

25 January 2011



## Ashley House plc

Ashley House plc (“Ashley House” or the “Company”) the health and social care infrastructure specialist today announces its interim results for the six months ended 31 October 2010.

### HIGHLIGHTS

#### FINANCIAL

- Gross Revenue up 1% to £13.5m (2009: £13.3m)
- EBITDA before provision down 61% to £0.6m (2009: £1.5m)
- Pre-Tax Profit before provision down 65% to £0.5m (2009: £1.5m)
- Adjusted earnings per share (before provision) 1.8p (2009: 2.2p)
- Provision against accrued income of £5.1m made in period
- Net Assets up 9% to £41.8m (2009: £38.4m)

#### OPERATIONAL

- 8 schemes currently on site with others shortly to commence
- Conditional bid agreed for asset owning partner, AH Medical Properties expected to deliver cash receipts of over £4m
- Forward pipeline of £174m of design and build value

Ashley House plc Chairman Sir William Wells said:

“These results reflect the difficult market conditions in which the Company is operating created by the current uncertainty about the future direction of the NHS. However, the completion of Assura’s takeover of AH Medical Properties is expected to result in over £4m in funds being paid to Ashley House thereby significantly improving the Company’s capital position as well as providing it with a new larger development partner going forward. Whilst the short term challenges are likely to persist, with increasing activity on site and a solid pipeline of schemes, the Company should return to growth in the longer term”.

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## Chairman's Statement

### Results

Despite the climate of change surrounding the healthcare market at present the Company was able to demonstrate some good progress during the first six months of the financial year with improved revenue coming from increased on-site activity. Revenue grew 1% to £13.5m compared to £13.3m for the same period last year. EBITDA before provisions was £0.6m (2009: £1.5m). A £5.1m provision has been made against accrued income which has reduced net revenue and profits for the period.

|                             | Unaudited 6 months to 31/10/10 |  | Unaudited 6 months to 31/10/09 |
|-----------------------------|--------------------------------|--|--------------------------------|
|                             | £000                           |  | £000                           |
| (Loss) / profit before tax  | (4,577)                        |  | 1,465                          |
| Provision                   | 5,095                          |  | -                              |
| PBT before provision        | 518                            |  | 1,465                          |
| Depreciation & amortisation | 48                             |  | 55                             |
| Interest payable            | 34                             |  | -                              |
| EBITDA before provision     | 600                            |  | 1,520                          |

As previously reported, following July's White Paper, the Company undertook a detailed review of the income it has accrued on all its schemes. The company has been encouraged by its partners' response to impending structural change to the NHS, which has resulted in a number of requests to change the scope of schemes that have yet to reach site rather than to cancel them. As a result the Company has provided £5.1m against its accrued income. Net Assets following the adjustment for the provision are £42m, an increase of 9% on the 2009 interim result due to the acquisitions made in the second half of last year.

### Pipeline

Along with accrued income the Board has reviewed the Company's pipeline of projects. The pipeline has always represented the design and build value of schemes the Company is currently working on and where the Company expects to recognise revenue in the next 2 years. In line with the reduction in accrued income this has been reduced to £174m from £264m. About half of this reduction is attributable to a downsizing of projects, and about half to timing as projects are pushed backwards.

This core pipeline gives the business good visibility on a sustainable and profitable short term outlook.

## **Trading**

Despite the climate of change in the NHS, the Company is delighted that it has completed 7 schemes since the end of April 2010 and currently has 8 schemes in the construction phase with a design and build value of £29m. In addition the Company has a strong pipeline of schemes that are due on site in the coming months.

## **Property Partner**

The board was pleased to note last week's recommended offer announced by Assura Group Limited ("Assura") for AH Medical Properties Plc ("AHMP") Ashley House's property partner. Subject to the conditions being satisfied, the completion of the offer would see over £4m in funds being paid to Ashley House thereby significantly improving the Company's capital position as well as providing it with a new larger development partner. The Company has recognised income in the form of design and development fees for three schemes in this period that will now be bought by Assura, illustrating the importance of having a well capitalised property partner.

## **Dividend**

It has always been the intention of the Board to maintain a progressive dividend policy and, at present, it still intends to pay a special interim dividend as indicated in our statement of 27 September 2010. Once the Assura deal has completed and the implications of the Health Bill are clearer, the Board will update shareholders as to quantum and timing.

