement of the first rent review. Under IFRS, lease incentives are spread over the full term of the lease.

#### *Dividends*

No interim dividend is being proposed. It remains the Board's policy that, subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so.

#### *Trading update and outlook*

For the first half of our financial year we have again reported an increase in profits and a further expansion of our estate of restaurants.

As stated on 3 December 2007 the Board has concluded it is prudent to adopt a more conservative opening programme for the Group in the UK for the year ending March 2009 and as a consequence the Board has substantially reduced its growth expectations for the Company for the year to March 2009.

We have a growing and profitable business and remain very positive about the medium-term demand trends for the UK eating out market, the quality of our formats and, in particular, the national roll out scope for GBK.

David Page  
Chairman  
5 December 2007

**The Clapham House Group PLC**  
**Unaudited Consolidated Income Statement**  
**for the six months ended 30 September 2007**

	Notes	Six months ended 30 September 2007 Unaudited £'000	Six months ended 1 October 2006 Unaudited £'000	Year ended 1 April 2007 Unaudited £'000
<b>Revenue from continuing operations</b>		28,125	20,604	45,951
Cost of sales		(17,060)	(13,288)	(28,941)
<b>Gross profit</b>		<u>11,065</u>	<u>7,316</u>	<u>17,010</u>
Administrative expenses		(8,681)	(5,775)	(13,035)
Share based payments		(250)	(298)	(639)
Pre-opening costs	5	(585)	(261)	(811)
<b>Operating profit</b>		<u>1,549</u>	<u>982</u>	<u>2,525</u>
Restructuring costs	6	(667)	(322)	(760)
Investment revenues		49	64	65
Finance costs		(368)	(125)	(350)
<b>Profit before taxation</b>		<u>563</u>	<u>599</u>	<u>1,480</u>
Taxation	8	(255)	(65)	(331)
<b>Profit for the period</b>		<u>308</u>	<u>534</u>	<u>1,149</u>
Attributable to:				
Equity shareholders of the parent		<u>308</u>	<u>534</u>	<u>1,149</u>
Earnings per share (total and from continuing operations)				
Basic	9	0.8p	1.7p	3.5p
Diluted	9	0.8p	1.6p	3.3p

**The Clapham House Group PLC**  
**Unaudited Consolidated Balance Sheet**  
**as at 30 September 2007**

	<b>As at 30 September 2007 Unaudited £'000</b>	<b>As at 1 October 2006 Unaudited £'000</b>	<b>As at 1 April 2007 Unaudited £'000</b>
<b>Non-current assets</b>			
Goodwill and intangible assets	38,228	34,993	38,130
Property, plant and equipment	36,232	24,011	27,923
Trade and other receivables	505	437	499
Deferred taxation assets	-	701	549
	<u>74,965</u>	<u>60,142</u>	<u>67,101</u>
<b>Current assets</b>			
Inventories	1,179	811	967
Trade and other receivables	4,924	2,736	3,128
Cash and cash equivalents	1,220	498	334
	<u>7,323</u>	<u>4,045</u>	<u>4,429</u>
<b>Total assets</b>	<u>82,288</u>	<u>64,187</u>	<u>71,530</u>
<b>Current liabilities</b>			
Trade and other payables	(11,991)	(9,118)	(11,772)
Current taxation liabilities	(27)	(212)	(26)
Bank overdrafts and loans	(1,474)	(1,793)	(1,657)
	<u>(13,492)</u>	<u>(11,123)</u>	<u>(13,455)</u>
<b>Net current liabilities</b>	<u>(6,169)</u>	<u>(7,078)</u>	<u>(9,026)</u>
<b>Non-current liabilities</b>			
Bank loans	(13,000)	(4,500)	(8,200)
Deferred taxation liabilities	(16)	-	-
Long term provisions	-	(715)	-
	<u>(13,016)</u>	<u>(5,215)</u>	<u>(8,200)</u>
<b>Total liabilities</b>	<u>(26,508)</u>	<u>(16,338)</u>	<u>(21,655)</u>
<b>Net assets</b>	<u>55,780</u>	<u>47,849</u>	<u>49,875</u>
<b>Equity</b>			
Share capital	3,732	3,379	3,492
Share premium account	49,478	43,319	44,061
Retained earnings	2,570	1,151	2,322
<b>Total equity</b>	<u>55,780</u>	<u>47,849</u>	<u>49,875</u>

