JOURDAN plc

ANNUAL
REPORT
2008

Contents

Financial Calendar

Annual General Meeting	20 November 2008
Payment of Dividend	21 November 2008
Interim Results	March 2009
Final Results	September 2009

Registered No. 215690

TRADED ON AIM LONDON STOCK EXCHANGE

Officers and Professional Advisers

Executive Directors	J D Abell (Chairman) R R Morris* P Hartley
Non-Executive Directors	J P Pither (Deputy Chairman) # A F Lamb OBE # *
Secretary	Martha Bruce
Registered Office	Elm House Elmer Street North Grantham Lincolnshire NG31 6RE Telephone: 01476 403456 Facsimile: 01476 403458 Website: www.jourdanplc.co.uk
Auditor	Grant Thornton UK LLP 8 West Walk Leicester LE1 7NH
Bankers	Lloyds TSB Bank plc 31/32 Park Row Leeds LS1 5JT
Nominated Adviser	Charles Stanley Securities 25 Luke Street London EC2A 6AR
Legal Adviser	Bird & Bird 15 Fetter Lane London EC4A 1JP
Registrars	SLC Registrars Thames House Portsmouth Road Esher Surrey KT10 9AD
Stockbrokers	Charles Stanley Securities 25 Luke Street London EC2A 6AR

Member of Audit Committee and Remuneration Committee
* *Member of Risk Assessment Committee*

Annual Report 2008

Financial Highlights

	30 June 2008			30 June 2007		
	Continuing operations £000s	**Discontinued operation £000s**	**Total £000s**	Continuing operations £000s	Discontinued operation £000s	Total £000s
Revenue	**20,970**	**7,328**	**28,298**	18,831	8,641	27,472
Operating profit/(loss) before amortisation and impairment of intangibles	**2,758**	**(454)**	**2,304**	1,758	(262)	1,496
Operating profit/(loss)	**2,291**	**(454)**	**1,837**	1,561	(262)	1,299
Loss on disposal	**–**	**(1,364)**	**(1,364)**	-	-	-
Profit/(loss) before tax	**2,251**	**(1,907)**	**344**	1,581	(346)	1,235
Profit/(loss) after tax	**1,656**	**(1,349)**	**307**	1,313	(242)	1,071
Cash Inflow/(outflow)			**1,397**			(549)
Capital employed			**6,542**			7,843
Proposed dividend per share			**8.0p**			8.0p
Net assets per share			**192.4p**			230.7p
Earnings per share – basic			**9.0p**			33.0p
– diluted			**9.0p**			33.0p
Gearing %			**31%**			43%

Chairman's Statement

Financial Results

Another year, another set of accounting principles, another year of restated comparatives with the result that it has been necessary to expand the Report and Accounts to 52 pages this year from 36 pages last year. Do our stakeholders actually benefit from the considerable expense and time devoted to meeting the ever more esoteric demands of the regulators? It seems an irresponsible waste of national resources. However, we have complied with the dictate of the law and therefore present these consolidated financial statements in accordance with accounting policies which are based on IFRS, and comparative figures have been restated accordingly.

It has been a year of substantial progress with the disposal of the loss making business of Suncrest Surrounds Limited, a major increase in profits from continuing activities and agreement for the future funding of the Pension Fund reached with the Pension Fund Trustees. Full year sales from continuing activities increased by 11% to £21.0 million (2007: £18.8 million). Operating profit from continuing activities before amortisation and impairment of intangibles was £2,758,000 (2007: £1,758,000). However, these results have also been flattered by a £653,000 profit on the sale of the Andover factory and a surplus of £410,000 on settlement of certain pension liabilities.

Profit before tax was £344,000 (2007: £1,235,000). The profit is after deducting the £1,364,000 loss on sale of the discontinued activity. Earnings per share for the year were 9.0p (2007: 33.0p).

The Company remains well capitalised, with net current assets of £358,000 at 30 June 2008 (2007 net current liabilities £719,000) and the Company agreed new bank facilities with Lloyds TSB for the year beginning 1 July 2008.

I am pleased to announce that your Directors recommend a dividend of 8.0p per share (2007: 8.0p) which it is proposed to pay on 21 November 2008 to members on the register on 17 October 2008.

Operating Companies

Westfield Medical/Clinipak, the leading UK manufacturer and supplier of single-use sterilisation packaging material to the medical and healthcare industry, achieved substantially improved sales and profits. Sales to all sectors rose, and exports in particular benefited from the devaluation of Sterling.

Corby, the internationally renowned manufacturer of trouser presses, again achieved lower profits on marginally reduced sales. However, sales to export markets in currencies other than Sterling helped profitability as Sterling devalued gradually throughout the year. Corby continue to use the vacated long leasehold factory at Andover which was sold during the year for £1m with vacant possession to be given in January 2009. The Corby product continues to be manufactured at Peterlee for the time being.

Nelsons Labels, which manufactures and sells a variety of fabric-based labels for mattresses, carpets and upholstery, had another disappointing year. The acquisition of Prime Packaging in March 2007, whilst strategically correct, brought a number of unforeseen problems which resulted in poor operational results exacerbated by significant legal expenses.

Suncrest, the manufacturer of fireplace suites, mantelpieces and electric fires, continued to suffer from weakness in all markets. Sales were lower than the previous year and losses were incurred. However, in May the business and assets were sold to Newco 97531 Limited, a subsidiary of the CJ Group Limited which owns Magiglo Limited. This resulted in a large one off cost but eliminated the continual trading losses, leaving the Group in a much stronger and more profitable position for the future. The sale also secured the jobs of 130 employees.

Group Pensions

As at 30 June 2008, the pension obligation (after tax) has increased to £2,070,000 compared with £1,061,000 at 30 June 2007. By August next year further substantial progress in funding this deficit should have taken place. The Fund currently has 7 active members, reduced from 17 last year.

People

Our employees have worked exceptionally hard to achieve these results in difficult market conditions. Their skill and motivation is essential to Jourdan's success, and we thank them all.

Outlook

Following the disposal of the Suncrest business, the Group is well positioned to yield positive returns to shareholders. Whilst trading conditions remain difficult for the Group's consumer businesses, the medical packaging business is a clear leader in a strong market place with excellent prospects. In addition, the Group holds valuable property assets and has taken major steps to manage its obligations in the pensions arena.

Trading for the year to date is highly satisfactory and, while the outturn for the current year cannot be certain given the prevailing economic climate, it is pleasing to report that profits of the reduced Group are well ahead of budget and the same period last year. Bearing in mind the increasingly onerous regulatory and financial requirements for small companies, your Board continues to explore all available alternatives to maximise value for shareholders.

J David Abell

16 September 2008

Report of the Directors

Principal Activities

The Company is a holding company and the principal activities of its subsidiary companies are set out on page 48.

Business Review

Summary of key performance indicators

The Directors have monitored the progress of the overall Group strategy and the individual strategic elements by reference to certain financial and non financial key performance indicators.

	2008	2007	Method of calculation
Growth in revenue from continuing operations (%)	**11.4**	32.4	Year on year sales growth expressed as a percentage
Operating profit margin for continuing operations (%)	**10.9**	8.3	Operating profit margin is the ratio of operating profit to revenue expressed as a percentage
Debtor days from continuing operations	**56.9**	60.7	Trade debtors divided by continuing revenue, multiplied by 365
Cash generated from continuing operations (£000)	**808**	1,392	Operating cash flows from continuing operations
Cash position (£000)	**(2,004)**	(3,401)	Cash position as at the year end
Average head count for continuing operations	**152**	136	Average of total monthly headcounts derived from the payroll records

In addition the Group continues to look to ways to improve its environmental performance and reduce the environmental impact of its activities.

Principal risks and uncertainties

The long term recovery at Jourdan continues, yet the Group faces a range of risks and uncertainties across the different operating businesses, as well as at Group level.

The Directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

At operating level

At Westfield and Clinipak, the fulfilment of customer expectations, whilst maintaining margins and production efficiencies, presents a number of challenges, albeit ones that the companies are meeting. In the medium term, the funding allocated by the government to the various NHS Trusts, which form a key element of the companies' customer bases, is integral to continued success.

Corby continues to face the challenge of maintaining and improving production efficiencies. In common with the majority of UK manufacturing businesses, the company is now dealing with managing longer and more complex supply chains as it seeks to source greater proportions of its raw material requirements from lower cost economies. Corby is also operating in an environment where continued investment in product development is essential for the business to prosper and continue to operate successfully in a market place with a small number of large customers. Currently Corby is still dependent on Suncrest for the manufacture of its products.

Nelsons Labels is a niche producer in its chosen markets. Its principal risks and uncertainties relate to the ongoing realignment of production facilities amongst the major customer manufacturing groups (with consequent changes in demand levels), together with varying levels of retail demand for the end products of which Nelsons Labels forms a part.

A further economic downturn could affect Corby and Nelsons Labels as the success of these businesses is reliant on consumer spending. Such a downturn, resulting in reduction of consumer spending power will have a direct impact on the income achieved by the operating businesses. In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

During the year the Suncrest business was sold, thus eliminating the associated risks and uncertainties.

Fluctuations in currency exchange rates could affect all of the operating businesses as approximately 33% of the Group's continuing revenue is generated from overseas customers. The Group is therefore exposed to foreign currency fluctuations. The Group manages its foreign exchange exposure on a net basis, and if required uses forward foreign exchange contracts and other derivatives/financial instruments to reduce the exposure.

At Group level

At Group level, the principal uncertainty relates to the Group's defined benefit Pension Fund and in particular to the impact of any future changes in actuarial assumptions. Agreement for the future funding of the Pension Fund has been reached with the Pension Fund Trustees which should substantially reduce the deficit by August 2009. The Board is continuing to review the Fund and developments in the pension area.

Share Capital

The London Stock Exchange (AIM) middle market price of the Company's ordinary shares at 30 June 2008 (as derived from the London Stock Exchange Daily Official List) was 225.0p (30 June 2007: 267.5p) and the range of market prices during the year was between 208.5p and 267.5p.

Details of the Group's share option schemes are given on page 33.

Results and Dividends

The Consolidated Income Statement appears on page 14. Profit after tax for the year ended 30 June 2008 amounted to £307,000. A review of the results appears in the Chairman's Statement.

Your Directors are proposing to recommend the payment of a dividend for the year of 8.0p on each issued Ordinary share of £1 each, payable on 21 November 2008 to shareholders on the register of members at the close of business on 17 October 2008.

Directors

The names of the present Directors and Secretary are given on page 2.

Report of the Directors

Continued

In accordance with the Memorandum and Articles of Association Mr J D Abell will retire by rotation at the Annual General Meeting. Mr J D Abell being eligible offers himself for re-election. A resolution to this effect will be proposed at the Annual General Meeting.

Mr J D Abell (65) was appointed an executive director in May 1997.

Mr P Hartley (63 and Managing Director of Westfield Medical Limited, a wholly-owned subsidiary of the Company) was appointed as a director on 5 August 2008. In accordance with the Memorandum and Articles of Association Mr P Hartley will retire at the Annual General Meeting. Mr P Hartley being eligible offers himself for re-election. A resolution to this effect will be proposed at the Annual General Meeting.

Directors' Interests in Shares of the Company

The Directors' interests (all of which are beneficial) in the share capital of the Company are shown in the Report of the Remuneration Committee on pages 10 to 12.

Directors' Remuneration

Details of the Directors' remuneration are set out in the Report of the Remuneration Committee. Although the Report of the Remuneration Committee is a report on behalf of the Board, it is shown as a separate schedule in the interests of clarity.

Annual General Meeting

The Company's Annual General Meeting will be held at 1000 on 20 November 2008 at the offices of Bird & Bird, 90 Fetter Lane, London EC4A 1JP and formal notice of this meeting is set out on page 51.

In addition to the ordinary business, resolutions will be proposed by way of special business as follows:

- Resolution 6 is an ordinary resolution to renew the existing authority, given to the Directors at the Company's Annual General Meeting on 24 October 2007 to allot relevant securities for the purposes of section 80 of the Companies Act 1985 ("the Act"). This resolution will supersede the resolution passed at the Company's Annual General Meeting in 2007 and will give the Directors authority to allot all of the authorised but unissued shares in the capital of the Company. This authority will give the Directors the necessary powers to allot shares upon exercise of outstanding options and provide them with a general power to allot further shares equal to approximately one third of the ordinary share capital currently in issue. The Directors have no current intention to exercise this authority, which will expire on the date which is five years after the date of the resolution, unless previously revoked or varied by the Company in General Meeting.

- Resolution 7 is a special resolution to give the Directors a limited authority to issue equity securities for cash otherwise than to existing shareholders in proportion to their existing holdings, notwithstanding the pre-emption provisions of section 89 of the Act. This limited authority would empower the Directors to allot equity securities in connection with bonus or rights issues where such allotments are proportionate to existing shareholdings, but such issues would not meet the statutory requirements for pre-emptive issues, and to make cash issues on a non pre-emptive basis provided they do not exceed 5% of the currently issued share capital of the Company. This resolution will supersede the resolution passed at the Company's Annual General Meeting in 2007 and the authority will, unless revoked or varied by the Company in General Meeting, expire on the date which is five years after the date of the resolution. The Directors have no current intention to exercise this authority.