## **Outlook**

The White Paper, "Equity and Excellence, Liberating the NHS", published on 12 July was more radical than expected in transferring healthcare commissioning to GPs and announcing the abolition of PCTs by 2013. The Health Bill published last week has further confirmed much of the White Paper. Whilst we believe this will be of long term benefit to Ashley House given our strength in the GP market, it will inevitably mean the current slow pace in approving schemes will continue in the shorter term.

With the confidence and cashflow generated by having a well capitalised property partner and a good level of schemes on site, the Board is able to focus on positioning the Company to take advantage of the opportunities presented by the change happening in the NHS. Slow progress will continue in the short term with the company well positioned to return to growth in the longer term.

Sir William Wells  
Chairman  
Ashley House plc  
24 January 2011

## **Independent review report to Ashley House plc**

### **Introduction**

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 31 October 2010 which comprises the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim balance sheet, the condensed consolidated interim statement of changed in equity, the condensed consolidated interim cash flow statement and notes to the condensed consolidated interim financial statements. We have read the other information contained in the half yearly financial report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 2.

### **Our responsibility**

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to

obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 31 October 2010 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

**GRANT THORNTON UK LLP**  
AUDITOR  
OXFORD  
24 JANUARY 2011

## Condensed consolidated interim statement of comprehensive income

|  | Unaudited<br>6 months to<br>31 October<br>2010<br>£000 | Unaudited<br>6 months to<br>31 October<br>2009<br>£000 | Audited<br>Year to<br>30 April<br>2010<br>£000 |
|--|--|--|--|
| Note   |  |  |  |
| Gross Revenue  | 13,485   | 13,345   | 24,876   |
| Change in estimate-provision   | (5,095)  | -  | -  |
| Net Revenue  | 8,390  | 13,345   | 24,876   |
| Cost of sales  | (10,308)   | (9,055)  | (16,651)                                       |
| <b>Gross (loss)/profit</b>   | <b>(1,918)</b>   | 4,290  | 8,225  |
| Administrative expenses  | (2,610)  | (2,801)  | (5,632)  |
| Depreciation, amortisation and impairment<br>of non-financial assets | (48)   | (55)   | (107)  |
| Exceptional items  | -  | -  | (733)  |
| <b>Operating (loss)/profit</b>                                       | <b>(4,576)</b>   | 1,434  | 1,753  |
| Interest payable   | (34)   | -  | (82)   |
| Investment income  | 33   | 31   | 65   |
| <b>(Loss)/Profit before taxation</b>                                 | <b>(4,577)</b>   | 1,465  | 1,736  |
| Income tax on (loss)/profit  | 486  | (412)  | (486)  |
| <b>(Loss)/Profit for the period</b>                                  | <b>(4,091)</b>   | 1,053  | 1,250  |
| <b>Other comprehensive income</b>                                    |  |  |  |
| Fair value movement on available for sale<br>investment              | (110)  | 341  | 870  |
| <b>Total comprehensive (expense)/income for<br/>the period</b>       | <b>(4,201)</b>   | 1,394  | 2,120  |
| <b>Earnings per share:</b>   |  |  |  |
| Basic (loss)/earnings per share                                      | <b>(7.33)p</b>   | 2.22p  | 2.45p  |
| Diluted (loss)/earnings per share                                    | <b>(7.33)p</b>   | 2.19p  | 2.41p  |