**The Clapham House Group PLC**  
**Unaudited Consolidated Cash Flow Statement**  
**for the six months ended 30 September 2007**

	Notes	Six months ended 30 September 2007 Unaudited £'000	Six months ended 1 October 2006 Unaudited £'000	Year ended 1 April 2007 Unaudited £'000
<b>Net cash from operating activities</b>	10	1,938	1,670	4,874
<b>Investing activities</b>				
Acquisition of property, plant and equipment and intangible assets		(10,414)	(3,623)	(11,193)
Proceeds on disposal of property, plant and equipment		245	364	513
Acquisition of subsidiary		(837)	(32,556)	(32,699)
Interest received		48	64	65
<b>Net cash used in investing activities</b>		<b>(10,958)</b>	<b>(35,751)</b>	<b>(43,314)</b>
<b>Financing activities</b>				
Proceeds from issuance of new ordinary shares (net of expenses)		5,657	24,899	25,755
Repayments of borrowings		-	(4,301)	(4,301)
New bank loans raised		4,800	4,500	8,200
Interest paid		(368)	(125)	(350)
<b>Net cash from financing activities</b>		<b>10,089</b>	<b>24,973</b>	<b>29,304</b>
Net increase/(decrease) in cash and cash equivalents		1,069	(9,108)	(9,136)
Cash, cash equivalents and bank overdrafts at beginning of the period		(1,323)	7,813	7,813
<b>Cash, cash equivalents and bank overdrafts at end of period</b>		<b>(254)</b>	<b>(1,295)</b>	<b>(1,323)</b>

**The Clapham House Group PLC**  
**Unaudited Consolidated Statement of Changes in Equity**  
**for the six months ended 30 September 2007**

	<b>Share capital £'000</b>	<b>Share premium £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>At 1 April 2006</b>	<b>2,029</b>	<b>19,769</b>	<b>57</b>	<b>21,855</b>
Ordinary shares issued (net of expenses)	1,350	23,550	-	24,900
Share based payments	-	-	298	298
Deferred taxation on share based payments	-	-	262	262
Profit for the period	-	-	534	534
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 1 October 2006</b>	<b>3,379</b>	<b>43,319</b>	<b>1,151</b>	<b>47,849</b>
Ordinary shares issued (net of expenses)	113	742	-	855
Share based payments	-	-	341	341
Deferred taxation on share based payments	-	-	215	215
Profit for the period	-	-	615	615
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 1 April 2007</b>	<b>3,492</b>	<b>44,061</b>	<b>2,322</b>	<b>49,875</b>
Ordinary shares issued (net of expenses)	240	5,417	-	5,657
Share based payments	-	-	250	250
Deferred taxation on share based payments	-	-	(310)	(310)
Profit for the period	-	-	308	308
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 September 2007</b>	<b>3,732</b>	<b>49,478</b>	<b>2,570</b>	<b>55,780</b>
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**The Clapham House Group PLC**  
**Notes to the Unaudited Interim Results**  
**for the six months ended 30 September 2007**

1. General information

The Clapham House Group PLC is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is Suite D, 1 Lindsey Street, London, EC1A 9HP, United Kingdom. Copies of this Interim Statement may be obtained from the above address or the investor section of the Company's website at <http://www.claphamhousegroup.com>.

2. Basis of preparation

The Group has adopted International Financial Reporting Standards as adopted by the European Union and IFRIC Interpretations ("IFRS"). The Group will apply IFRS in its consolidated financial statements for the year ending 30 March 2008.

The interim consolidated financial statements for the six months ended 30 September 2007 do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 1 April 2007 were prepared under UK GAAP and have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified and did not contain a statement either under section 237(2) or 237(3) of the Companies Act 1985.

The financial information for the year ended 1 April 2007 has been extracted from the statutory accounts for the Group for the period, amended to conform with the IFRS accounting policies expected to be applied in the consolidated financial statements for the year ending 30 March 2008. Included within note 11 of the Company's interim report is an analysis of how balance sheets, income statements and cash flow statements primarily prepared under UK GAAP have changed under IFRS.

The interim consolidated financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the group operates. All values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

3. Principal accounting policies of the Group

This interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRSs in issue that either are endorsed by the European Union and effective (or available for early adoption) at 30 September 2007 or are expected to be endorsed and effective (or available for early adoption) at 30 March 2008, the Group's first annual report under IFRS. Based on these adopted and unadopted IFRS, the directors have made assumptions about the accounting policies expected to be applied, which are set out below, when the first annual IFRS financial statements are prepared for the year ending 30 March 2008.