- Resolution 8, which is being proposed as a special resolution, is to amend the Company's existing Articles of Association to reflect those provisions of the Companies Act 2006 which have been brought into force or will be coming into force on 1 October 2008. Further details are given on page 52 and include changes to Directors Interests, communications with shareholders and the provisions for general meetings.

Directors' and Shareholders' Interests in Contracts

Save as disclosed under "Service Agreements" on page 10, none of the Directors had a material beneficial interest in any contract to which the Company or any of its subsidiaries was a party in the period under review. The Company is not aware of any contract, including contracts for the provision of services, between the Company or any of its subsidiaries and a corporate substantial shareholder during the period ended 30 June 2008.

Directors' and Officers' Liability Insurance

The Group maintains insurance cover for Directors and key personnel against liabilities which may be incurred by them whilst carrying out their duties.

Employment Policies

The Group has continued its policy of giving disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and we continue to endeavour to retrain any member of staff who develops a disability during employment with the Group.

The Group's policy is to keep employees informed on matters which affect their occupations and future prospects, while at the same time increasing their involvement in the Group's overall activities and performance. Each subsidiary within the Group operates its own communication and consultative programmes relevant to its own particular workforce.

It is the policy of the Group that the operations of the Company and its subsidiaries are executed at all times in such a way as to ensure, so far as is reasonably practicable, the health, safety and welfare of all its employees and of all persons likely to be affected by its operations.

Political and Charitable Donations

The Group has made no political or charitable donations in the year. A scheme is available to allow employees to make tax efficient donations from salary.

Report of the Directors

Continued

Payments to Suppliers

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with these terms provided that the supplier is also complying with all relevant terms and conditions. At 30 June 2008, the Group had 63 days of outstanding trade payables (Year ended 30 June 2007: 69). The Parent Company does not trade outside the Group and does not have significant trade payables.

Substantial Interests

At the close of business on 6 October 2008 the following were, as far as the Directors are aware, interested in 3% or more of the ordinary shares in the Company:

Amodeo Investments Limited	1,019,859	29.99%
J D Abell	911,500	26.81%
Goosegog Pty Limited	368,000	10.82%
Jourdan Group Pension Fund	160,000	4.71%

Mr J D Abell is deemed by the Panel on Takeovers and Mergers to be acting in concert with certain members of his family. In total Mr J D Abell and the family who are deemed to be in concert own 1,009,000 Ordinary shares (29.68%) and are holders of options over a further 75,000 Ordinary shares.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Parent Company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Parent Company and the Group, and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and International Financial Reporting Standards, as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Parent Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of both the Parent Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the website and accordingly the auditor accepts no responsibility for the information published on that website.

Information published on the website is accessible in many countries and legislation in the United Kingdom concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Risks

Group financial risk management policies are set out in note 26 to the financial statements.

Relationships with Shareholders

The Chairman is the Group's principal contact with investors, fund managers, the press and other interested parties.

It is currently the Company's practice to hold its Annual General Meeting in the City of London to better enable attendance by City investors. Voting on specific resolutions is dealt with by a show of hands, but the Chairman also indicates the balance of proxies received for and against each resolution. Separate resolutions are presented for each substantially separate issue including the Annual Report and Financial Statements.

The Annual General Meeting is attended by all the Directors, including therefore the Chairmen of the Remuneration and the Audit Committees, who are available to discuss matters with shareholders.

Auditor

Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with section 489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP will be proposed at the Annual General Meeting to be held on 20 November 2008.

By Order of the Board

Martha Bruce
Secretary

9 October 2008

Corporate Governance

The Company is committed to applying the highest principles of corporate governance commensurate with its size. The Company is not required to apply the Combined Code. However, it has used the Code as a guide.

The Board

The Board of the Company meets formally twelve times a year and the Non-Executive Directors can attend all meetings. In the year each Executive Director attended at least nine Board meetings. The Board has a formal schedule of matters referred to it for decision. At each Board meeting, the Board has available the monthly performance reports of each subsidiary and the Board monitors these results against the budgets for each subsidiary. Major developments are communicated to all Board members if they occur between regular meetings if in the judgment of the Executive Directors this is warranted.

The Directors may take independent professional advice, if appropriate, at the Company's expense.

All Directors are subject to re-election at the first Annual General Meeting after appointment and thereafter every three years. The Directors seeking re-election in 2008 are Mr J D Abell and Mr P Hartley.

The Board also has an Audit Committee and a Remuneration Committee, of which Mr J P Pither and Mr A F Lamb, Non-Executive Directors, were members during the year. The Report of the Remuneration Committee is set out on pages 10 to 12. The terms of reference of the Audit Committee include keeping under review the scope and results of the external audits and their cost effectiveness. The Audit Committee reviews the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Group, seeking to balance objectivity and value for money.

During the year the Company has not appointed a Nominations Committee for the purpose of Board appointments. It is considered that the composition and size of the Board does not warrant the appointment of a Nominations Committee and appointments are dealt with by the whole of the Board.

Going Concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Group and Parent Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's and Parent Company's financial statements.

Corporate Risk Management

The following key procedures have operated during the year and a full risk and control assessment has been undertaken.

The Board recognises its obligations on behalf of shareholders to manage business risk and has established a Risk Assessment Committee, chaired by an Executive Director and supported by a Non-executive Director and external specialists as appropriate, to advise on the management of significant business risk.

The Committee is responsible for the identification, analysis and prioritisation of significant business risk and for agreeing control strategies, standards and guidelines both at Group and subsidiary level.

Risk significance is determined by the potential financial impact on the trading activities of the business and represents the aggregation of each operating subsidiary's individual risk tolerance considered in the context of the overall Group objectives.

Risks identified include the potential loss or change in profile of key customers (addressed by commitment to continuing to provide high levels of service) and the risk associated with niche products (addressed by pro-active consideration of changing customer and market needs).

The Committee has established a system of Group and subsidiary Key Risk Indicators which it reviews regularly. These include strategic, financial and operational risks. Group Key Risk Indicators are reviewed by the Executive Directors. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk information is communicated to employees, who have a responsibility to co-operate with management initiatives and to carry out their duties avoiding excessive risk. Appropriate training and support is provided.

The Board has considered the need for internal audit, but has decided that because of the size of the Group it cannot be justified at present. The Board will review this decision annually.

Internal Control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets.

The Board has undertaken a review during the year of the Group's system of internal control covering financial, operational and compliance controls and risk. As part of this process the Group has established an ongoing process for identifying, evaluating and managing the key risks as set out above.

The system of internal control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key processes

The key processes used by the Board to review the effectiveness of the system of internal control include:

- established control environment with an organisational structure which has clear lines of responsibility and supervision;
- regular meetings with local management;
- formal accounting policies and procedures and standard financial control procedures in place which are applicable to all areas of the Group;
- review of the operation of internal controls at each subsidiary by the Group Financial Controller.

Corporate Governance

Continued

Key aspects

Key aspects of the system of internal control include the following:

- comprehensive budgeting and financial reporting system involving review and approval of budgets by the Board, monthly monitoring of performance against these budgets and full investigation of variances;
- annual cash flow statements prepared underpinned by more detailed rolling three month forecasts to address resources and funds. Group cash flow monitored on daily basis compared to forecast;
- established procedures for authorisation of capital expenditure;
- the Board has communicated ethical policies to all personnel through training and procedures;
- health and safety procedures in place;
- disaster recovery plans in place.

The Board believes that its systems of internal control are appropriate for the size and nature of its operations, and will continue to review potential improvements to the systems on a regular basis.

Report of the Remuneration Committee

This report sets out the Group's policy regarding Directors' remuneration and how this policy has been applied throughout the year. The Remuneration Committee is chaired by Mr J P Pither.

The terms of reference of the Remuneration Committee, in summary, are as follows:

Principal function

To consider and make recommendations to the Board of Directors of the Company on behalf of the shareholders in respect of the policies of the Group on remuneration. Particular attention is paid to the remuneration arrangements of Directors and senior executives including pension rights, service contracts and compensation payments.

Policies

In accordance with authority delegated by the Board of Directors:

- to monitor the remuneration policy of the Group and its subsidiaries having regard to relevant market comparisons and practice;
- to consider and make recommendations to the Board of Directors on the remuneration arrangements including bonuses and related performance criteria, share options, pension rights, service contracts and compensation payments of Executive Directors of the Group; and
- to consider, determine and, where appropriate, approve the remuneration arrangements including bonuses, share options, pension rights, service contracts and compensation payments of senior executives of the Group.

Remuneration and salaries

The remuneration of the Executive Directors of the Group is set by the Board, based on the recommendations of the Remuneration Committee. Such remuneration is determined after a review of the performance of the individual.

It is the aim of the Committee to reward Directors competitively having regard to the remuneration paid to the senior management of comparable public companies. It has been the practice to review Executive Directors' salaries annually with such reviews taking account of corporate performance and individual performance and responsibilities, as appropriate.

The Board determines the remuneration of the Non-Executive Directors.

Share schemes

Mr J D Abell, Mr R R Morris, Mr J P Pither and Mr P Hartley participate in the Group's Share Option Schemes. Details of their interests in the Group's shares arising from such participation are shown on page 12.

Service Agreements

Mr R R Morris' contract expired on 24 April 2008. A new contract effective from 25 April 2008 has been signed, terminable on 12 weeks' notice. Granite PLC, a company owned by Mr J D Abell, has a consultancy agreement with the Company terminable on 12 months' notice. Surrey Management Services Limited, a company owned by Mr J P Pither, has a letter of appointment with the Company terminable on 12 months' notice. Mr A F Lamb has a letter of appointment with the Company terminable on 12 months' notice. Mr P Hartley has a contract of employment with Westfield Medical Limited terminable on 12 months' notice.

Report of the Remuneration Committee

Continued

The under-noted table reports the remuneration received by each Director during the year:

	Remuneration £000s	Performance related bonus £000s	Benefits in kind £000s	Share Options £000s	Total Year ended 30 June 2008 £000s	Total Year ended 30 June 2007 £000s
Chairman:						
J D Abell	**199**	**–**	**1**	**18**	**218**	215
Executive Director:						
R R Morris	**167**	**–**	**1**	**18**	**186**	204
2008	**366**	**–**	**2**	**36**	**404**	
2007	383	–	2	34		419
Non Executive Directors:	**Board fees**					
J P Pither	**30**	**–**	**–**	**7**	**37**	35
A F Lamb	**24**	**–**	**–**	**–**	**24**	16
2008	**54**	**–**	**–**	**7**	**61**	
2007	46	–	–	5		51
Aggregate emoluments of Directors who served during the year:					**465**	470

Mr J D Abell and Mr R R Morris: No performance-related bonuses were payable.

No Share Options have been exercised by any Director during the year.

The Share Option figures disclosed above relate to IFRS 2 and were not actually received by the Directors as remuneration in the period.

Managing directors of subsidiary companies have a profit-related bonus scheme, which is reviewed each year.

Mr J D Abell's remuneration as Chairman and Chief Executive is paid to Granite PLC.

Mr J P Pither's fees as Non-Executive Director are paid to Surrey Management Services Limited.

Benefits in kind incorporate all assessable tax benefits arising from employment by the Group.

Report of the Remuneration Committee

Continued

Directors' interests in shares of the Company, all of which are beneficial:

	At 30 June 2007	Purchases	Sales	**At 30 June 2008**
J D Abell	901,500	10,000	Nil	**911,500**
R R Morris	84,500	Nil	Nil	**84,500**
J P Pither	75,500	Nil	Nil	**75,500**
A F Lamb	10,000	Nil	Nil	**10,000**

Directors' options over ordinary shares:

Unapproved 2000 Share Option Scheme:

	At 30 June 2007	Granted	Price	Exercisable 7 years from	**At 30 June 2008**
J D Abell	25,000	Nil	270p	25 September 2006	**25,000**
	50,000	Nil	235p	28 September 2009	**50,000**
R R Morris	25,000	Nil	270p	25 September 2006	**25,000**
	50,000	Nil	235p	28 September 2009	**50,000**
J P Pither	20,000	Nil	235p	28 September 2009	**20,000**

Options are granted at the Remuneration Committee's discretion and no performance criteria apply.

The London Stock Exchange (AIM) middle market price of the Company's ordinary shares at 30 June 2008 (as derived from the London Stock Exchange Daily Official List) was 225.0p (30 June 2007: 267.5p) and the range of market prices during the year was between 208.5p and 267.5p.

There have been no changes to the above Directors' interests in the share capital of the Company between 30 June 2008 and the date of this report.