## Condensed consolidated interim balance sheet

|                                      | Unaudited<br>31 October<br>2010<br>£000 | Restated<br>Unaudited<br>31 October<br>2009<br>£000 | Audited<br>30 April<br>2010<br>£000 |
|--------------------------------------|---|---|-------------------------------------|
| Note                                 |   |   |                                     |
| <b>ASSETS</b>                        |   |   |                                     |
| <b>Non-current assets</b>            |   |   |                                     |
| Goodwill                             | 1,289                                   | 270   | 1,289                               |
| Other intangible assets              | 30,018                                  | 24,800  | 30,018                              |
| Property, plant and equipment        | 230                                     | 194   | 254                                 |
| Available for sale investments       | 1,498                                   | 1,079   | 1,608                               |
| Deferred tax asset                   | 173                                     | 210   | 65                                  |
|                                      | <u>33,208</u>                           | <u>26,553</u>                                       | <u>33,234</u>                       |
| <b>Current assets</b>                |   |   |                                     |
| Work in progress                     | 1,334                                   | 1,402   | 2,818                               |
| Trade and other receivables          | 21,965                                  | 23,856  | 24,892                              |
| Cash and cash equivalents            | 4 1,637                                 | 580   | 1,010                               |
|                                      | <u>24,936</u>                           | <u>25,838</u>                                       | <u>28,720</u>                       |
| <b>Total assets</b>                  | <u><b>58,144</b></u>                    | <u><b>52,391</b></u>                                | <u><b>61,954</b></u>                |
| <b>LIABILITIES</b>                   |   |   |                                     |
| <b>Current liabilities</b>           |   |   |                                     |
| Trade and other payables             | (10,762)                                | (8,558)   | (9,904)                             |
| Bank borrowings and overdrafts       | (1,690)                                 | (2,000)   | (1,692)                             |
| Current income tax                   | -                                       | (1,319)   | (477)                               |
|                                      | <u>(12,452)</u>                         | <u>(11,877)</u>                                     | <u>(12,073)</u>                     |
| <b>Non-current liabilities</b>       |   |   |                                     |
| Bank borrowings                      | (2,000)                                 | (2,127)   | (2,000)                             |
| Deferred consideration               | (750)                                   | -   | (750)                               |
| Deferred tax liabilities             | (1,094)                                 | -   | (1,094)                             |
| <b>Total non-current liabilities</b> | <u><b>(3,844)</b></u>                   | <u><b>(2,127)</b></u>                               | <u><b>(3,844)</b></u>               |
| <b>Total liabilities</b>             | <u><b>(16,296)</b></u>                  | <u><b>(14,004)</b></u>                              | <u><b>(15,917)</b></u>              |
| <b>Net assets</b>                    | <u><b>41,848</b></u>                    | <u><b>38,387</b></u>                                | <u><b>46,037</b></u>                |
| <b>EQUITY</b>                        |   |   |                                     |
| Share capital                        | 580                                     | 478   | 557                                 |
| Share premium account                | 34,900                                  | 31,818  | 33,523                              |
| Merger relief reserve                | 4,395                                   | -   | 4,395                               |
| Other reserve                        | -                                       | -   | 1,400                               |
| Share based payment reserve          | 508                                     | 614   | 496                                 |
| Retained earnings                    | 1,465                                   | 5,477   | 5,666                               |
| <b>Total equity</b>                  | <u><b>41,848</b></u>                    | <u><b>38,387</b></u>                                | <u><b>46,037</b></u>                |