The adopted IFRS that will be effective (or available for early adoption) in the annual financial statements for the year ending 30 March 2008 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for the annual period will be determined finally only when the annual financial statements are prepared for the year ending 30 March 2008.

At the date of authorisation of this interim financial information the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 8 Operating Segments
  - IFRIC 11 Group Treasury Share Transactions
  - IFRIC 12 Service Concession Arrangements \*
  - IFRIC 13 Customer Loyalty Programmes \*
  - IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction \*
  - Amendment to IAS1 Presentation of Financial Statements: a Revised Presentation \*
  - Amendment to IAS 23 Borrowing Costs \*
- \* not yet endorsed by the European Union

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial relevant standards come into effect for periods commencing on or after 1 April 2007.

#### BASIS OF CONSOLIDATION

The interim consolidated financial statements incorporate those of The Clapham House Group PLC and all of its subsidiary undertakings for the period. Subsidiaries acquired during the period are consolidated from the date that control passes and will continue to be consolidated until the date that such control ceases. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets and liabilities are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

#### INTANGIBLE ASSETS

##### *GOODWILL*

Goodwill arising on the acquisition of an entity represents the excess of the cost of an acquisition over the Group's interest in the fair value attributed to the net assets at acquisition. Goodwill is not subject to amortisation but is tested for impairment at least annually. After initial recognition, goodwill is stated at cost less any accumulated impairment losses.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising before the date of transition to IFRS, on 1 April 2006, has been retained at the previous amounts, subject to being tested for impairment at that date.

##### *COMPUTER SOFTWARE*

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives, being between 3 and 5 years. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development employee costs and directly attributable overheads.

Software integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programmes are recognised as an expense when they are incurred.

#### *OTHER INTANGIBLE ASSETS*

Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives range from 5 to 20 years on a straight-line basis

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less depreciation. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is provided on property, plant and equipment at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over lease term or renewal term
Plant and equipment	20% to 33% straight line
Furniture, fixtures and fittings	10% straight line
Motor vehicles	20% to 25% straight line

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate on an annual basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

#### IMPAIRMENT OF ASSETS

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not reversed in a subsequent period.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

#### INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

#### TRADE RECEIVABLES

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### TRADE PAYABLES

Trade payables are not interest bearing and are stated at their amortised cost.

#### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

#### FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method, except where they are identified as a hedged item in a fair value hedge. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

#### TAXATION

Income tax expense represents the sum of the current tax payable and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may not be taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax 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 to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

#### LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the income statement.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

#### PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

#### RETIREMENT BENEFITS

The amount charged to the income statement in respect of pension costs is the contributions payable to money purchase schemes in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### REVENUE RECOGNITION

Revenue represents the value, net of Value Added Tax, of goods sold and services provided to customers outside the Group after deducting discounts. Revenue is recognised when the significant risks and rewards of ownership are transferred.

#### OPERATING PROFIT

Operating profit is defined as profits from operations after share based payments and pre-opening costs but before restructuring costs, investment income, finance costs and taxation.

#### SHARE BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using a Black-Scholes valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

4. Revenue

The revenue and profit for the period are attributable to the principal activities of the Group, which are carried on within the United Kingdom.

5. Pre-opening costs

Pre-opening costs represent the costs incurred up to the date of opening a new restaurant that are written off to the income statement in the period in which they are incurred.

6. Restructuring costs

The restructuring costs for the six months ended 30 September 2007 represent the restructuring costs pursuant to the acquisition of Urban Dining PLC. These costs include the restructuring of the management team and the closure and transfer of restaurants for conversion.