Mr P Hartley (appointed a Director on the 5 August 2008) has interests in 7,500 shares in the Company, all of which are beneficial, and the following options issued under the Unapproved 2000 Share Option Scheme:

	Price	Exercisable 7 years from	
P Hartley	270p	25 September 2006	**12,500**
	235p	28 September 2009	**25,000**

J P Pither
Chairman, Remuneration Committee

9 October 2008

Report of the Independent Auditor to the Members of Jourdan plc

We have audited the Consolidated Financial Statements of Jourdan plc for the year ended 30 June 2008 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Recognised Income and Expense, the Consolidated Cash Flow Statement, and notes 1 to 32. These consolidated financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Jourdan plc for the year ended 30 June 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Report and the Consolidated Financial Statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Consolidated Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Consolidated Financial Statements give a true and fair view and whether the Consolidated Financial Statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the Consolidated Financial Statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement that is cross referred from the Results and Dividends section of the Report of the Directors.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited Consolidated Financial Statements. This other information comprises only the Financial Highlights, the Chairman's Statement, the Report of the Directors, the Corporate Governance Statement and the Report of the Remuneration Committee. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Consolidated Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Consolidated Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Consolidated Financial Statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Consolidated Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Consolidated Financial Statements.

Opinion

In our opinion:

- the Consolidated Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of its profit for the year then ended;
- the Consolidated Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the Consolidated Financial Statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Leicester

9 October 2008

Consolidated Income Statement

Notes		Year to 30 June 2008 £000s	Year to 30 June 2007 £000s
	Continuing operations		
6	Revenue	**20,970**	18,831
	Cost of sales	**(13,899)**	(12,335)
	Gross profit	**7,071**	6,496
	Net operating costs:		
	Operating costs	**(5,433)**	(4,935)
	Profit on disposal of non-current assets classified as held for sale	**653**	–
	Net operating costs	**(4,780)**	(4,935)
9	Operating profit	**2,291**	1,561
	Profit on disposal of available-for-sale investments	**–**	197
10	Finance income	**109**	21
10	Finance costs	**(149)**	(198)
	Profit before tax	**2,251**	1,581
11	Taxation	**(595)**	(268)
	Profit for the year from continuing operations	**1,656**	1,313
	Discontinued operation		
7	Loss for the year after taxation	**(367)**	(242)
	Loss on disposal after taxation	**(982)**	–
	Loss for the year from discontinued operation	**(1,349)**	(242)
24	**Profit for the year attributable to equity holders of the Parent Company**	**307**	1,071
	Earnings per share from continuing operations	**Pence**	Pence
13	Basic	**48.7**	40.5
	Diluted	**48.7**	40.5
	Loss per share from discontinued operation		
13	Basic	**(39.7)**	(7.5)
	Diluted	**(39.7)**	(7.5)
	Earnings per share from continuing and discontinued operations		
13	Basic	**9.0**	33.0
	Diluted	**9.0**	33.0

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Balance Sheet

Notes		30 June 2008 £000s	30 June 2007 £000s
	ASSETS		
	Non-current assets		
14	Property, plant and equipment	**1,629**	2,137
15	Goodwill	**4,736**	5,192
16	Other intangible assets	**522**	989
22	Deferred tax assets	**714**	247
		7,601	8,565
	Current assets		
17	Inventories	**2,029**	3,522
18	Trade and other receivables	**4,092**	5,146
	Current tax receivable	**90**	-
		6,211	8,668
19	**Non-current assets classified as held for sale**	**1,502**	1,781
	Total assets	**15,314**	19,014
	LIABILITIES		
	Current liabilities		
20	Trade and other payables	**(5,853)**	(8,676)
	Current portion of deferred consideration	**–**	(419)
	Current tax payable	**–**	(292)
		(5,853)	(9,387)
	Non-current liabilities		
	Deferred consideration	**–**	(224)
21	Long-term provisions	**(44)**	(44)
30	Pension liability	**(2,875)**	(1,516)
		(2,919)	(1,784)
	Total liabilities	**(8,772)**	(11,171)
	Net assets	**6,542**	7,843
	EQUITY		
23	Share capital	**3,400**	3,400
24	Share premium account	**260**	260
24	Other reserves	**3,145**	3,145
24	Profit and loss reserve	**(263)**	1,038
	Equity attributable to equity holders of the Parent Company	**6,542**	7,843

The financial statements were approved by the Board of Directors on 9 October 2008.

J. David Abell
Chairman

Consolidated Statement of Recognised Income and Expense

	30 June 2008 £000s	30 June 2007 £000s
Actuarial (loss)/gain recognised in the Pension Fund	**(1,931)**	1,068
Movement on deferred tax relating to pension liability	**522**	(321)
Net (expense)/income recognised directly in equity	**(1,409)**	747
Profit for the year	**307**	1,071
Total recognised income and expense in the year attributable to equity holders	**(1,102)**	1,818

Consolidated Cash Flow Statement

Notes		30 June 2008 £000s	30 June 2007 £000s
	Cash flows from operating activities		
	Profit after tax	**307**	1,071
	Adjustments for:		
	Depreciation	**445**	529
	Amortisation of intangible assets	**260**	197
	Impairment of intangible assets	**207**	–
	Profit on disposal of property, plant and equipment	**(653)**	–
	Profit on sale of investments	**–**	(197)
	Loss on sale of discontinued activity	**1,364**	–
	Other gains	**(499)**	(134)
	Finance income	**(13)**	(8)
	Finance cost	**238**	269
	Tax expense recognised in income statement	**37**	164
	Decrease in inventories	**526**	121
	Increase in trade and other receivables	**(181)**	(207)
	(Decrease)/increase in trade and other payables	**(432)**	136
	Cash generated from operations	**1,606**	1,941
	Interest paid	**(238)**	(282)
	Tax paid	**(327)**	(321)
	Net cash from operating activities	**1,041**	1,338
	Cash flows from investing activities		
	Acquisition of subsidiaries, net of cash acquired	**(187)**	(2,158)
	Purchase of property, plant and equipment	**(206)**	(219)
	Proceeds from sale of non-current assets	**932**	–
	Proceeds from disposal of equipment	**6**	31
	Proceeds from disposal of available-for-sale investments	**–**	613
	Proceeds from disposal of discontinued activity	**70**	–
	Interest received	**13**	8
	Net cash generated from/(used in) investing activities	**628**	(1,725)
	Cash flows from financing activities		
12	Dividends paid	**(272)**	(162)
	Net cash used in financing activities	**(272)**	(162)
	Net increase/(decrease) in cash and cash equivalents	**1,397**	(549)
	Cash and cash equivalents at beginning of year	**(3,401)**	(2,852)
20	**Cash and cash equivalents at end of year**	**(2,004)**	(3,401)

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Jourdan plc is the ultimate Parent Company of the Group with interests in both the consumer and industrial markets. The address and principal place of business of Jourdan plc is Elm House, Elmer Street North, Grantham, Lincolnshire NG31 6RE. These Consolidated Financial Statements are for the year ended 30 June 2008. These Consolidated Financial Statements are presented in Pounds Sterling, which is also the functional currency of the Parent Company. They were approved for issue by the Board of Directors on 9 October 2008.

2. ACCOUNTING REFERENCE DATE AND BASIS OF CONSOLIDATION

The Group's accounting reference date is 30 June. As permitted by the Companies Act 1985 the Directors have elected to make up accounts to the Saturday nearest 30 June. For this year the financial statements are prepared for the 52 weeks ended 28 June 2008 (2007: 52 weeks ended 30 June 2007).

The Consolidated Income Statement and Balance Sheet include the financial statements of Jourdan plc and its subsidiary undertakings. The results of businesses acquired or sold are included in the Group Income Statement from or to the date control passes. All intra-group transactions are eliminated fully on consolidation.

3. BASIS OF PREPARATION

These Consolidated Financial Statements have been prepared under the historical cost convention.

The Group's financial statements up to and including those for the year ended 30 June 2007 were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). With effect from 1 July 2007, the Company, being listed on the Alternative Investment Market of the London Stock Exchange, is required to present its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Accordingly, these Consolidated Financial Statements have been prepared in accordance with the accounting policies set out below which are based on IFRS in issue as adopted by the European Union and in effect at 30 June 2008.

Comparative figures have been restated in these financial statements to reflect changes in accounting policies as a result of the adoption of IFRS. Reconciliations of shareholders' equity under UK GAAP to that under IFRS at 1 July 2006 and 30 June 2007 and of the profit for the year ended 30 June 2007, together with an explanation of material adjustments to the Cash Flow Statement, are given in notes 31 and 32. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules presented in note 31.

4. CHANGE IN ACCOUNTING POLICIES

4.1 Standards, amendments and Interpretations to existing Standards that are not yet effective

At the date of authorisation of these Consolidated Financial Statements, certain new Standards, amendments and Interpretations to existing standards have been published but are not yet effective. The Group has not early-adopted any of these pronouncements. The new Standards, amendments and Interpretations that are expected to be relevant to the Group's Consolidated Financial Statements are as follows:

Amendment to IAS 1 Presentation of Financial Statements (effective from 1 January 2009, ie for reporting periods beginning on or after this date)

This amendment affects the presentation of owner changes in equity and introduces a Statement of Comprehensive Income. Preparers will have the option of presenting items of income and expense and components of other comprehensive income either in a single Statement of Comprehensive Income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This amendment does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

IFRS 8 Operating Segments (effective from 1 January 2009)

This IFRS specifies how an entity should report information about its operating segments in its Consolidated Financial Statements. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Implementation of this Standard is not expected to increase the number of reportable segments but will alter the manner in which these are reported to be consistent with the internal reporting provided to the chief operating decision-maker.

Notes to the Consolidated Financial Statements

Continued

IFRS 3 Business Combinations (revised 2008) and IAS 27 Consolidated and Separate Financial Statements (revised 2008) – effective from 1 July 2009

The revised Standards introduce major changes to the accounting requirements for business combinations, transactions with non-controlling interests (a new term for "minority interests") and a loss of control of a subsidiary. Management is currently assessing the detailed impact of this amendment on the Group's financial statements.

The revised Standards will be adopted in the Group's financial statements for the period beginning 1 July 2009.

Other new Standards and Interpretations have been issued (see below) but are not expected to have a material impact on the Group's financial statements.

	Standard or Interpretation	Effective for reporting periods starting on or after
IFRS 1	Amendments to IFRS 1, first time adoption of IFRSs and IAS 27, Consolidated and Separate Financial Statements – Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
	General improvements to IFRSs	1 January 2009 and 1 July 2009
IFRS 2	Amendment to IFRS Share-based Payment – Vesting conditions and cancellations	1 January 2009
IAS 23	Borrowing costs (revised 2007)	1 January 2009
IAS 32	Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation	1 January 2009
IAS 39	Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1 July 2009
IFRIC 12	Service Concession Arrangements	1 January 2008
IFRIC 13	Customer Loyalty Programmes	1 January 2008
IFRIC 14	MJ 19 – The limit on a Defined Benefit Asset. Minimum Funding Requirements and their Interaction	1 January 2009
IFRIC 15	Agreement for construction of real estate	1 January 2009
IFRIC 16	Hedges of a net investment in a foreign operation	1 October 2009

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of consolidation

The Group financial statements include those of the Company and all its subsidiaries. Subsidiaries are entities over which the Group has the power through voting rights to control the financial and operating policies so as to obtain benefits from its activities. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. In the case of acquisitions after 30 June 2006, goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Notes to the Consolidated Financial Statements

Continued

5.2 Business combinations completed prior to the date of transition to IFRS

The Group has elected not to apply IFRS 3 Business Combinations retrospectively to business combinations prior to the date of transition. Accordingly the classification of the combination (acquisition, reverse acquisition or merger) remains unchanged from that used under UK GAAP. Assets and liabilities are recognised at the date of transition if they would be recognised under IFRS, and are measured using their UK GAAP carrying amounts immediately post-acquisition as deemed cost, unless IFRS requires fair value measurement. Amounts recorded as goodwill under UK GAAP have not been re-assessed to identify intangible assets. Deferred tax has been adjusted for the impact of any consequential adjustments after taking advantage of the transitional provisions.

5.3 Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

There is no re-instatement of goodwill that was amortised prior to transition to IFRS.

5.4 Revenue

Revenue from the sale of goods (relevant for all income streams) represents the value of goods supplied by subsidiaries, net of discounts and excluding intra-Group sales and VAT. Revenue is recognised at the date of despatch of the goods, which is when the Group is deemed to transfer to the buyer the significant risks and rewards of ownership. Where appropriate, provision is made for goods issued on sale or return terms, and for any volume rebates (or similar) payable.

5.5 Intangible assets acquired as part of a business combination

In accordance with IFRS 3 "Business Combinations", an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Amortisation begins when the intangible asset is first available for use and is provided at rates calculated to write off the deemed cost of each intangible asset over its estimated useful life. This can range from a few weeks in the case of sales order backlogs to 20 years in the case of patents. Amortisation charges are included in operating costs in the Income Statement.

5.6 Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.

Disposal of assets: The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Depreciation: Depreciation is provided at rates calculated to write down the cost less residual value of all property, plant and equipment other than freehold land in equal instalments over their expected useful economic lives. The rates used are as follows:

- Freehold and long leasehold properties — 2%
- Plant and machinery — 10% – 50%
- Motor vehicles — 25% – 33%

Material residual value estimates are updated as required, but at least annually.

5.7 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to the Consolidated Financial Statements

Continued

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

5.8 Non-current assets classified as held for sale

Assets held for sale include assets that the Group intends and expects to sell within one year from the date of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

5.9 Leases

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Income Statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Income Statement on a straight line basis over the period of the lease term. Lease incentives are spread over the term of the lease.

