

Notes to reconciliation of UK GAAP to IFRS

IFRS2 Share based payments

The Group's share option scheme and share-based long term incentive scheme have been accounted for in accordance with IFRS 2. The cost of awards under the long term incentive scheme were previously amortised under UK GAAP using the cost price of the shares acquired by the Employee Benefit Trust, whereas IFRS 2 requires the cost to be based on the market price at the date of grant. Share options granted after 7th November 2002 have been valued using the Black-Scholes model. Under UK GAAP no charge was made to income for these options.

IAS19 Employee benefits

IAS 19 requires the Group to accrue the cost of earned but unused holiday at the balance sheet date. Employees' holiday entitlement is based on a calendar year. Therefore, for the interim reporting period (July) the amount of holiday earned will be much higher than at the end of the full year (January) which will result in a larger value to be accrued. IAS 19 also requires the Group to disclose any surplus or deficit associated with the defined benefit pension scheme on the face of the balance sheet. Actuarial gains and losses are recognised in the statement of recognised income and expense. Charges to income and the prepayment arising under UK GAAP have been removed from the financial statements.

IAS36 Impairment of assets

Goodwill, which was amortised over twenty years under UK GAAP, was 'frozen' at the date of transition to IFRS. The carrying value of assets acquired under business combinations is now reviewed regularly and any impairment is charged to income in the period in which it is identified.

IAS17 Lease incentives

Under UK GAAP lease incentives were amortised over the period up until the first rent review. IFRS 17 requires the amount of the incentive to be amortised over the lease term.

IAS10 Events after the balance sheet date

Dividends are not charged to income until they have been formally approved for payment.

Deferred taxation

In accordance with IAS12 deferred taxation is now provided in respect of temporary differences between the tax base value and carrying value of assets and liabilities. Whilst there is no specific IFRS conversion to the carrying values of amounts relating to previous business combinations, deferred tax has been provided in respect of the carrying value of non-qualifying assets which have been acquired as part of a business combination and which are not subject to the initial recognition exemption.

Alexon Group plc (Consolidated)

Reconciliation of equity

As at 31 January 2004

	Previously reported under UK GAAP £000's	IFRS2 Share based payments £000's	IAS19 Employee benefits (holiday pay) £000's	Reverse SSAP24 £000's	IAS19 Employee benefits (pensions) £000's	IAS17 Lease incentives £000's	Business combinations £000's	IAS10 Events after balance sheet date £000's	Sub-total IFRS adjustments £000's	Restated under IFRS £000's
Fixed assets										
Goodwill	37,174								-	37,174
Property, plant & equipment	20,572								-	20,572
Deferred tax	614	374	44	662	1,421	977	(863)		2,615	3,229
Current assets/(liabilities)										
Inventory	56,771								-	56,771
Trade and other receivables	25,458			(2,206)					(2,206)	23,252
Cash and cash equivalents	2,728								-	2,728
Trade and other payables	(43,529)	26	(148)			(475)		3,070	2,473	(41,056)
Short term borrowings	(1,302)								-	(1,302)
Current tax payable	(3,576)								-	(3,576)
Non-current liabilities										
Accruals and deferred income	-					(2,891)			(2,891)	(2,891)
Pension liabilities	-				(4,735)				(4,735)	(4,735)
Long term provisions	(3,286)					108			108	(3,178)
Net assets	91,624	400	(104)	(1,544)	(3,314)	(2,281)	(863)	3,070	(4,636)	86,988
Capital and reserves										
Share capital	6,116								-	6,116
Share premium	32,916								-	32,916
Capital redemption reserve	2,591								-	2,591
Retained earnings	50,001	400	(104)	(1,544)	(3,314)	(2,281)	(863)	3,070	(4,636)	45,365
Total equity	91,624	400	(104)	(1,544)	(3,314)	(2,281)	(863)	3,070	(4,636)	86,988

Alexon Group plc (Company)

Reconciliation of equity

As at 31 January 2004

	Previously reported under UK GAAP £000's	IAS19 Employee benefits (AGAPS) £000's	IAS10 Events after balance sheet date £000's	Sub-total IFRS adjustments £000's	Restated under IFRS £000's
Fixed assets					
Property, plant & equipment	2,762			-	2,762
Investment in subsidiaries	207,235			-	207,235
Deferred tax	184	1,421		1,421	1,605
Current assets/(liabilities)					
Trade and other receivables	104,907			-	104,907
Cash and cash equivalents	54			-	54
Trade and other payables	(101,165)		3,070	3,070	(98,095)
Short term borrowings	(13,118)			-	(13,118)
Current tax payable	(220)			-	(220)
Non-current liabilities					
Pension liabilities	-	(4,735)		(4,735)	(4,735)
Net assets	200,639	(3,314)	3,070	(244)	200,395
Capital and reserves					
Share capital	6,116			-	6,116
Share premium	32,916			-	32,916
Capital redemption reserve	2,591			-	2,591
Retained earnings	159,016	(3,314)	3,070	(244)	158,772
Total equity	200,639	(3,314)	3,070	(244)	200,395