7. Adjusted EBITDA

	<b>Six months ended 30 September 2007 Unaudited £'000</b>	<b>Six months ended 1 October 2006 Unaudited £'000</b>	<b>Year ended 1 April 2007 Unaudited £'000</b>
Operating Profit	1,549	982	2,525
Share based payments	250	298	639
Depreciation and amortisation	1,469	895	1,902
Adjusted EBITDA	<u>3,268</u>	<u>2,175</u>	<u>5,066</u>

8. Taxation

	<b>Six months ended 30 September 2007 Unaudited £'000</b>	<b>Six months ended 1 October 2006 Unaudited £'000</b>	<b>Year ended 1 April 2006 Unaudited £'000</b>
Based on the result for the period:			
UK Corporation tax at 30% (2006: 30%)	-	102	-
Adjustments in respect of prior years	-	(11)	(10)
Total current tax	<u>-</u>	<u>91</u>	<u>(10)</u>
Deferred taxation:			
Origination and reversal of timing differences	255	(26)	341
Total taxation charge	<u>255</u>	<u>65</u>	<u>331</u>

## 9. Earnings per share

	<b>Six months ended 30 September 2007 Unaudited £'000</b>	<b>Six months ended 1 October 2006 Unaudited £'000</b>	<b>Year ended 1 April 2007 Unaudited £'000</b>
Earnings for the purposes of basic and diluted earnings per share:			
- Profit for the period	308	534	1,149
Restructuring costs	667	322	760
Share based payments	250	298	639
Deferred taxation on share based payments	(6)	(26)	(61)
	<hr/>	<hr/>	<hr/>
Adjusted profit for the period for the purposes of headline basic and diluted earnings per share	1,219	1,128	2,487
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Weighted Average number of shares '000	Weighted Average number of shares '000	Weighted Average number of shares '000
Weighted average number of shares in issue for the purposes of basic earnings per share	36,952	31,525	33,011
Effect of dilutive potential ordinary shares:			
- Share options	1,877	1,412	1,957
	<hr/>	<hr/>	<hr/>
Weighted average number of shares for the purposes of diluted earnings per share	38,829	32,937	34,968
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings per share:			
Basic	0.8p	1.7p	3.5p
Diluted	0.8p	1.6p	3.3p
Adjusted basic	3.3p	3.6p	7.5p
Adjusted diluted	3.1p	3.4p	7.1p
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 10. Reconciliation of net cash flows from operating activities

	<b>Six months ended 30 September 2007 Unaudited £'000</b>	<b>Six months ended 1 October 2006 Unaudited £'000</b>	<b>Year ended 1 April 2007 Unaudited £'000</b>
Profit before taxation	563	599	1,480
Adjustments:			
Finance costs	368	125	350
Investment revenues	(49)	(64)	(65)
Depreciation and amortisation	1,469	895	1,902
(Profit)/loss on disposal of property, plant and equipment	(195)	(16)	31
Restructuring costs	572	-	-
Share based payments expense	250	298	639
Operating cash flows before movements in working capital	2,978	1,837	4,337
Increase in inventories	(212)	(80)	(279)
Increase in trade and other receivables	(1,802)	(596)	(1,069)
Increase in payables	974	498	1,969
Cash generated from operating activities	1,938	1,659	4,958
Taxation received/(paid)	-	11	(84)
Net cash from operating activities	1,938	1,670	4,874

## 11. Transition to IFRS

### BASIS OF PREPARATION OF IFRS FINANCIAL INFORMATION

The Group's Annual Report for the year ending 30 March 2008 will be the first annual consolidated financial statements that will comply with IFRS. These interim results have been prepared in accordance with the significant accounting policies described in note 3 above. The Group has applied IFRS 1 (First time adoption of International Reporting Standards) in preparing these interim results.

The Group's Annual Report for the year ending 30 March 2008 will provide one year of comparative financial information and the opening balance sheet date for adoption of IFRS at 1 April 2006.

### IFRS 1 EXEMPTIONS

IFRS 1 sets out the procedures that the Group must follow when adopting IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies as at 30 March 2008 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at the date of transition which is 1 April 2006. The standard provides a number of optional exemptions to this general principle. The exemptions applicable to the Group are set out below together with how the Group has applied them:

#### *Business combinations that occurred before the opening IFRS balance sheet date (IFRS3 – Business Combinations)*

Clapham House has elected not to apply IFRS 3 retrospectively to business combinations that took place before the date of transition. As a result, in the opening balance sheet, goodwill arising from the acquisition of Urban Dining PLC is accounted for under IFRS while goodwill arising from the previous acquisitions of The Real Greek Food Company Limited, the four companies making up The Bombay Bicycle Club and Gourmet Burger Kitchen Limited remains as stated under UK GAAP at 31 March 2006.