## Condensed consolidated interim statement of changes in equity

|  | Share capital<br>£000 | Share premium account<br>£000 | Merger relief reserve<br>£000 | Other reserve<br>£000 | Share based payment reserve<br>£000 | Retained earnings<br>£000 | Total equity<br>£000 |
|--|-----------------------|-------------------------------|-------------------------------|-----------------------|-------------------------------------|---------------------------|----------------------|
| <b>Balance at 1 May 2010</b>                         | <b>557</b>            | <b>33,523</b>                 | <b>4,395</b>                  | <b>1,400</b>          | <b>496</b>                          | <b>5,666</b>              | <b>46,037</b>        |
| Issue for share capital                              | 23                    | 1,377                         | -                             | -                     | -                                   | -                         | 1,400                |
| Equity settled acquisition consideration             | -                     | -                             | -                             | (1,400)               | -                                   | -                         | (1,400)              |
| Share-based payment charge                           | -                     | -                             | -                             | -                     | 12                                  | -                         | 12                   |
| <b>Transaction with owners</b>                       | <b>23</b>             | <b>1,377</b>                  | <b>-</b>                      | <b>(1,400)</b>        | <b>12</b>                           | <b>-</b>                  | <b>12</b>            |
| <b>Other comprehensive income</b>                    |                       |                               |                               |                       |                                     |                           |                      |
| (Loss) on ordinary activities after tax              | -                     | -                             | -                             | -                     | -                                   | (4,091)                   | (4,091)              |
| Fair value movement on available for sale investment | -                     | -                             | -                             | -                     | -                                   | (110)                     | (110)                |
| <b>Total comprehensive (expense) for the period</b>  | <b>-</b>              | <b>-</b>                      | <b>-</b>                      | <b>-</b>              | <b>-</b>                            | <b>(4,201)</b>            | <b>(4,201)</b>       |
| <b>Balance at 31 October 2010</b>                    | <b>580</b>            | <b>34,900</b>                 | <b>4,395</b>                  | <b>-</b>              | <b>508</b>                          | <b>1,465</b>              | <b>41,848</b>        |
| <b>Balance at 1 May 2009</b>                         | <b>470</b>            | <b>31,627</b>                 | <b>-</b>                      | <b>-</b>              | <b>608</b>                          | <b>5,969</b>              | <b>38,674</b>        |
| Issue of share capital                               | 87                    | 1,896                         | 4,395                         | -                     | -                                   | -                         | 6,378                |
| Deferred consideration equity settled                | -                     | -                             | -                             | 1,400                 | -                                   | -                         | 1,400                |
| Movement on deferred tax                             | -                     | -                             | -                             | -                     | (145)                               | -                         | (145)                |
| Dividends  | -                     | -                             | -                             | -                     | -                                   | (2,423)                   | (2,423)              |
| Share-based payment charge                           | -                     | -                             | -                             | -                     | 33                                  | -                         | 33                   |
| <b>Transaction with owners</b>                       | <b>87</b>             | <b>1,896</b>                  | <b>4,395</b>                  | <b>1,400</b>          | <b>(112)</b>                        | <b>(2,423)</b>            | <b>5,243</b>         |
| <b>Other comprehensive income</b>                    |                       |                               |                               |                       |                                     |                           |                      |
| Profit on ordinary activities after tax              | -                     | -                             | -                             | -                     | -                                   | 1,250                     | 1,250                |
| Fair value movement on available for sale investment | -                     | -                             | -                             | -                     | -                                   | 870                       | 870                  |
| <b>Total comprehensive income for the year</b>       | <b>-</b>              | <b>-</b>                      | <b>-</b>                      | <b>-</b>              | <b>-</b>                            | <b>2,120</b>              | <b>2,120</b>         |
| <b>Balance at 30 April 2010</b>                      | <b>557</b>            | <b>33,523</b>                 | <b>4,395</b>                  | <b>1,400</b>          | <b>496</b>                          | <b>5,666</b>              | <b>46,037</b>        |

|  | Share<br>capital<br>£000 | Share<br>premium<br>account<br>£000 | Merger<br>relief<br>reserve<br>£000 | Other<br>reserve<br>£000 | Share based<br>payment reserve<br>£000 | Retained<br>earnings<br>£000 | Total<br>equity<br>£000 |
|--|--------------------------|-------------------------------------|-------------------------------------|--------------------------|--|------------------------------|-------------------------|
| <b>Balance at 1 May 2009</b>                         | <b>470</b>               | <b>31,627</b>                       | -                                   | -                        | <b>608</b>                             | <b>5,969</b>                 | <b>38,674</b>           |
| Dividends  | -                        | -                                   | -                                   | -                        | -                                      | (1,886)                      | (1,886)                 |
| Issue of share capital                               | 8                        | 191                                 | -                                   | -                        | -                                      | -                            | 199                     |
| Share-based payment charge                           | -                        | -                                   | -                                   | -                        | 6                                      | -                            | 6                       |
| <b>Transaction with owners</b>                       | <b>8</b>                 | <b>191</b>                          | -                                   | -                        | <b>6</b>                               | <b>(1,886)</b>               | <b>(1,681)</b>          |
| <b>Other comprehensive income</b>                    |                          |                                     |                                     |                          |  |                              |                         |
| Profit on ordinary activities after tax              | -                        | -                                   | -                                   | -                        | -                                      | 1,053                        | 1,053                   |
| Fair value movement on available for sale investment | -                        | -                                   | -                                   | -                        | -                                      | 341                          | 341                     |
| <b>Total comprehensive income for the period</b>     | <b>-</b>                 | <b>-</b>                            | <b>-</b>                            | <b>-</b>                 | <b>-</b>                               | <b>1,394</b>                 | <b>1,394</b>            |
| <b>Balance at 31 October 2009</b>                    | <b>478</b>               | <b>31,818</b>                       | -                                   | -                        | <b>614</b>                             | <b>5,477</b>                 | <b>38,387</b>           |