5.10 Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for old and obsolete items. Cost includes materials, valued on a first in first out basis, direct labour and the attributable proportion of manufacturing overheads based on normal levels of activity.

5.11 Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of those temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

5.12 Share-based payments

The Group has Share Option schemes under which it makes equity settled share based payments to certain Directors and employees. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 July 2006 are recognised in the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Continued

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets). Fair value is measured using the Black Scholes Merton model.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

All equity-settled share-based payments are ultimately recognised as an expense in the Income Statement with a corresponding credit to the profit and loss reserve. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

5.13 Financial instruments

Financial instruments issued by the Group are classified as debt or equity according to their underlying nature, as required by IAS32 or IAS39. Those containing contractual obligations to transfer cash or other financial assets are classified as financial liabilities. Those evidencing a residual interest in the Group's assets after deducting all of its liabilities are classified as equity.

Compound instruments, containing material components of both equity and financial liabilities, are measured by calculating the present value of the liability component, with the residual amount, after deducting from the fair value of the financial instrument as a whole, representing the equity component.

Financial assets

Financial assets consist of loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised at fair value plus transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Income Statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in value recognised in equity, through the statement of recognised income and expense. Gains and losses arising from investments classified as available-for-sale are recognised in the Income Statement when they are sold or when the investment is impaired.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

The Group's financial liabilities consist of overdrafts, trade and other payables and other long term provisions. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

Notes to the Consolidated Financial Statements

Continued

All financial liabilities are initially recorded at fair value, and thereafter at amortised cost, net of direct issue costs, using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Income Statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the Income Statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

5.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

5.15 Pensions

Certain of the Group's employees belong to the Jourdan Group Pension Fund which is funded by both employers' and employees' contributions, and is a defined benefit fund. The Fund's assets are measured at fair values. The Fund's liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The gross surplus or deficit is presented on the face of balance sheet, separate from the related deferred tax balance. A gross surplus is recognised only to the extent that it is recoverable by the Group.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the Fund liabilities and the expected return on the Fund's assets are included in other finance costs. Actuarial gains and losses are recognised in full in the Statement of Recognised Income and Expense.

5.16 Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. At the end of the period, monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Trading results are translated at average rates for the period. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the Income Statement in the period in which they arise.

5.17 Discontinued operations

A discontinued operation is a cash-generating unit, or a group of cash-generating units, that either has been disposed of or is classified as held for sale, and:

– represents a separate major line of business or geographical area of operations

– are part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

– is a subsidiary acquired exclusively with a view to resale.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the balance sheet date for the latest period presented.

5.18 Use of accounting estimates and judgments

Many of the amounts included in the Consolidated Financial Statements involve the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the Consolidated Financial Statements. Information about such judgments and estimation is contained in the Accounting Policies and/or the notes to the Consolidated Financial Statements and the key areas are summarised below:

Judgments in applying accounting policies

a) Fair value attributed to intangibles acquired as part of a business combination under IFRS 3, based on discounted cashflow projections.

b) Assessment of the impairment of assets is a judgment based on analysis of the likely future cash flows from the relevant cash generating unit and an estimate of value in use. Please see note 15 for the criteria used.

Notes to the Consolidated Financial Statements

Continued

c) The Directors must judge whether future profitability is likely in making the decision whether or not to create a deferred tax asset based on the annual budgeting process.

d) What is classified as held for sale under IFRS 5 requires judgment concerning the likelihood and timing of realisation of sale. This is based on an annual review of assets with the likelihood of sale being considered.

e) The decision to add additional non statutory lines to the Consolidated Income Statement is a judgment. The presentation adopted is the Directors judgment of what best meets the needs of the users of the Consolidated Financial Statements.

Sources of estimation uncertainty

a) Depreciation rates are based on estimates of the useful lives and residual values of the assets involved on a line by line basis.

b) Estimates are required as to asset carrying values and impairment charges. These are assessed by reference to budgeted profits and cash flows for future periods for the relevant cash generating units and an estimate of their values in use as disclosed in note 15.

c) Fair values in share based payment under IFRS 2. The fair values have been estimated using the Black Scholes Merton model as disclosed in note 23.

d) Discount rates in impairment testing under IAS 36. These are based on the estimated weighted average of the cost of capital.

e) Actuarial assumptions under IAS 19. The present value of the scheme liabilities recognised at the balance sheet date is dependent on interest rates of high quality corporate bonds. The net financing charge recognised in the Income Statement is dependent on the interest rate of high quality corporate bonds and an expectation of the weighted average returns on the assets within the scheme. Other key assumptions within this calculation are based on market conditions or estimates of future events, including mortality rates, as disclosed in note 30.

f) Recognition of provisions under IAS 37. Provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

5.19 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the present obligations arising from legal or constructive commitments resulting from past events will probably lead to an outflow of economic resources from the Group which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5.20 Equity

Equity comprises the following:

- "Share Capital" represents the nominal value of equity shares.
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for the equity shares, net of expenses of the share issue.
- Please see note 24 for details on "Other reserves".
- "Profit and loss reserve" represents retained profits and losses.

5.21 Dividends

Dividend distributions payable to equity shareholders are included in trade and other payables when the dividends are approved in general meeting but not paid prior to the balance sheet date, and are debited direct to equity within accumulated profits.

Notes to the Consolidated Financial Statements

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6. SEGMENTAL REPORTING

The Group's primary reporting format is business segment and its secondary format is geographical segment by origin of revenue.

Business segment analysis: The financial performance of each of the business segments is summarised below. All assets reside in the UK.

Consumer products relate to John Corby Limited. Industrial products include Westfield Medical Limited, Clinipak Limited and Nelsons Labels (Manchester) Limited. Discontinued relates to Tribulation Limited (formerly Suncrest Surrounds Limited).

Year ended 30 June 2008

	Consumer products £000s	Industrial products £000s	Central costs and consolidation £000s	Continuing operations £000s	Discontinued operation £000s
Revenue	3,419	17,531	20	20,970	7,328
Operating profit/(loss) before amortisation and impairment of intangibles	239	1,607	912	2,758	(454)
Operating profit/(loss)	239	1,140	912	2,291	(454)
Assets	3,435	18,842	(7,714)	14,563	751
Liabilities	(1,426)	(11,775)	5,180	(8,021)	(751)
Total capital employed	2,009	7,067	(2,534)	6,542	–
Goodwill	–	4,736	–	4,736	–
Other intangible assets	–	522	–	522	–
Capital expenditure	8	174	–	182	24
Depreciation	8	227	20	255	190
Amortisation and impairment of intangible assets	–	467	–	467	–
Share based payment expense	–	–	73	73	–

Year ended 30 June 2007

	Consumer products £000s	Industrial products £000s	Central costs and consolidation £000s	Continuing operations £000s	Discontinued operation £000s
Revenue	3,545	15,266	20	18,831	8,641
Operating profit/(loss) before amortisation of intangibles	282	1,468	8	1,758	(262)
Operating profit/(loss)	282	1,271	8	1,561	(262)
Assets	2,978	18,925	(8,389)	13,514	5,500
Liabilities	(976)	(8,356)	2,436	(6,896)	(4,275)
Total capital employed	2,002	10,569	(5,953)	6,618	1,225
Goodwill	–	5,192	–	5,192	–
Other intangible assets	–	989	–	989	–
Capital expenditure	–	193	2	195	24
Depreciation	8	203	57	268	261
Amortisation of intangible assets	–	197	–	197	–
Share based payment expense	–	–	66	66	–

Notes to the Consolidated Financial Statements

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Geographical analysis: all of the Group's revenue originates in the United Kingdom. Revenues by geographical destination are as follows.

	2008	2007
	£000s	£000s
Continuing operations		
United Kingdom	**13,959**	12,123
Continental Europe	**3,483**	3,331
North America	**928**	570
Rest of World	**2,600**	2,807
	20,970	18,831
Discontinued operation		
United Kingdom	**7,328**	8,584
Continental Europe	**–**	21
Rest of World	**–**	36
	7,328	8,641

7. DISCONTINUED OPERATION

On 14 May 2008 the business of Tribulation Limited (formerly Suncrest Surrounds Limited) was sold to Newco 97531 Limited, a subsidiary of CJ Group Limited. As at 30 June 2008 this operation is reported as a discontinued operation.

Revenue	**7,328**	8,641
Cost of sales	**(5,458)**	(6,249)
Gross profit	**1,870**	2,392
Net operating costs	**(2,324)**	(2,654)
Operating loss	**(454)**	(262)
Finance costs	**(89)**	(84)
Loss before tax	**(543)**	(346)
Loss on disposal	**(1,364)**	-
Taxation	**558**	104
Loss for the year from discontinued operation	**(1,349)**	(242)
Cash flows from discontinued operation		
Net cash flow from operating activity	**233**	(54)
Net cash flow from investing activity	**46**	(4)
Net cash flow from financing activity	**–**	-
Net increase/(decrease) in cash and cash equivalents	**279**	(58)

In accordance with IAS 7 and IFRS 5, the above cash flows in respect of the discontinued operation are included in the Consolidated Cash Flow Statement under their respective headings.

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Loss on disposal of discontinued operation

	2008	2007
	£000s	£000s
Property, plant and equipment	263	–
Inventories	967	–
Trade and other receivables	1,552	–
Trade and other payables	(1,031)	–
Net assets	1,751	–
Disposal proceeds (net of professional fees)	387	–
Loss on disposal	(1,364)	–

8. OPERATING COSTS

Continuing operations		
Distribution costs	1,413	1,329
Administrative expenses	3,553	3,409
Amortisation of intangible assets	260	197
Impairment of intangible assets	207	–
	5,433	4,935
Discontinued operation		
Distribution costs	1,571	1,755
Administrative expenses	753	899
	2,324	2,654

9. OPERATING PROFIT

Operating profit is stated after charging/(crediting):		
Profit/(loss) on disposal of property, plant and equipment	7	(5)
Fees payable to the Company's auditor		
for the audit of the Company's annual accounts	37	36
Fees payable to the Company's auditor for other services		
for the audit of the Company's subsidiaries	44	55
for tax services	22	25
for all other services	25	39
Depreciation	445	529
Amortisation of intangible assets	260	197
Operating lease rentals – land and buildings	399	399

Notes to the Consolidated Financial Statements

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10. FINANCE INCOME AND COSTS

	2008	2007
	£000s	£000s
Interest receivable – bank deposits	**13**	8
Pension deficit – finance income	**96**	13
	109	21
Bank interest payable – continuing operations	**(149)**	(198)
– discontinued operation	**(89)**	(84)
	(238)	(282)
Net interest payable	**(129)**	(261)

11. TAXATION

	2008	2007
The tax charge represents:		
Continuing operations:		
UK Corporation tax at 29.5% (2007: 30%)	**506**	296
Adjustment in respect of prior years	**4**	(38)
	510	258
Deferred tax – origination and reversal of temporary differences	**85**	10
Tax on profit for the year	**595**	268
Discontinued operations:		
UK Corporation tax at 29.5% (2007: 30%)	**(529)**	(35)
	(529)	(35)
Deferred tax – origination and reversal of temporary differences	**(29)**	(69)
Tax on profit for the year	**(558)**	(104)
Total tax – continuing and discontinued operations	**37**	164

The tax charge for the year is lower than the standard rate of Corporation tax in the UK of 29.5% (2007: 30%)
The differences are explained as follows:

	2008	2007
Profit on ordinary activities before tax	**344**	1,235
Profit on ordinary activities before tax multiplied by standard rate of Corporation tax at 29.5% (2007: 30%)	**101**	371
Effect of:		
Investment sale and goodwill charges not deductible for tax purposes	**–**	(1)
Sale of non current assets not liable to taxation	**(193)**	-
Expenses not deductible for tax purposes	**(1)**	1
Share option expense not deductible for tax purposes	**22**	20
Depreciation in excess of capital allowances	**109**	42
Marginal relief	**–**	(9)
Pension and other timing differences	**(61)**	(163)
Deferred tax origination and reversal of temporary differences	**56**	(59)
Adjustments to tax charges in respect of prior periods	**4**	(38)
Tax on profit for the year	**37**	164

The Corporation tax rate of 29.5% comprises 9 months at 30% and 3 months at 28%.