Alexon Group plc

Reconciliation of profit

For the 52 weeks to 29 January 2005

	Previously reported under UK GAAP £000's	IFRS2 Share based payments £000's	IAS19 Employee benefits (holiday pay) £000's	Reverse SSAP24 £000's	IAS19 Employee benefits (pensions) £000's	IAS36 Impairment of assets £000's	IAS17 Lease incentives £000's	Business combinations £000's	Sub-total IFRS adjustments £000's	Restated under IFRS £000's
Revenue	424,383								-	424,383
Cost of sales	(367,867)	(12)	(2)	506	(900)		348	-	(60)	(367,927)
Gross profit	56,516	(12)	(2)	506	(900)	-	348	-	(60)	56,456
Goodwill amortisation	(2,400)					2,400			2,400	-
Administrative expenses	(10,802)								-	(10,802)
Distribution costs	(16,304)								-	(16,304)
Operating profit	27,010	(12)	(2)	506	(900)	2,400	348	-	2,340	29,350
Finance income	252				207				207	459
Finance expense	(375)								-	(375)
Profit before tax	26,887	(12)	(2)	506	(693)	2,400	348	-	2,547	29,434
Income tax expense	(6,979)	(1,147)	1	170	(116)		(104)	106	(1,090)	(8,069)
Profit for the financial period	19,908	(1,159)	(1)	676	(809)	2,400	244	106	1,457	21,365

Alexon Group plc (Company)

Reconciliation of equity

As at 29 January 2005

	Previously reported under UK GAAP £000's	IAS19 Employee benefits (FURBS) £000's	IAS19 Employee benefits (AGAPS) £000's	IAS10 Events after balance sheet date £000's	Sub-total IFRS adjustments £000's	Restated under IFRS £000's
Fixed assets						
Property, plant & equipment	2,532				-	2,532
Investment in subsidiaries	207,235				-	207,235
Deferred tax	271	72	1,455		1,527	1,798
Current assets/(liabilities)						
Trade and other receivables	96,238				-	96,238
Cash and cash equivalents	45				-	45
Trade and other payables	(89,824)	150		3,269	3,419	(86,405)
Short term borrowings	(8,791)				-	(8,791)
Current tax payable	(153)				-	(153)
Non-current liabilities						
Pension liabilities	-	(241)	(4,849)		(5,090)	(5,090)
Net assets	<u>207,553</u>	<u>(19)</u>	<u>(3,394)</u>	<u>3,269</u>	<u>(144)</u>	<u>207,409</u>
Capital and reserves						
Share capital	5,929				-	5,929
Share premium	37,896				-	37,896
Capital redemption reserve	2,906				-	2,906
Retained earnings	160,822	(19)	(3,394)	3,269	(144)	160,678
Total equity	<u>207,553</u>	<u>(19)</u>	<u>(3,394)</u>	<u>3,269</u>	<u>(144)</u>	<u>207,409</u>

Alexon Group plc (Consolidated)

Reconciliation of equity

As at 29 January 2005

	Previously reported under UK GAAP £000's	IFRS2 Share based payments £000's	IAS19 Employee benefits (holiday pay) £000's	Reverse SSAP24 £000's	IAS19 Employee benefits (pensions) £000's	IAS36 Impairment of assets £000's	IAS17 Lease incentives £000's	Business combinations £000's	IAS10 Events after balance sheet date £000's	Sub-total IFRS adjustments £000's	Restated under IFRS £000's
Fixed assets											
Goodwill	34,774					2,400				2,400	37,174
Property, plant & equipment	20,866									-	20,866
Deferred tax	291	644	45	832	1,527		873	(757)		3,164	3,455
Current assets/(liabilities)											
Inventory	55,307									-	55,307
Trade and other receivables	27,748			(2,776)						(2,776)	24,972
Cash and cash equivalents	10,686									-	10,686
Trade and other payables	(44,980)	14	(150)		150		(400)		3,269	2,883	(42,097)
Short term borrowings	(2,060)									-	(2,060)
Current tax payable	(3,403)									-	(3,403)
Non-current liabilities											
Long term provisions	(2,383)									-	(2,383)
Accruals and deferred income	(431)						(2,510)			(2,510)	(2,941)
Pension liabilities	-				(5,090)					(5,090)	(5,090)
Net assets	96,415	658	(105)	(1,944)	(3,413)	2,400	(2,037)	(757)	3,269	(1,929)	94,486
Capital and reserves											
Share capital	5,929									-	5,929
Share premium	37,896									-	37,896
Capital redemption reserve	2,906									-	2,906
Retained earnings	49,684	658	(105)	(1,944)	(3,413)	2,400	(2,037)	(757)	3,269	(1,929)	47,755
Total equity	96,415	658	(105)	(1,944)	(3,413)	2,400	(2,037)	(757)	3,269	(1,929)	94,486