#### *Fair value or revaluation as deemed cost (IAS 16 – Property, Plant and Equipment)*

The Group has elected not to measure any item of property, plant and equipment at the date of transition to IFRS at its fair value.

### IMPACT OF TRANSITION TO IFRS

The following is a summary of the effects of the differences between IFRS and UK GAAP on the Group's total equity shareholders' funds and profit for the period for the periods previously reported under UK GAAP following the date of transition to IFRS. Further significant differences may arise from accounting standards and pronouncements that the IASB could issue in the future and which the Group may elect to early adopt in its first IFRS Consolidated Financial Statements.

*Total equity shareholders' funds*

		<b>As at 30 September 2007 Unaudited £'000</b>	<b>As at 1 October 2006 Unaudited £'000</b>	<b>As at 1 April 2007 Unaudited £'000</b>
	<b>Notes</b>			
<b>Total equity shareholders' funds (UK GAAP)</b>		55,688	47,519	49,363
<b>Measurement and recognition differences</b>				
Goodwill	a	-	-	-
Intangible assets	b	-	-	-
Lease inducements	c	(139)	(98)	(63)
Deferred taxation	d	231	428	575
<b>Total equity shareholders' funds (IFRS)</b>		<u>55,780</u>	<u>47,849</u>	<u>49,875</u>

*Profit for the period*

		<b>Six months ended 30 September 2007 Unaudited £'000</b>	<b>Six months ended 1 October 2006 Unaudited £'000</b>	<b>Year ended 1 April 2007 Unaudited £'000</b>
	<b>Notes</b>			
Profit for the period (UK GAAP)		418	610	1,258
<b>Measurement and recognition differences</b>				
Goodwill	a	-	-	-
Intangible assets	b	-	-	-
Lease inducements	c	(41)	(13)	(48)
Deferred taxation	d	(69)	(63)	(61)
<b>Profit for the period (IFRS)</b>		<u>308</u>	<u>534</u>	<u>1,149</u>

PRINCIPAL DIFFERENCES BETWEEN IFRS AND UK GAAP

*Measurement and recognition differences:*

a. Goodwill

IAS 38 (Intangible Assets) requires that goodwill is not amortised but be subject to an annual impairment review. As the Group has adopted this accounting policy in previous periods, there is no resultant adjustment to goodwill.

IFRS 3 Business Combinations requires that, when businesses are acquired, any intangible assets acquired with the business are valued separately and capitalised as an intangible asset. Any residual difference between the consideration paid or payable and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. IFRS 3 also requires that goodwill is not amortised but is instead subject to an annual impairment review.

b. Intangible assets

The Group has reclassified separately identifiable computer software assets from tangible assets to intangible assets as required under IAS 36. For the six months ended 30 September 2007, £17,000 was reclassified from property, plant and equipment to intangible assets.

c. Lease inducements

Under UK GAAP, the Group recognised rent-free periods and capital contributions from landlords on new property leases over the period to the commencement of the first rent review. Under IFRS, lease incentives are spread over the full term of the lease. As at the date of the transition, deferred income reflecting the amount of lease inducements to be taken in the income statement in future periods has been recognised.

d. Deferred tax

IAS 12 (Income taxes) requires deferred tax to be provided on all temporary differences rather than just timing differences under UK GAAP.

As a result, taxes in the Group's IFRS opening balance sheet at 1 April 2006 were adjusted by £194,000 made up primarily of changes in recognition on share based payments.

*Presentation differences:*

e. Trade and other receivables

Under IFRS, long term receivables are shown as non-current assets whereas under UK GAAP, all receivables were shown as current assets. As shown in the reconciliations below, £505,000 (2006: £437,000 and full year ended 1 April 2007: £499,000) were transferred from current trade to other receivables and non-current trade and other receivables.

f. Deferred taxation assets

Under IFRS, deferred taxation assets are shown as non-current assets whereas under UK GAAP, they were shown as current assets. As shown in the reconciliations below, £Nil (2006: £308,000 and full year ended 1 April 2007: £Nil) were transferred from current trade and other receivables to deferred taxation assets.

## RECONCILIATIONS

To explain the impact of the transition, the reconciliations have been included that show the changes made to the balance sheets and income statements previously reported under UK GAAP. The following unaudited reconciliations are included:

The consolidated cash flow statements are not affected by the transition from UK GAAP to IFRS other than presentational and formatting differences.