Notes to the Consolidated Financial Statements

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12. DIVIDENDS

	2008 £000s	2007 £000s
Paid during the year		
Final dividend paid in respect of prior year of 8p (2007: 5p) per ordinary share	**272**	162
Proposed after the year end (not recognised as a liability)		
Proposed final dividend in respect of the year of 8p per ordinary share	**272**	272

13. 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 interest on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

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

Year ended 30 June 2008	Earnings attributable to equity holders of the Parent Company £000s	Weighted average number of shares Number	Earnings per share Pence
Profit after tax for calculation of basic earnings per share	307		
Notional taxed interest income accruing on dilution	19		
Profit after tax for calculation of diluted earnings per share	326		
Add-back amortisation and impairment of intangible assets, net of tax	336		
Adjusted diluted profit before amortisation of intangible assets	662		
Number of shares for calculation of basic earnings per share		3,400,010	
Dilutive effect of potential shares		9,137	
Number of shares for calculation of diluted earnings per share		3,409,147	
Basic earnings per share			9.0
Diluted earnings per share			9.0
Adjusted basic earnings per share			18.9
Adjusted diluted earnings per share			18.9
Continuing			
Basic earnings per share	1,656		48.7
Diluted earnings per share			48.7
Adjusted basic earnings per share	1,992		58.6
Adjusted diluted earnings per share			58.6
Discontinued			
Basic earnings per share	(1,349)		(39.7)
Diluted earnings per share			(39.7)
Adjusted basic earnings per share	(1,349)		(39.7)
Adjusted diluted earnings per share			(39.7)

Notes to the Consolidated Financial Statements

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Year ended 30 June 2007

	Earnings attributable to equity holders of the Parent Company	Weighted average number of shares	Earnings per share
	£000s	Number	Pence
Profit after tax for calculation of basic earnings per share	1,071		
Notional taxed interest income accruing on dilution	–		
Profit after tax for calculation of diluted earnings per share	1,071		
Add-back amortisation of intangible assets, net of tax	138		
Adjusted diluted profit before amortisation of intangible assets	1,209		
Number of shares for calculation of basic earnings per share		3,240,886	
Dilutive effect of potential shares		–	
Number of shares for calculation of diluted earnings per share		3,240,886	
Basic earnings per share			33.0
Diluted earnings per share			33.0
Adjusted basic earnings per share			37.3
Adjusted diluted earnings per share			37.3
Continuing			
Basic earnings per share	1,313		40.5
Diluted earnings per share			40.5
Adjusted basic earnings per share	1,451		44.8
Adjusted diluted earnings per share			44.8
Discontinued			
Basic earnings per share	(242)		(7.5)
Diluted earnings per share			(7.5)
Adjusted basic earnings per share	(242)		(7.5)
Adjusted diluted earnings per share			(7.5)

For the year ended 30 June 2007 the exercise price of the share options was greater than the average middle market price of the shares. As such the shares are anti-dilutive.

For the year ended 30 June 2008 the above applies for the majority of the share options. For the remainder the notional interest charge outweighs the number of free shares. As such the shares are anti-dilutive.

Notes to the Consolidated Financial Statements

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14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £000s	Leasehold properties £000s	Plant and machinery £000s	Motor vehicles £000s	Total £000s
Cost					
At 30 June 2006	2,840	274	6,394	49	9,557
Acquisitions	–	–	489	–	489
Additions	–	–	219	–	219
Disposals	–	–	(317)	–	(317)
Transfer to non-current assets held for sale	(1,787)	–	–	–	(1,787)
At 30 June 2007	1,053	274	6,785	49	8,161
Additions	–	15	187	4	206
Disposals	–	–	(3,415)	(16)	(3,431)
At 30 June 2008	**1,053**	**289**	**3,557**	**37**	**4,936**
Depreciation					
At 30 June 2006	(433)	(132)	(5,178)	(47)	(5,790)
Acquisitions	–	–	(271)	–	(271)
Charge for the year	(53)	(19)	(455)	(2)	(529)
Disposals	–	–	281	–	281
Transfer to non-current assets held for sale	285	–	–	–	285
At 30 June 2007	(201)	(151)	(5,623)	(49)	(6,024)
Charge	(18)	(19)	(408)	–	(445)
Disposals	–	–	3,146	16	3,162
At 30 June 2008	**(219)**	**(170)**	**(2,885)**	**(33)**	**(3,307)**
Net book amounts – 30 June 2008	**834**	**119**	**672**	**4**	**1,629**
Net book amounts – 30 June 2007	852	123	1,162	–	2,137

15. GOODWILL

	£000s
Deemed cost	
At 30 June 2006	4,190
Acquisitions of subsidiary companies	1,002
At 30 June 2007	5,192
Adjustment in 2008 to purchase price of prior year acquisitions	(456)
At 30 June 2008	**4,736**

An analysis of goodwill by business segment is given in Note 6.

The majority of the adjustment in 2008 to the purchase price of prior year acquisitions arises from the payment of earn out instalments in lesser amounts than had been provided.

There have been no impairment charges in either 2007 or 2008. Goodwill is tested annually for impairment by reference to the value in use of the relevant cash generating units. This is calculated on the basis of projected cash flows for the following five years derived from detailed budgets for the ensuing year, with subsequent years including modest nominal rates of sales and cost growth ranging from zero to 10% per annum and steady gross margins. These cash flows are adjusted to present day values at a discount rate based on a weighted average cost of capital of 8.75% per annum. There was no requirement for any impairment provision at 30 June 2008.

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16. OTHER INTANGIBLE ASSETS

	Order book £000s	Contracted sales £000s	Patents £000s	Other customer relationships £000s	Total £000s
Cost					
1 July 2006	–	–	–	–	–
Acquisitions of subsidiary companies	12	58	551	565	1,186
30 June 2008 and 2007	12	58	551	565	1,186
Amortisation					
1 July 2006	–	–	–	–	–
Charge for year	(12)	(12)	(55)	(118)	(197)
30 June 2007	(12)	(12)	(55)	(118)	(197)
Charge for year	–	(27)	(50)	(183)	(260)
Impairment for year	–	–	–	(207)	(207)
30 June 2008	(12)	(39)	(105)	(508)	(664)
Net book value					
30 June 2008	**-**	**19**	**446**	**57**	**522**
30 June 2007	–	46	496	447	989

An analysis of other intangible assets by business segment is given in Note 6.

17. INVENTORIES

	2008 £000s	2007 £000s
Raw materials and consumables	**1,001**	1,290
Work in progress	**51**	248
Finished goods and goods held for resale	**977**	1,984
	2,029	3,522

In 2008, a total of £19,357,000 of inventories was included in the Income Statement as an expense (2007: £18,584,000). This includes an amount of £58,000 (2007: £55,000) resulting from write downs of inventories. There were no reversals of previous write downs that were recognised in the income statement in either 2008 or 2007. All Group inventories form part of the assets pledged as security in respect of the bank overdraft.

18. TRADE AND OTHER RECEIVABLES

Trade receivables	**3,267**	4,575
Prepayments and accrued income	**410**	553
Other receivables	**415**	18
	4,092	5,146

The carrying value of receivables, all of which are short-term, is considered a reasonable approximation of fair value. All trade and other receivables have been reviewed for impairment and a provision of £32,000 (2007: £92,000) has been made. The entire movement is a movement in provision.

Notes to the Consolidated Financial Statements

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In addition, some of the unimpaired trade receivables were past due at the balance sheet date as follows:

Overdue debts

	2008	2007
	£000s	£000s
Not more than 3 months	**721**	526
More than 3 months but not more than 6 months	**21**	46
More than 6 months but not more than 1 year	**9**	8
More than 1 year	**–**	15
	751	595

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

This represents a freehold property not being utilised within the Group, which is expected to be disposed of within 12 months. This is included within Central Costs and Consolidation segment of the segmental analysis.

20. TRADE AND OTHER PAYABLES

Bank overdraft (secured)	**2,004**	3,401
Trade payables	**2,144**	3,372
Accruals and deferred income	**1,262**	1,220
Social security and other taxes	**273**	540
Other payables	**170**	143
	5,853	8,676

All amounts included above are short-term, and their carrying values are considered a reasonable approximation of fair value.

The bank overdraft is secured by fixed and floating charge over the assets of the Group.

21. LONG TERM PROVISIONS

Provision for warranty claims	**29**	29
Other provisions	**15**	15
	44	44

22. DEFERRED TAX

At 30 June 2007	**247**	847
– Provision on intangibles	**–**	(338)
– amount via Income Statement	**(56)**	59
– amount via Statement of Recognised Income and Expense	**523**	(321)
At 30 June 2008	**714**	247
Accelerated capital allowances	**(164)**	(335)
Pension deficit	**805**	455
Other temporary differences	**73**	127
Deferred tax asset	**714**	247

Amounts provided in respect of deferred tax are computed at 28% (2007: 30%).

Notes to the Consolidated Financial Statements

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The effect of this change in rate at 1 July 2007 was a reduction of the net deferred tax asset of £16,000. This has been applied within the movements above as £19,000 to the Statement of Recognised Income and Expense and £(3,000) to the Income Statement.

Other temporary differences include trading losses carried forward by Jourdan plc totalling £594,000 (2007: £666,000) with tax effect of £166,000 (2007: £200,000). These losses are available to be offset against future profits of the Parent Company.

23. SHARE CAPITAL

	2008	2007
	£000s	£000s
Authorised		
4,850,000 Ordinary shares of 100p	**4,850**	4,850
Allotted, called up and fully paid		
3,400,010 (2007: 3,400,010) Ordinary shares of 100p	**3,400**	3,400

There has been no movement in share capital during the year.

Share Option Schemes:

Executive Share Option Scheme

Options in respect of ordinary shares, remaining outstanding at 30 June 2008 under the Company's 1984 Executive Share Option Scheme, are exercisable for the periods and at the prices set out below:

Exercisable 7 years from	Price per share	**At 30 June 2007**	Lapsed	**At 30 June 2008**
8 April 2001	£5.850	**5,000**	5,000	**–**
20 October 2002	£6.125	**10,000**	6,000	**4,000**
20 October 2003	£5.000	**16,028**	3,478	**12,550**
25 September 2006	£2.700	**7,500**	–	**7,500**
		38,528	14,478	**24,050**
Weighted average price per share		**£4.96**	£5.76	**£4.47**

There are no performance targets relating to this scheme. No further options may be granted under this scheme.

Unapproved 2000 Share Option Scheme

Options in respect of ordinary shares, remaining outstanding at 30 June 2008 under the Company's 2000 Share Option Scheme, are exercisable for the periods and at the prices set out below:

Exercisable 7 years from	Price per share	**At 30 June 2008 and 30 June 2007**
25 September 2006	£2.700	**80,000**
28 September 2009	£2.350	**200,000**
		280,000
Weighted average price per share		**£2.45**

Details of the Company's share price during the year are given in the Report of the Directors.

Under IFRS 2 the Group is required to recognise an expense in the relevant financial statements apportioned over the vesting period based upon the number of options which are expected to vest and the fair value of those options at the date of grant. A charge of £73,000 (2007: £66,000) has been made in these accounts.

The weighted average fair value of the options is £1.25.

Notes to the Consolidated Financial Statements

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This weighted average fair value was calculated using the Black Scholes Merton model using the following assumptions:

Grant date	Exercisable 7 years	Price per share	Number of shares	Volatility	Bond interest rate	Expected life of grant	Expected dividend yield on grant
25 September 2003	25 September 2006	£2.70	87,500	47%	4.85%	8 years	2%
28 September 2006	28 September 2009	£2.35	200,000	47%	4.53%	5 years	2%

Price per share at the date of grant equates to the middle market price of the Company's shares at that date.

Volatility at date of grant is based on historic data on the Company's share price for the previous 12 months.

The bond interest rate is based on the interest rate of risk free Government Bonds issued at around the same dates as the options and for a similar period.

It has been assumed that the options would be exercised by September 2011 based on previous experience.

It has been assumed that a dividend yield of 2% would be a reasonable rate for the options based on previous experience.

24. MOVEMENT ON RESERVES

	Share capital £000s	Share premium £000s	Other reserve £000s	Profit & loss reserve £000s	Total equity £000s
At 1 July 2006	3,240	–	3,145	(684)	5,701
Changes in equity for the period					
Actuarial gain in respect of the defined benefit pension scheme	–	–	–	1,068	1,068
Deferred tax on actuarial gain	–	–	–	(321)	(321)
Net income recognised directly in equity	–	–	–	747	747
Profit for the year to 30 June 2007	–	–	–	1,071	1,071
Total recognised income and expense for the period	–	–	–	1,071	1,071
Dividends	–	–	–	(162)	(162)
Credit relating to issue of share options	–	–	–	66	66
Issue of share capital	160	260	–	–	420
Balance at 30 June 2007	3,400	260	3,145	1,038	7,843
Changes in equity for the period					
Actuarial loss in respect of the defined benefit pension scheme	–	–	–	(1,931)	(1,931)
Deferred tax on actuarial loss	–	–	–	522	522
Net income recognised directly in equity	–	–	–	(1,409)	(1,409)
Profit for the year to 30 June 2008	–	–	–	307	307
Total recognised income and expense for the period	–	–	–	307	307
Dividends	–	–	–	(272)	(272)
Credit relating to issue of share options	–	–	–	73	73
Balance at 30 June 2008	**3,400**	**260**	**3,145**	**(263)**	**6,542**

Other reserves include the Special Reserve referred to below amounting to £2,399,000, a Merger Reserve amounting to £691,000 and a Capital Redemption Reserve of £55,000.

By Special Resolution of shareholders at an Extraordinary General Meeting held on 23 April 2004, and subsequent confirmation of the Court, the Share Premium Account and Capital Redemption Reserve were cancelled and transferred to a Special Reserve. The Special Reserve was used to cancel the adverse balance on the Profit and Loss Account balance at 30 June 2003. The Special Reserve can only be transferred to the Profit and

Notes to the Consolidated Financial Statements

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Loss Account and treated as distributable, when all of the creditors of the Company at the Effective Date have either been discharged or given their consent. All creditors at the effective date have either been paid or have given their consent.