## Condensed consolidated interim cash flow statement

|   | Unaudited<br>6 months to<br>31 October<br>2010<br>£000 | Restated<br>Unaudited<br>6 months to<br>31 October<br>2009<br>£000 | Audited Year<br>to 30 April<br>2010<br>£000 |
|---|--|--|---|
| <b>Operating activities</b>                                   |  |  |   |
| (Loss)/Profit before taxation                                 | (4,577)  | 1,465  | 1,736                                       |
| Adjustments for:  |  |  |   |
| Depreciation and impairment                                   | 48   | 55   | 377   |
| Interest paid   | 34   | -  | 82  |
| Investment income   | (33)   | (31)   | (65)  |
| Share based payment charge                                    | 12   | 6  | 33  |
| Operating cash flows before movements in working capital      | <u>(4,516)</u>   | <u>1,495</u>   | <u>2,163</u>                                |
| Reduction/(increase) in work in progress                      | 1,484  | (41)   | (819)                                       |
| Reduction/(increase) in trade and other receivables           | 2,714  | (2,952)  | (3,987)                                     |
| Increase in trade and other payables                          | 970  | 894  | 737   |
| <b>Cash generated/(used)from operations</b>                   | <u>652</u>   | <u>(604)</u>   | <u>(1,906)</u>                              |
| Income taxes paid   | -  | (312)  | (1,228)                                     |
| Interest paid   | (34)   | -  | (82)  |
| <b>Net cash generated from/(used) in operating activities</b> | <u>618</u>   | <u>(916)</u>   | <u>(3,216)</u>                              |
| <b>Investing activities</b>                                   |  |  |   |
| Purchase of property, plant and equipment                     | (24)   | (35)   | (122)                                       |
| Acquisition of subsidiaries (net of acquired cash)            | -  | -  | 390   |
| Investment income   | 33   | 31   | 65  |
| Interest received   | -  | -  | -   |
| <b>Net cash generated from/(used) in investing activities</b> | <u>9</u>   | <u>(4)</u>   | <u>333</u>                                  |
| <b>Financing activities</b>                                   |  |  |   |
| Proceeds from issue of share capital                          | -  | 199  | 1,928                                       |
| Proceeds from disposal of available for sale financial assets | -  | -  | 1,636                                       |
| Increase in bank loan   | -  | 2,000  | 1,565                                       |
| Dividends paid  | -  | (1,886)  | (2,423)                                     |
| <b>Net cash from financing activities</b>                     | <u>-</u>   | <u>313</u>   | <u>2,706</u>                                |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <u>627</u>   | <u>(607)</u>   | <u>(177)</u>                                |
| <b>Cash and cash equivalents at beginning of period</b>       | <u>1,010</u>   | <u>1,187</u>   | <u>1,187</u>                                |
| <b>Net Cash and cash equivalents at end of period</b>         | <u>1,637</u>   | <u>580</u>   | <u>1,010</u>                                |

# Notes to the condensed consolidated interim financial statements

## 1 Nature of operations and general information

Ashley House plc and subsidiaries' ('the Group') principal activities consist of the design and project management of primary care infrastructure construction and asset management.

Ashley House plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Ashley House plc's registered office, which is also its principal place of business, is The Priory, Stomp Road, Burnham, Buckinghamshire, SL1 7LW. Ashley House plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

Ashley House's consolidated interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

These consolidated condensed interim financial statements have been approved for issue by the Board of Directors on 25 January 2010.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 30 April 2010 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

## 2 Basis of preparation

These interim condensed consolidated financial statements are for the six months ended 31 October 2010. They have been prepared following the recognition and measurement principles of IFRS. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 April 2010.

These financial statements have been prepared on the going concern basis, under the historical cost convention, except for the revaluation of certain financial instruments.

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 April 2010.