Reconciliation of the UK GAAP consolidated balance sheet to the IFRS consolidated balance sheet:

1 April 2006

Notes	As at 1 April 2006 UK GAAP Audited £'000	Presentation Differences £'000	Measurement And recognition differences £'000	As at 1 April 2006 IFRS Unaudited £'000
<b>Non-current assets</b>				
Goodwill and intangible assets	14,089	-	-	14,089
Property, plant and equipment	9,681	-	-	9,681
Trade and other receivables	-	290	-	290
Deferred taxation assets	-	219	194	413
	<u>23,770</u>	<u>509</u>	<u>194</u>	<u>24,473</u>
<b>Current assets</b>				
Inventories	416	-	-	416
Trade and other receivables	1,502	(509)	-	993
Cash and cash equivalents	8,035	-	-	8,035
	<u>9,953</u>	<u>(509)</u>	<u>-</u>	<u>9,444</u>
<b>Total assets</b>	<u>33,723</u>	<u>-</u>	<u>194</u>	<u>33,917</u>
<b>Current liabilities</b>				
Trade and other payables	(10,030)	-	(50)	(10,080)
Current taxation liabilities	(110)	-	-	(110)
Bank overdrafts and loans	(298)	-	-	(298)
	<u>(10,438)</u>	<u>-</u>	<u>(50)</u>	<u>(10,488)</u>
<b>Net current liabilities</b>	<u>(485)</u>	<u>(509)</u>	<u>(50)</u>	<u>(1,044)</u>
<b>Non-current liabilities</b>				
Bank loans	(425)	-	-	(425)
Deferred taxation liabilities	-	-	-	-
Long-term provisions	(1,149)	-	-	(1,149)
	<u>(1,574)</u>	<u>-</u>	<u>-</u>	<u>(1,574)</u>
<b>Total liabilities</b>	<u>(12,012)</u>	<u>-</u>	<u>(50)</u>	<u>(12,062)</u>
<b>Net assets</b>	<u>21,711</u>	<u>-</u>	<u>144</u>	<u>21,855</u>
<b>Equity</b>				
Share capital	2,029	-	-	2,029
Share premium account	19,769	-	-	19,769
Retained earnings	(87)	-	144	57
<b>Total equity</b>	<u>21,711</u>	<u>-</u>	<u>144</u>	<u>21,855</u>

Reconciliation of the UK GAAP consolidated balance sheet to the IFRS consolidated balance sheet:

1 October 2006

	<b>As at 1 October 2006 UK GAAP Unaudited £'000</b>	<b>Presentation Differences £'000</b>	<b>Measurement And recognition differences £'000</b>	<b>As at 1 October 2006 IFRS Unaudited £'000</b>
<b>Non-current assets</b>				
Goodwill and intangible assets	34,993	-	-	34,993
Property, plant and equipment	24,011	-	-	24,011
Trade and other receivables	-	437	-	437
Deferred taxation assets	-	308	393	701
	<u>59,004</u>	<u>745</u>	<u>393</u>	<u>60,142</u>
<b>Current assets</b>				
Inventories	811	-	-	811
Trade and other receivables	3,481	(745)	-	2,736
Cash and cash equivalents	498	-	-	498
	<u>4,790</u>	<u>(745)</u>	<u>-</u>	<u>4,045</u>
<b>Total assets</b>	<u>63,794</u>	<u>-</u>	<u>393</u>	<u>64,187</u>
<b>Current liabilities</b>				
Trade and other payables	(9,055)	-	(63)	(9,118)
Current taxation liabilities	(212)	-	-	(212)
Bank overdrafts and loans	(1,793)	-	-	(1,793)
	<u>(11,060)</u>	<u>-</u>	<u>(63)</u>	<u>(11,123)</u>
<b>Net current liabilities</b>	<u>(6,270)</u>	<u>(745)</u>	<u>(63)</u>	<u>(7,078)</u>
<b>Non-current liabilities</b>				
Bank loans	(4,500)	-	-	(4,500)
Deferred taxation liabilities	-	-	-	-
Long-term provisions	(715)	-	-	(715)
	<u>(5,215)</u>	<u>-</u>	<u>-</u>	<u>(5,215)</u>
<b>Total liabilities</b>	<u>(16,275)</u>	<u>-</u>	<u>(63)</u>	<u>(16,338)</u>
<b>Net assets</b>	<u>47,519</u>	<u>-</u>	<u>330</u>	<u>47,849</u>
<b>Equity</b>				
Share capital	3,379	-	-	3,379
Share premium account	43,319	-	-	43,319
Retained earnings	821	-	330	1,151
<b>Total equity</b>	<u>47,519</u>	<u>-</u>	<u>330</u>	<u>47,849</u>