The balance remaining in the Special Reserve at 30 June 2008 of £2,399,000 represents the proportion of the pension deficit relating to the Company calculated at the Effective Date.

25. FINANCIAL INSTRUMENTS

The Group uses financial instruments, other than derivatives, comprising bank borrowings, cash and cash equivalents and various other items such as trade and other receivables and trade and other payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments relate to interest rates, liquidity, credit and foreign currency exposure. The Directors review and agree policies for managing each of these risks, which are described and evaluated in more detail in note 26 below. The policies have remained unchanged from previous periods.

Financial assets

The Group's financial assets comprise loans and receivables and available for sale financial assets.

- There is no difference between the book and fair values of the financial assets.
- At 30 June 2008 the Group had trade receivables denominated in foreign currency as follows: Euros – £691,000 (2007: £695,000), US Dollars – £184,000 (2007: £81,000) and Japanese Yen £39,000 (2007: £9,000).
- At 30 June 2008 the Group had bank balances denominated in foreign currency as follows: Euros – £12,000 (2007: £156,000), US Dollars £nil (2007: £51,000) and Japanese Yen £22,000 (2007: £nil).

Financial assets by category	**2008**	2007
	£000s	£000s
Loans and receivables	**4,092**	5,146

Financial liabilities

The Group's principal financial liabilities are trade and other payables, including bank borrowings.

- The costs attributable to these bank borrowings and included as interest expense in the income statement amounted to £225,000 (2007: £274,000), as analysed in note 10.

Financial liabilities by category		
Trade and other payables	**5,853**	8,676

Fair value of financial instruments

All of the Group's borrowings are in sterling. The Directors believe that there is no material difference between the book value and fair value of such financial instruments.

26. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risks, arising predominantly from currency exposure resulting from its export activities, interest rate fluctuation on its overdraft and credit and liquidity risks. Risk management strategies are co-ordinated by the Board of Directors of the Parent Company.

Foreign currency sensitivity

The Group exports a proportion of its revenues, frequently denominated in foreign currencies (principally in US$, Euros and Yen). Exposure to currency rate fluctuations exists from the moment a sales order is confirmed through to the time when the related remittance is converted into Sterling. This exposure is computed monthly (along with offsetting exposure on purchases) and charged or credited to the Income Statement.

The Group keeps under constant review its exposure to currency risk and, if considered appropriate, would use forward currency contracts to manage the risks.

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30 June 2008

	Sterling equivalent of € £000s	Sterling equivalent of US$ £000s	Sterling equivalent of Yen £000s
Impact on pre-tax profits of a 5% variation in exchange rate on year-end residual exposure	31	8	3
Impact on equity	22	6	2

30 June 2007

Impact on pre-tax profits of a 5% variation in exchange rate on year-end residual exposure	34	3	–
Impact on equity	24	2	–

Interest rate sensitivity

The Group's interest rate exposure arises in respect of its overdraft, which is LIBOR-linked for interest rate purposes. The Group's sensitivity to interest rate changes is as follows:

	2008 £000s	2007 £000s
On overdraft outstanding at year-end		
Impact on pre-tax profits of a 1% change in LIBOR	**20**	34
Impact on equity	**14**	24

Credit risk

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the balance sheet date, as follows:

Trade and other receivables	**4,092**	5,146

The Directors consider that all the Group's financial assets that are not impaired at each of the reporting dates under review are of good credit quality, including those that are past due (see note 18). Details of the financial assets secured by collateral or other credit enhancements are given in note 20.

Liquidity risk

The Group's bank borrowings constitute a bank overdraft which is repayable on demand. The Group had an undrawn overdraft facility of £2,494,000 at 30 June 2008 (2007: £3,079,000). The Group considers that it is unlikely that this facility would be withdrawn.

27. OPERATING LEASES COMMITMENTS

Operating leases payments expensed during the year:		
Land and property	**399**	399
Minimum operating lease commitments falling due:		
Within 1 year	**378**	399
Between 1 and 5 years	**439**	204
After 5 years	**395**	–
Total commitment	**1,212**	603

Notes to the Consolidated Financial Statements

Continued

28. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Group, including Directors, during the year was:

	2008	2007
	Number	Number
Category:		
Production	**190**	196
Administration	**45**	53
Sales and distribution	**49**	52
	284	301
Business segment:		
Consumer products	**9**	9
Industrial products	**138**	122
Head Office	**5**	5
Continuing operations	**152**	136
Discontinued operation	**132**	165
	284	301
Their total remuneration was:	**£000s**	£000s
Continuing operations:		
Wages and salaries	**4,239**	3,729
Social security costs	**375**	348
Other pension costs	**228**	160
	4,842	4,237
Discontinued operation:		
Wages and salaries	**2,645**	3,192
Social security costs	**230**	286
Other pension costs	**98**	161
	2,973	3,639

29. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management is considered to be the Directors of Jourdan plc.

The following figures include P. Hartley.

The total emoluments for the year were £621,000 (2007: £606,000).

There were no Company pension contributions to a defined benefit scheme (2007: £19,000).

P. Hartley participated in a Money Purchase Pension scheme the contribution to which was £18,000 (2007: £15,000).

The emoluments of the highest paid Director were £218,000 (2007: £215,000).

Included in the total emoluments is an amount of £52,000 (2007: £48,000) for IFRS 2 share option expense which is not actually received by key management as remuneration in the year.

Included in the emoluments of the highest paid director is an amount of £18,000 (2007: £17,000) for IFRS 2 share option expense which is not actually received by the Director as remuneration in the year.

30. PENSIONS

Eligible employees of the Group are covered by the Jourdan Group Pension Fund which is a funded defined benefit scheme. The Fund is contracted into the State Scheme and receives contributions, both from employees and from employing companies, at rates determined by independent, professionally qualified actuaries. Pensions are paid based on final pensionable salary and number of years of pensionable service. The assets of the Fund are independent of the Group's finances.

Notes to the Consolidated Financial Statements

Continued

A full actuarial valuation was carried out as at 1 April 2007 by a qualified independent actuary. This valuation showed that the market value of the Fund's assets was £8,664,000 and the actuarial value of the assets covered the accrued liabilities to 72% on an ongoing basis, and the market value of the assets covered the accrued liabilities to 47% on a Solvency basis and 96% on a Section 179 basis.

The main assumptions made were:	%
Investment returns	5.1 and 7.1
Salary increases	3.3
Escalation in pensions	3.0

On a current funding level basis there was a deficit of £3,315,000. The deficit is being eliminated by Employer contribution of £29,800 per month from 1 July 2008 with additional one-off payments of £500,000 in July 2008 and July 2009.

Employee contributions were increased from 7% to 9% from 1st April 2006.

An IAS 19 calculation has also been prepared by the Scheme Actuary, the results of which are set out below.

The assets in the Fund and the expected long-term rate of return were:

	Rate of return %		Value £000s				
	2008	2007	**2008**	2007	2006	2005	2004
Equities	**8.4**	8.5	**6,104**	6,922	5,492	4,603	3,921
Bonds	**5.0**	5.9	**2,252**	2,807	2,855	2,878	2,430
Other	**5.0**	5.0	**48**	97	68	41	40
Fair value of Fund Assets			**8,404**	9,826	8,415	7,522	6,391
Present value of defined benefit obligations			**(11,279)**	(11,342)	(11,610)	(12,195)	(10,070)
Deficit in the scheme			**(2,875)**	(1,516)	(3,195)	(4,673)	(3,679)
Deferred tax asset			**805**	455	959	1,402	1,104
Net pension obligations			**(2,070)**	(1,061)	(2,236)	(3,271)	(2,575)

The present value of the Fund obligations has been determined using the projected unit method as required by IAS 19. Employer contributions paid in the year were £276,000.

The Pension Fund assets include ordinary shares issued by Jourdan plc with a fair value of £360,000 (2007: £420,000).

The actual return on Fund assets for the year ended 30 June 2008 was (6.1)%.

No prior year adjustment has been made on the adoption of IAS 19 in respect of the change in basis of valuation of equities on the grounds of its insignificant impact on disclosures.

The following amounts have been included within the Group Consolidated Financial Statements:

	2008	2007
	£000s	£000s
The amounts recognised in the Income Statement are as follows:		
Charged against operating profit		
Current service cost, less employee contributions	**(210)**	(197)
Past service cost	**–**	–
Gains on settlements and curtailments	**410**	–
Total operating credit/(charge)	**200**	(197)
Other finance costs		
Expected return on Pension Fund assets	**727**	632
Interest on Pension Fund liabilities	**(631)**	(619)
Net finance income	**96**	(13)

Gains on settlements and curtailments relate to the actuarial gain resulting from the settlement of future liabilities of a section of the fund.

Notes to the Consolidated Financial Statements

Continued

Total amounts recognised in the Statement of Recognised Income and Expense are as follows:

	2008	2007
	£000s	£000s
Actual return less expected return on Pension Fund assets	**(1,324)**	59
Experience gains and losses arising on the Fund liabilities	**420**	163
Changes in the assumptions underlying the present value of the Fund liabilities	**(1,027)**	846
Actuarial (loss)/gain	**(1,931)**	1,068
Cumulative actuarial (losses)/gains recognised since adoption of IAS 19	**(911)**	1,020

The history of experience gains and losses is as follows:

	2008	2007	2006	2005	2004
Difference between expected and actual return on Fund assets					
Amount (£000s)	**(1,324)**	59	274	591	200
Percentage of Fund assets	**(16)%**	1%	3%	8%	3%
Experience gains/(losses) on Fund liabilities					
Amount (£000s)	**420**	163	(163)	(241)	271
Percentage of Fund liabilities	**4%**	1%	(1)%	(2)%	3%
Total actuarial (losses)/gains					
Amount (£000s)	**(1,931)**	1,068	1,502	(950)	646
Percentage of Fund liabilities	**(17)%**	9%	13%	(8)%	6%

Movement in fair value of Fund assets	**2008**	2007
	£000s	£000s
Fair value at 1 July 2007	**9,826**	8,415
Expected return on assets	**727**	632
Actuarial (loss)/gain	**(1,324)**	59
Contributions by employer – cash	**276**	375
– Company shares	**–**	420
Contributions by plan participants	**53**	55
Benefits paid	**(575)**	(130)
Settlements	**(579)**	-
Fair value at 30 June 2008	**8,404**	9,826

Movement in defined benefit obligation		
Defined benefit obligation at 1 July 2007	**11,342**	11,610
Current service cost	**210**	197
Interest cost	**631**	619
Contributions by participants	**53**	55
Actuarial gains	**607**	(1,009)
Benefits paid	**(575)**	(130)
Settlements	**(989)**	-
Defined benefit obligation at 30 June 2008	**11,279**	11,342

Notes to the Consolidated Financial Statements

Continued

As the above amounts have been recognised in the Consolidated Financial Statements, the Group's net assets and Profit and Loss reserve at 30 June 2008 were as follows:

	2008	2007
	£000s	£000s
Net assets excluding pension liability	**8,612**	8,904
Pension liability	**(2,070)**	(1,061)
Net assets including pension liability	**6,542**	7,843
Profit and loss reserve excluding pension liability	**1,807**	2,099
Pension liability	**(2,070)**	(1,061)
Profit and loss reserve including pension liability	**(263)**	1,038

The principal assumptions used at the balance sheet date are as follows:

Future salary increases	**4.0%**	4.3%
Future pension increases	**3.85%**	3.15%
Inflation	**4.00%**	3.30%
Discount rate	**6.60%**	5.90%

The mortality assumptions adopted at 30 June 2008 imply the following life expectancies:

Male retiring at age 65 in 2008	22.0
Female retiring at age 65 in 2008	24.9
Male retiring at age 65 in 2028	23.1
Female retiring at age 65 in 2028	26.0

The mortality assumptions adopted at 30 June 2007 imply the following life expectancies:

Male currently age 40	40.9
Female currently age 40	44.5
Male pensioner currently age 65	18.6
Female pensioner currently age 65	21.5

Defined Contribution Scheme

The Group operates a defined contribution scheme for the benefit of eligible employees. The assets of the scheme are administered in funds independent from those of the Group. The pension cost for the year of the defined contribution scheme was £116,000 (2007: £124,000).

31. EXPLANATION OF TRANSITION TO IFRS

The Consolidated Financial Statements for the year ended 30 June 2008 are the Group's first full year figures to be presented under IFRS. In accordance with the provisions of IFRS 1, "First time adoption of International Reporting Standards", the Group's transition date for adoption of IFRS was 1 July 2006. Comparative figures in respect of the year ended 30 June 2007 have been restated in these Consolidated Financial Statements to reflect changes in accounting policies as a result of the adoption of IFRS. The last Consolidated Financial Statements to be prepared under UK GAAP were those for the year ended 30 June 2007.