## 3 Share issue

On 15 August 2010, 2,300,000 shares were issued at a premium of £1.337m in consideration of the purchase of certain assets and liabilities of SPS (Strategic Property Solutions) Limited following satisfactory settlement of the acquisition conditions.

## 4 Cash and cash equivalents

|                      | Unaudited<br>6 months to<br>31 October<br>2010 | Restated<br>Unaudited<br>6 months to<br>31 October<br>2009 | Audited<br>Year to<br>30 April 2010 |
|----------------------|--|--|-------------------------------------|
| Cash at Bank         | £000<br>1,637                                  | £000<br>580  | £000<br>1,010                       |
| <b>Bank balances</b> | <b>1,637</b>                                   | <b>580</b>   | <b>1,010</b>                        |

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash held by the Group and short-term Bank deposits with an original maturity of three months or less. 31 October 2009 cash balances have been represented to transfer joint venture cash balances to trade and other receivables. This has led to a transfer of £2.085m from cash at bank to trade and other receivables.

## 5 (Loss)/Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and warrants and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

| <b>6 months to 31 October 2010</b>  | <b>Loss<br/>£000</b> | <b>Weighted<br/>average<br/>number of<br/>shares</b> | <b>Per share<br/>amount<br/>Pence</b> |
|---|----------------------|--|---------------------------------------|
| (Loss) after tax  | (4,091)              |  |                                       |
| Earnings attributable to ordinary shareholders                                  | <hr/>                |  |                                       |
| Weighted average number of shares (used for basic earnings per share)           |                      | 55,791,577   |                                       |
| Dilutive effect of options and warrants   |                      | -  |                                       |
| Diluted weighted average number of shares (used for diluted earnings per share) |                      | <hr/> 55,791,577                                     |                                       |
| Basic loss per share  |                      |  | (7.33)p                               |
| Diluted loss per share  |                      |  | <hr/> <hr/> (7.33)p                   |

| <b>Year to 30 April 2010</b>  | <b>Earnings<br/>£000</b> | <b>Weighted<br/>average<br/>number of<br/>shares</b> | <b>Per share<br/>amount<br/>Pence</b> |
|---|--------------------------|--|---------------------------------------|
| Profit after tax  | 1,250                    |  |                                       |
| Earnings attributable to ordinary shareholders                                  | <u>1,250</u>             |  |                                       |
| Weighted average number of shares (used for basic earnings per share)           |                          | 51,095,363   |                                       |
| Dilutive effect of options and warrants   |                          | 714,931  |                                       |
|   |                          | <u>51,810,294</u>                                    |                                       |
| Diluted weighted average number of shares (used for diluted earnings per share) |                          | 51,810,294   |                                       |
| Basic earnings per share  |                          |  | 2.45p                                 |
|   |                          |  | <u>2.41p</u>                          |
| Diluted earnings per share  |                          |  | <u>2.41p</u>                          |

#### **6 months to 31 October 2009**

|   |              |                   |              |
|---|--------------|-------------------|--------------|
| Profit after tax  | 1,053        |                   |              |
| Earnings attributable to ordinary shareholders                                  | <u>1,053</u> |                   |              |
| Weighted average number of shares (used for basic earnings per share)           |              | 47,389,369        |              |
| Dilutive effect of options and warrants   |              | 750,318           |              |
|   |              | <u>48,139,687</u> |              |
| Diluted weighted average number of shares (used for diluted earnings per share) |              | 48,139,687        |              |
| Basic earnings per share  |              |                   | 2.22p        |
|   |              |                   | <u>2.19p</u> |
| Diluted earnings per share  |              |                   | <u>2.19p</u> |

#### **6 Dividends**

The dividends paid to equity shareholders over the past two years are set out below:

| <b>Year to 30 April 2010</b> | <b>£000's</b> |              |
|------------------------------|---------------|--------------|
| Final dividend               | <u>nil p</u>  | <u>nil</u>   |
| Total dividend               | <u>nil p</u>  | <u>nil</u>   |
|                              |               |              |
| <b>Year to 30 April 2009</b> | <b>£000's</b> |              |
| Final dividend               | <u>4.0p</u>   | <u>1,886</u> |
| Total dividend               | <u>4.0p</u>   | <u>1,886</u> |