Reconciliation of the UK GAAP consolidated income statement to the IFRS consolidated income statement:

Six months ended 1 October 2006

Notes	Six months ended 1 October 2006 UK GAAP Unaudited £'000	Measurement And recognition differences £'000	Six months ended 1 October 2006 IFRS Unaudited £'000
<b>Revenue from continuing operations</b>	20,604	-	20,604
Cost of sales	(13,288)	-	(13,288)
<b>Gross profit</b>	<u>7,316</u>	<u>-</u>	<u>7,316</u>
Administrative expenses	(5,762)	(13)	(5,775)
Share based payments	(298)	-	(298)
Pre-opening costs	(261)	-	(261)
<b>Operating profit</b>	<u>995</u>	<u>(13)</u>	<u>982</u>
Restructuring costs	(322)	-	(322)
Investment revenues	64	-	64
Finance costs	(125)	-	(125)
<b>Profit before taxation</b>	<u>612</u>	<u>(13)</u>	<u>599</u>
Taxation	(2)	(63)	(65)
<b>Profit for the period</b>	<u><u>610</u></u>	<u><u>(76)</u></u>	<u><u>534</u></u>
Earnings per share (total and from continuing operations)			
Basic	1.9p		1.7p
Diluted	1.9p		1.6p

Reconciliation of the UK GAAP consolidated balance sheet to the IFRS consolidated balance sheet:

1 April 2007

	As at 1 April 2007 UK GAAP Audited £'000	Presentation Differences £'000	Measurement And recognition differences £'000	As at 1 April 2007 IFRS Unaudited £'000
<b>Non-current assets</b>				
Goodwill and intangible assets	38,130	-	-	38,130
Property, plant and equipment	27,923	-	-	27,923
Trade and other receivables	-	499	-	499
Deferred taxation assets	-	-	549	549
	<u>66,053</u>	<u>499</u>	<u>549</u>	<u>67,101</u>
<b>Current assets</b>				
Inventories	967	-	-	967
Trade and other receivables	3,627	(499)	-	3,128
Cash and cash equivalents	334	-	-	334
	<u>4,928</u>	<u>(499)</u>	<u>-</u>	<u>4,429</u>
<b>Total assets</b>	<u>70,981</u>	<u>-</u>	<u>549</u>	<u>71,530</u>
<b>Current liabilities</b>				
Trade and other payables	(11,674)	-	(98)	(11,772)
Current taxation liabilities	(26)	-	-	(26)
Bank overdrafts and loans	(1,657)	-	-	(1,657)
	<u>(13,357)</u>	<u>-</u>	<u>(98)</u>	<u>(13,455)</u>
<b>Net current liabilities</b>	<u>(8,429)</u>	<u>(499)</u>	<u>(98)</u>	<u>(9,026)</u>
<b>Non-current liabilities</b>				
Bank loans	(8,200)	-	-	(8,200)
Deferred taxation liabilities	(61)	-	61	-
	<u>(8,261)</u>	<u>-</u>	<u>61</u>	<u>(8,200)</u>
<b>Total liabilities</b>	<u>(21,618)</u>	<u>-</u>	<u>(37)</u>	<u>(21,655)</u>
<b>Net assets</b>	<u>49,363</u>	<u>-</u>	<u>512</u>	<u>49,875</u>
<b>Equity</b>				
Share capital	3,492	-	-	3,492
Share premium account	44,061	-	-	44,061
Retained earnings	1,810	-	512	2,322
<b>Total equity</b>	<u>49,363</u>	<u>-</u>	<u>512</u>	<u>49,875</u>

Reconciliation of the UK GAAP consolidated income statement to the IFRS consolidated income statement:

Year ended 1 April 2007

	Year ended 1 April 2007 UK GAAP Audited £'000	Measurement And recognition differences £'000	Year ended 1 April 2007 IFRS Unaudited £'000
<b>Revenue from continuing operations</b>	45,951	-	45,951
Cost of sales	(28,941)	-	(28,941)
<b>Gross profit</b>	<u>17,010</u>	<u>-</u>	<u>17,010</u>
Administrative expenses	(12,987)	(48)	(13,035)
Share based payments	(639)	-	(639)
Pre-opening costs	(811)	-	(811)
<b>Operating profit</b>	<u>2,573</u>	<u>(48)</u>	<u>2,525</u>
Restructuring costs	(760)	-	(760)
Investment revenues	65	-	65
Finance costs	(350)	-	(350)
<b>Profit before taxation</b>	<u>1,528</u>	<u>(48)</u>	<u>1,480</u>
Taxation	(270)	(61)	(331)
<b>Profit for the period</b>	<u>1,258</u>	<u>(109)</u>	<u>1,149</u>
Earnings per share (total and from continuing operations)			
Basic	3.8p		3.5p
Diluted	3.6p		3.3p

Reconciliation of the UK GAAP consolidated balance sheet to the IFRS consolidated balance sheet:

30 September 2007

	As at 30 September 2007 UK GAAP Unaudited £'000	Presentation Differences £'000	Measurement And recognition differences £'000	As at 30 September 2007 IFRS Unaudited £'000
<b>Non-current assets</b>				
Goodwill and intangible assets	38,211	-	17	38,228
Property, plant and equipment	36,249	-	(17)	36,232
Trade and other receivables	-	505	-	505
	<u>74,460</u>	<u>505</u>	<u>-</u>	<u>74,965</u>
<b>Current assets</b>				
Inventories	1,179	-	-	1,179
Trade and other receivables	5,429	(505)	-	4,924
Cash and cash equivalents	1,220	-	-	1,220
	<u>7,828</u>	<u>(505)</u>	<u>-</u>	<u>7,323</u>
<b>Total assets</b>	<u>82,288</u>	<u>-</u>	<u>-</u>	<u>82,288</u>
<b>Current liabilities</b>				
Trade and other payables	(11,852)	-	(139)	(11,991)
Current taxation liabilities	(27)	-	-	(27)
Bank overdrafts and loans	(1,474)	-	-	(1,474)
	<u>(13,353)</u>	<u>-</u>	<u>(139)</u>	<u>(13,492)</u>
<b>Net current liabilities</b>	<u>(5,525)</u>	<u>(505)</u>	<u>(139)</u>	<u>(6,169)</u>
<b>Non-current liabilities</b>				
Bank loans	(13,000)	-	-	(13,000)
Deferred taxation liabilities	(247)	-	231	(16)
	<u>(13,247)</u>	<u>-</u>	<u>231</u>	<u>(13,016)</u>
<b>Total liabilities</b>	<u>(26,600)</u>	<u>-</u>	<u>92</u>	<u>(26,508)</u>
<b>Net assets</b>	<u>55,688</u>	<u>-</u>	<u>92</u>	<u>55,780</u>
<b>Equity</b>				
Share capital	3,732	-	-	3,732
Share premium account	49,478	-	-	49,478
Retained earnings	2,478	-	92	2,570
<b>Total equity</b>	<u>55,688</u>	<u>-</u>	<u>92</u>	<u>55,780</u>

Reconciliation of the UK GAAP consolidated income statement to the IFRS consolidated income statement:

Six months ended 30 September 2007

	<b>Six months ended 30 September 2007 UK GAAP Unaudited £'000</b>	<b>Measurement And recognition differences £'000</b>	<b>Six months ended 30 September 2007 IFRS Unaudited £'000</b>
<b>Revenue from continuing operations</b>	28,125	-	28,125
Cost of sales	(17,060)	-	(17,060)
<b>Gross profit</b>	<u>11,065</u>	<u>-</u>	<u>11,065</u>
Administrative expenses	(8,640)	(41)	(8,681)
Share based payments	(250)	-	(250)
Pre-opening costs	(585)	-	(585)
<b>Operating profit</b>	<u>1,590</u>	<u>(41)</u>	<u>1,549</u>
Restructuring costs	(667)	-	(667)
Investment revenues	49	-	49
Finance costs	(368)	-	(368)
<b>Profit before taxation</b>	<u>604</u>	<u>(41)</u>	<u>563</u>
Taxation	(186)	(69)	(255)
<b>Profit for the period</b>	<u>418</u>	<u>(110)</u>	<u>308</u>
Earnings per share (total and from continuing operations)			
Basic	1.1p		0.8p
Diluted	1.1p		0.8p