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. These Consolidated Financial Statements have been prepared on the basis of taking the following exemptions:

- Business combinations prior to 1 July 2006, the Group's date of transition to IFRS, have not been restated to comply with IFRS 3 Business Combinations. Goodwill arising from these business combinations of £4,190,000 (net of amortisation to 30 June 2006) has not been restated, other than for the add back of goodwill amortisation as set out below.
- In accordance with IFRS 1, the Group has elected not to apply the share based payment accounting standard to options granted prior to 7 November 2002, or to options granted after 7 November 2002 that had vested by 1 July 2006.
- The Group has taken advantage of the exemption in IFRS 1 and has elected to recognise all cumulative actuarial gains and losses on the defined benefit Pension Fund at the date of transition to IFRS.

Notes to the Consolidated Financial Statements

Continued

Reconciliation of equity at 1 July 2006, the date of transition

	UK GAAP	IFRS adjustments – 1 July 2006 Deferred tax on pension scheme balance	Deferred tax on share options	Deferred tax on assets held for sale	IFRS
		31a	31b	31f	
	£000s	£000s	£000s	£000s	**£000s**
Non-current assets					
Property, plant and equipment	3,767	–	–	–	3,767
Goodwill	4,190	–	–	–	4,190
Available-for-sale investments	416	–	–	–	416
Deferred tax assets	–	959	–	–	959
Current assets					
Inventories	2,920	–	–	–	2,920
Trade and other receivables	4,080	–	–	–	4,080
Assets classified as held for sale	279	–	–	–	279
Current liabilities					
Trade and other payables	(7,443)	–	–	–	(7,443)
Current tax payable	(89)	–	–	–	(89)
Non-current liabilities					
Long-term provisions	(71)	–	–	–	(71)
Deferred tax	(135)	–	10	13	(112)
Pension liability	(2,236)	(959)	–	–	(3,195)
Net assets	5,678	–	10	13	5,701
Equity					
Share capital	3,240	–	–	–	3,240
Share premium	–	–	–	–	–
Other reserves	3,145	–	–	–	3,145
Profit and loss reserve	(707)	–	10	13	(684)
Total equity	5,678	–	10	13	5,701

Notes to the Consolidated Financial Statements

Continued

Reconciliation of equity at 30 June 2007

	UK GAAP	Deferred tax on pension balance	Eliminate goodwill amortisation	Business Combinations – Clinipak	Business Combinations – Prime	Amortisation of intangibles – Clinipak	Amortisation of intangibles – Prime	Deferred Tax on Prime fair value adj.	Deferred Tax on Assets held for sale	IFRS
Note		31a	31c	31c	31c	31c	31c	31e	31f	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Non-current assets										
Property, plant and equipment	2,137	–	–	–	–	–	–	–	–	2,137
Goodwill	5,692	–	348	(507)	(323)	–	–	(18)	–	5,192
Other intangible assets	–	–	–	691	461	(68)	(95)	–	–	989
Deferred tax assets	–	455	–	–	–	–	–	–	–	455
Current assets										
Inventories	3,522	–	–	–	–	–	–	–	–	3,522
Trade and other receivables	5,146	–	–	–	–	–	–	–	–	5,146
Assets classified as held for sale	1,781	–	–	–	–	–	–	–	–	1,781
Current liabilities										
Trade and other payables	(8,676)	–	–	–	–	–	–	–	–	(8,676)
Deferred consideration	(419)	–	–	–	–	–	–	–	–	(419)
Current tax payable	(292)	–	–	–	–	–	–	–	–	(292)
Non-current liabilities										
Deferred consideration	(224)	–	–	–	–	–	–	–	–	(224)
Long-term provisions	(44)	–	–	–	–	–	–	–	–	(44)
Deferred tax	(106)	–	–	(208)	(138)	20	29	18	177	(208)
Pension liability	(1,061)	(455)	–	–	–	–	–	–	–	(1,516)
Net assets	7,456	–	348	(24)	–	(48)	(66)	–	177	7,843
Equity										
Share capital	3,400	–	–	–	–	–	–	–	–	3,400
Share premium	260	–	–	–	–	–	–	–	–	260
Other reserves	3,145	–	–	–	–	–	–	–	–	3,145
Profit and loss reserve	651	–	348	(24)	–	(48)	(66)	–	177	1,038
Total equity	**7,456**	**-**	**348**	**(24)**	**-**	**(48)**	**(66)**	**-**	**177**	**7,843**

Notes to the Consolidated Financial Statements

Continued

Reconciliation of profit for the year ended 30 June 2007

	UK GAAP	IFRS adjustments – 30 June 2007 Deferred tax on share options	Eliminate goodwill amortisation	Amortisation of intangibles	Interest adj.	Deferred tax on assets held for sale	Total	Less Discontinued	IFRS Continuing
Note		31b	31c	31c	31d	31f			
	£000s	£000s	£000s	£000s	£000s	£000s	**£000s**	£000s	**£000s**
Revenue	27,472	–	–	–	–	–	27,472	(8,641)	18,831
Cost of sales	(18,584)	–	–	–	–	–	(18,584)	6,249	(12,335)
	8,888	–	–	–	–	–	8,888	(2,392)	6,496
Operating costs	(7,392)	–	–	–	–	–	(7,392)	2,654	(4,738)
Goodwill amortisation	(348)	–	348	–	–	–	–	–	–
Amortisation of intangibles	–	–	–	(197)	–	–	(197)	–	(197)
Total operating costs	(7,740)	–	348	(197)	–	–	(7,589)	2,654	(4,935)
Operating profit	1,148	–	348	(197)	–	–	1,299	262	1,561
Profit/(loss) on disposal and changes in market values of investments	197	–	–	–	–	–	197	–	197
Finance income	–	–	–	–	8	–	8	–	8
Finance costs	(261)	–	–	–	(8)	–	(269)	84	(185)
Profit on ordinary activities before taxation	1,084	–	348	(197)	–	–	1,235	346	1,581
Taxation	(377)	(10)	–	59	–	164	(164)	(104)	(268)
Profit for the period attributable to equity holders of the Parent Company	707	(10)	348	(138)	–	164	1,071	242	1,313

Notes to the reconciliations

a) In accordance with IFRS, the pension liability has been grossed up by the underlying deferred taxation. This results in an increase in the liability at 1 July 2006 of £959,000 and at 30 June 2007 of £455,000. Deferred tax assets have been increased by the corresponding amounts.

b) Under IFRS deferred taxation is provided on the discount on share options which may be exercised, based on the difference between the share price and the exercise price as at the balance sheet dates. Such deferred tax balances are eliminated if the exercise price exceeds the share price at the balance sheet date.

c) On 8 September 2006 Westfield Medical Limited acquired the whole of the share capital of Clinipak Limited and on 16 March 2007 Nelsons Labels (Manchester) Limited acquired the whole of the share capital of Prime Packaging Limited. Goodwill recognised by the Group on these acquisitions under UK GAAP was amortised over a period of 20 years. Under IFRS goodwill is not amortised, but tested annually for impairment and therefore the amortisation charge recognised in accordance with UK GAAP in the year to 30 June 2007 has been written back. However, intangible assets identified on business combinations in accordance with IFRS as described above are amortised in accordance with the accounting policy explained above. Application of IFRS 3 to these business combinations resulted in identification of a number of intangible assets. Under IFRS these have been recognised separately in the balance sheet at their fair values at the date of the combinations, together with the associated deferred tax. Under UK GAAP these intangible assets were subsumed within goodwill and amortised in accordance with the Group's accounting policy above.

The result of these changes is:

(i) To decrease goodwill by £507,000 and increase intangible assets by £691,000 (with deferred tax of £208,000) as at the date of the combination in the case of Clinipak Limited and to decrease goodwill by £323,000 and increase intangible assets by £461,000 (with deferred tax of £138,000) in the case of Prime Packaging Limited.

Notes to the Consolidated Financial Statements

Continued

(ii) At 30 June 2007 the value of these intangible assets, net of amortisation, was £989,000.

(iii) The goodwill amortisation charge in respect of these acquisitions and that of Westfield Medical Limited and Nelsons Labels (Manchester) Limited, acquired prior to the date of transition to IFRS, in the year ended 30 June 2007 was reduced in aggregate by £348,000. The equivalent intangible assets amortisation charge was increased by £163,000. A corresponding deferred tax adjustment (at 30%) has also been made within the Income Statement.

d) IFRS requires interest receivable and interest payable to be separately identified.

e) Under UK GAAP, no deferred tax was recognised in respect of fair value adjustments arising on the acquisition of Prime Packaging Limited. IFRS requires that deferred tax be recognised in respect of such fair value adjustments. Accordingly a deferred tax asset of £18,000 has been recognised at 30 June 2007. There were no fair value adjustments in respect of the acquisition of Clinipak Limited or in respect of any acquisitions prior to the transition date.

f) In accordance with IAS 12, deferred tax is accounted for on assets held for sale in relation to the proposed sale of the land and buildings (capital gains tax), whereas historically under UK GAAP (FRS 19) deferred tax has been accounted for based on continuing use within the business (industrial building allowances). Adjustment has therefore been made at the appropriate period end based on management's intentions in connection with the Group's properties.

32. EXPLANATION OF MATERIAL ADJUSTMENTS TO THE CASH FLOW STATEMENT

Application of IFRS has resulted in reclassification of certain items in the cash flow statement as follows:

(i) Under UK GAAP, payments to acquire property, plant and equipment were classified as part of 'Capital expenditure and financial investment'. Under IFRS, payments to acquire property, plant and equipment have been classified as part of 'Investing activities'.

(ii) Income taxes are classified as operating cash flows under IFRS, but were included in a separate category of tax cash flows under UK GAAP.

(iii) Interest paid and interest received are classified as cash flows from investing activities under IFRS, but were included in the 'Returns on investments and servicing of finance' category in cash flows under UK GAAP.

(iv) Equity dividends paid are classified as financing cash flows under IFRS, but were included in a separate category of dividend cash flows under UK GAAP.

There are no other material differences between the cash flow statement presented under IFRS and that presented under UK GAAP.

Parent Company Financial Statements

For the year ended 30 June 2008

Report of the Independent Auditor to the Members of Jourdan plc

We have audited the Parent Company Financial Statements of Jourdan plc for the year ended 30 June 2008 which comprise the Parent Company balance sheet and notes 1 to 14. These Parent Company Financial Statements have been prepared under the accounting policies set out therein.

We have reported separately on the Consolidated Financial Statements of Jourdan plc for the year ended 30 June 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Report and the Parent Company Financial Statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Parent Company Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Parent Company Financial Statements give a true and fair view and whether the Parent Company Financial Statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the Parent Company Financial Statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement that is cross referred from the Results and Dividends section of the Report of the Directors.

In addition we report to you if, in our opinion, the Parent Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Parent Company Financial Statements. The other information comprises only the Financial Highlights, the Chairman's Statement, the Report of the Directors, the Corporate Governance Statement and the Report of the Remuneration Committee. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Parent Company Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Parent Company Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Parent Company Financial Statements, and of whether the accounting policies are appropriate to the Parent Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Parent Company Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Parent Company Financial Statements.

Opinion

In our opinion:

- the Parent Company Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008;
- the Parent Company Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the Parent Company Financial Statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Leicester
9 October 2008

Parent Company Balance Sheet

	Notes	30 June 2008 £000s	30 June 2007 £000s
Fixed assets			
Tangible assets	4	**837**	856
Investments in subsidiaries	3	**10,275**	14,542
		11,112	15,398
Current assets			
Property held for resale		**1,502**	1,781
Stocks	5	**38**	50
Debtors	6	**2,878**	2,161
Cash in hand and at bank		**3,016**	1,263
		7,434	5,255
Creditors: amounts falling due within one year	7	**(5,765)**	(6,513)
Net current assets/(liabilities)		**1,669**	(1,258)
Total assets less current liabilities		**12,781**	14,140
Provisions for liabilities	8	**(124)**	(80)
Total net assets		**12,657**	14,060
Capital and reserves			
Called up share capital	9	**3,400**	3,400
Share premium	10	**260**	260
Other reserves	10	**4,842**	4,842
Profit and loss account	10	**4,155**	5,558
Equity shareholders' funds	10	**12,657**	14,060

In accordance with the exemptions permitted by s230 of the Companies Act 1985, the Profit and Loss account of the Parent Company has not been presented.

These Parent Company Financial Statements were approved by the Board on 9 October 2008.

J. David Abell
Chairman

Notes to the Parent Company Financial Statements

1. GENERAL INFORMATION

These separate financial statements of the Parent Company have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

2. ACCOUNTING POLICIES

2.1 Investments

Fixed asset investments in subsidiaries are stated at cost less provision for impairment.

2.2 Taxation

Current tax is provided at amounts expected to be paid or recovered either directly or through group relief arrangements.

Deferred tax is the taxation attributable to timing differences between the results computed for tax purposes and those stated in the Parent Company financial statements. It is recognised on all timing differences where the transaction or event which gives the company an obligation to pay more tax or the right to pay less tax in the future has occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Current and deferred tax assets and liabilities are calculated at rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

2.3 Pensions

Companies in the Group operate a defined benefit pension scheme for employees and directors. The assets of the scheme are held by investment managers separately from those of the parent company and Group. The pension costs charged against operating profits for the Parent Company represent the amount of the contributions payable to the scheme in respect of the accounting period. The Parent Company has not recognised the FRS 17 deficit within its own balance sheet because it is a multi-employer scheme, in accordance with FRS 17.

2.4 Share-based payments

The Parent Company has Share Option plans under which it makes equity settled share based payments to certain Directors and employees. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 July 2006 are recognised in the Parent Company Financial Statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets). Fair value is measured using the Black Scholes Merton model.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the profit and loss reserve. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

2.5 Fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation: Depreciation is provided at rates calculated to write down the cost less residual value of all property, plant and equipment other than freehold land in equal instalments over their expected useful economic lives. The rates used are as follows:

• Freehold properties	2%
• Plant and machinery	10%

Material residual value estimates are updated as required, but at least annually.

2.6 Property held for resale

Such properties are stated at the lower of transfer value from tangible fixed assets and net realisable value.

Notes to the Parent Company Financial Statements

Continued

3. INVESTMENTS

	2008 £000s	2007 £000s
Shares in subsidiary companies		
Cost or valuation		
At 30 June 2007 and 30 June 2008	**17,124**	17,124
Amounts written off		
At 30 June 2007	**(2,582)**	(2,582)
Written off during the year	**(4,267)**	–
At 30 June 2008	**(6,849)**	(2,582)
Net book value at 30 June 2008	**10,275**	14,542

£3,513,000 written off in the year related to the Company's investment in Tribulation Limited (formerly Suncrest Surrounds Limited), which sold its trade and assets during the year. The remaining £754,000 related to Nelsons Labels (Manchester) Limited.

The principal trading subsidiaries of Jourdan plc at 30 June 2008, all of which are incorporated and operate in Great Britain, and are wholly owned, are listed below:

Company	Principal activity	Class of shares
John Corby Limited	Design and marketing of trouser presses and ironing centres.	Ordinary £1
Westfield Medical Limited	Manufacture of sterilisation packaging materials.	Ordinary £1
Nelsons Labels (Manchester) Limited	Manufacture of fabric based labels.	Ordinary £1
Clinipak Limited *	Manufacture and distribution of single use sterilisation products.	Ordinary £1

* Indirect holding

4. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000s	Plant and machinery £000s	Total £000s
Cost			
At 30 June 2007	1,053	32	1,085
Disposals	–	(11)	(11)
At 30 June 2008	**1,053**	**21**	**1,074**
Depreciation			
At 30 June 2007	(201)	(28)	(229)
Charge for the year	(17)	(2)	(19)
Disposals	–	11	11
At 30 June 2008	**(218)**	**(19)**	**(237)**
Net book amounts – 30 June 2008	**835**	**2**	**837**
Net book amounts – 30 June 2007	852	4	856

5. STOCKS

	2008 £000s	2007 £000s
Raw materials and consumables	**38**	50

Notes to the Parent Company Financial Statements

Continued

6. DEBTORS

	2008 £000s	2007 £000s
Amounts owed by Group companies	**2,705**	1,888
Other debtors	**7**	8
Prepayments and accrued income	**162**	105
Corporation tax recoverable	**–**	160
Deferred tax asset	**4**	–
	2,878	2,161

7. TRADE AND OTHER CREDITORS

	2008 £000s	2007 £000s
Trade creditors	**71**	63
Amounts owing to Group companies	**5,346**	6,277
Other creditors	**166**	73
Social security and other taxes	**3**	11
Accruals and deferred income	**119**	89
Corporation tax payable	**60**	–
	5,765	6,513

8. PROVISION FOR LIABILITIES

	2008 £000s	2007 £000s
(i) Provision for deferred taxation		
At 30 June 2007	**80**	72
(Credit)/charge to Profit and Loss account in the year	**(84)**	8
At 30 June 2008	**(4)**	80
Accelerated capital allowances	**162**	280
Other timing differences	**(166)**	(200)
	(4)	80
(ii) Provision for indebtedness of subsidiaries		
At 30 June 2007	**–**	–
Charge to Profit and Loss account in the year	**124**	–
At 30 June 2008	**124**	–
Total	**120**	80
Included in Debtors	**(4)**	–
Included in Provisions	**124**	80

9. SHARE CAPITAL

Details relating to the Parent Company's share capital are set out in note 23 to the Consolidated Financial Statements.

Notes to the Parent Company Financial Statements

Continued

10. STATEMENT OF RESERVES

	Share capital £000s	Share premium account £000s	Capital redemption reserve £000s	Other reserves £000s	Merger reserve £000s	Special reserve £000s	Total other reserves £000s	Profit and loss account £000s	Total £000s
30 June 2007	3,400	260	55	1,697	691	2,399	4,842	5,558	14,060
Profit for the financial year	–	–	–	–	–	–	–	(1,131)	(1,131)
Dividends	–	–	–	–	–	–	–	(272)	(272)
30 June 2008	**3,400**	**260**	**55**	**1,697**	**691**	**2,399**	**4,842**	**4,155**	**12,657**

The Company's loss on ordinary activities after tax for the year was £1,131,000 (2007: profit £876,000).

The Merger Reserve and Other Reserves arose in relation to acquisitions in earlier years.

The Special Reserve balance is explained in note 24 to the Consolidated Financial Statements.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under FRS 8 "Related Party Disclosures" and has not disclosed transactions with companies that are part of the Jourdan plc group of companies. There are no other transactions to be disclosed under the terms of FRS 8.

12. PARTICULARS OF EMPLOYEES

	2008 Number	2007 Number
The average number of persons employed by the Parent Company, including Directors, during the year was:		
Category:		
Administration	**5**	5
Their total remuneration was:	**£000s**	£000s
Wages and salaries	**520**	528
Social security costs	**31**	34
Other pension costs	**92**	80
	643	642

13. EMOLUMENTS OF DIRECTORS

The information regarding Directors is included in the Report of the Remuneration Committee on pages 10 to 12.

The total emoluments for the year were £465,000 (2007: £470,000).

The emoluments of the highest paid Director were £218,000 (2007: £215,000).

No Director participated in a Money Purchase Pension scheme (2007: nil)

Included in the total emoluments is an amount of £43,000 (2007: £39,000) for FRS 20 share option expense which is not actually received by the Directors as remuneration in the year.

Included in the emoluments of the highest paid Director is an amount of £18,000 (2007: £17,000) for FRS 20 share option expense which is not actually received by the Director as remuneration in the year.

14. POST BALANCE SHEET EVENT

On 4 July 2008 the obligations of all group companies under the Defined Benefit Pension Fund were merged into the Parent Company. Please refer to note 30 in the Consolidated Financial Statements for details of the Pension Fund.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the eighty-first Annual General Meeting of Jourdan plc will be held at 1000 on 20 November 2008 at the offices of Bird & Bird, 90 Fetter Lane, London EC4A 1JP.

Ordinary business:

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions.

1. To receive the Financial Statements for the year ended 30 June 2008 and the reports of the Directors and the Auditors.
2. To declare a dividend of 8p per share on the issued ordinary shares of £1 each in the Company, payable on 21 November 2008 to those shareholders on the register of members at close of business on 17 October 2008.
3. To re-appoint as a Director Mr J D Abell who retires by rotation in accordance with Article 88 of the Articles of Association of the Company and, being eligible, offers himself for re-election.
4. To re-appoint as a Director Mr P Hartley who retires by rotation in accordance with Article 88 of the Articles of Association of the Company and, being eligible, offers himself for re-election.
5. To re-appoint Grant Thornton UK LLP as Auditor of the Company and to authorise the Directors to determine their remuneration.

Special business:

To consider and, if thought fit, to pass the following resolutions of which No. 6 will be proposed as an Ordinary Resolution and Nos. 7 and 8 will be proposed as Special Resolutions:

6. THAT the Directors of the Company be and are hereby generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 (the "Act") to exercise all of the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) of the Company up to a maximum aggregate nominal amount of £1,449,990 (1,449,990 ordinary shares of £1 each) provided that such authority shall (unless previously revoked or varied by the Company in general meeting) expire on the date which is five years after the date of this resolution. The Directors shall be entitled under the general authority conferred by this resolution to make at any time before the expiry of such authority, any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority as if such authority had not expired. This authority shall supersede the authority conferred on the Directors by the Ordinary Resolution passed at the Annual General Meeting of the Company held on 24 October 2007.
7. THAT subject to the passing of Resolution 6 above, the Directors of the Company be empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) for cash, pursuant to the authority conferred by Resolution 6 above, as if Section 89(1) of the Act did not apply to such allotment, provided that such power shall be limited to (a) the allotment of equity securities in connection with a bonus or rights issue in favour of the holders of the ordinary shares where the equity securities attributable to the interests of such holders are proportionate (as nearly as may be) to the respective numbers of such shares held by them subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or the requirements of any recognised regulatory body in any territory, and (b) the allotment (otherwise than pursuant to (a) above) of equity securities up to an aggregate nominal value of £170,000 (170,000 Ordinary shares of £1 each), this being equivalent to five per cent. of the issued share capital of the Company at the date on which the Notice of the Meeting at which this resolution is to be proposed was given, provided that such authority shall (unless previously revoked or varied by the Company in general meeting) expire on the date which is five years after the date of this resolution. The Directors shall be entitled under the general authority conferred by this resolution to make at any time before the expiry of such authority, any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority as if such authority had not expired. This authority shall supersede the authority conferred on the Directors by the Special Resolution passed at the Annual General Meeting of the Company held on 24 October 2007.
8. THAT the Articles of Association contained in the document produced to the Meeting and signed by the Chairman for the purposes of identification be approved and adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association, with effect from the conclusion of the Annual General Meeting.

9 October 2008

By order of the Board

Registered office:

Elm House
Elmer Street North
Grantham
Lincolnshire NG31 6RE

Martha Bruce
Secretary

Note on resolution 8: The proposed new Articles of Association reflect those provisions of the Companies Act 2006 which have been brought into force or will be coming into force on 1 October 2008. The following is a brief summary on the changes to the Articles of Association. In many respects, the new Articles of Association are mainly unchanged from the current version, but for ease, the Directors recommend that the shareholders pass a single resolution to adopt new Articles of Association, as opposed to passing several resolutions for each individual amendment.

Notice of Meeting

Continued

Directors' Interests

Under the Companies Act 2006, from 1 October 2008, the law will change as regards conflicts of interests for Directors. A Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a Director becomes a Director of another company or a trustee of another organisation. The Companies Act 2006 allows the Board to authorise a Director's conflict or potential conflict of interest where the Articles of Association contain a provision to this effect. The Companies Act 2006 also allows the Articles of Association to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty.

The proposed new Articles of Association give the Directors authority to authorise such conflicts of interest. However, there are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. These include only Independent Directors (those who have no interest in the matter being considered) will be able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation, or subsequently if they think fit.

It is also proposed to include provisions relating to confidential information to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

Shareholders' Communications via Electronic Means

The proposed new Articles of Association will allow the Company, once it has also consulted with shareholders individually, to communicate information and documents to shareholders and also for shareholders to communicate information and documents to the Company, using electronic means. This has the potential to save paper and reduce production costs for shareholder communications.

Any shareholder who wishes to continue to receive communications in paper form can request to do so at any time and the Company will continue to notify shareholders when certain key information is available on the website.

Form of Resolutions and General Meetings

The proposed new Articles of Association have been amended to remove all reference to extraordinary resolutions and extraordinary general meetings as neither of these terms have been retained under the Companies Act 2006.

Notice of General Meetings

The proposed new Articles of Association have been amended to reflect the new minimum notice period for all general meetings (other than the annual general meeting) of 14 days.

Proxies

Under the Companies Act 2006, proxies are now entitled to vote on a show of hands as well as on a poll, and shareholders may appoint a proxy to exercise all or any of their rights to attend, speak and vote at meetings. In addition, in calculating the deadline for the submission of forms of proxy, non-working days (ie weekends and bank holidays) may now be excluded. The proposed new Articles of Association have been amended to reflect these changes.

Companies Act 2006 References

References in the Articles of Association to the Companies Act 1985 have been replaced with corresponding references to the Companies Act 2006 or the Statutes, which include any and all regulations and legislation in force.

Other notes:

(1) Ordinary shareholders are entitled to attend and vote at the above Meeting, and they may appoint one or more proxies, who need not be members of the Company, to attend on their behalf. To be effective the Form of Proxy and the Power of Attorney, or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, must reach the Registrars of the Company, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD not later than forty-eight hours before the time fixed for the Meeting.

(2) Completing and returning the Form of Proxy will not prevent a member from attending at the Meeting if he/she so wishes.

(3) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the Register of Members as at the close of business on 18 November 2008 shall be entitled to attend or vote at the above General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant Register of Members after that date will be disregarded in determining the rights of the person to attend or vote at the Meeting notwithstanding any provisions in any enactment, articles of association or other instrument to the contrary.

(4) Copies of the Directors' service contracts with the Company and the Register of Directors' Interests in the share capital of the Company are available at the Registered Office of the Company for inspection during usual business working hours on any week day from the date of this notice until the date of the Meeting and also on the day of the Meeting at the offices of Bird & Bird from 0930 on 20 November 2008 until the conclusion of the Meeting.

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R0978