Contents

Chairman's Statement 2

Condensed Consolidated Interim Income Statement 4

Condensed Consolidated Interim Balance Sheet 5

Condensed Consolidated Interim Statement of Recognised Income and Expense 7

Condensed Consolidated Interim Cash Flow Statement 8

Notes to the Condensed Consolidated Interim Financial Statements 9

Chairman's Statement

The financial statements are somewhat lengthier than in previous years owing to the requirement for the Group to report under International Financial Reporting Standards ("IFRS") from 1 July 2007. Reconciliations between UK GAAP and IFRS for previous periods are shown in the attached notes.

Results for the period under review are satisfactory in parts. Revenue in the six months to 31 December 2007 increased by 14% to £16.0m compared to the same period last year. Profit before tax, amortisation of intangible assets and profit on disposal of non-current assets and investments increased by 8% to £928,000 (2006: £859,000). Profit before tax rose by 40% to £1,417,000 (2006: £1,015,000) resulting in earnings per share of 34.0p compared with 21.8p per share for the six months to 31 December 2006. However, the results have been flattered by the profit of £623k on the sale of the Andover factory, previously utilised for the manufacture of Corby trouser presses.

As last year, your Board has decided not to declare an interim dividend (2006: nil) but will consider the declaration of a final dividend at the time of the full year results to 30 June 2008.

Operating Companies

Westfield Medical, enlarged by the acquisition of Clinipak in September 2006, is a leading manufacturer and supplier of single-use sterilisation packaging materials to the medical and healthcare sector. It achieved higher profits on higher sales which included a full six months of Clinipak. Some integration, particularly in the area of sales, and to a limited extent in manufacturing, has been implemented and the increased product range of the two companies has substantially strengthened the business.

Suncrest Surrounds, the fireplace, suites, mantels and electric fires business, made a small profit on marginally increased sales, as our major High Street customers took an increasing percentage of sales but at much lower margins than those they replaced. However, we announced on 4 March 2008 that our biggest single customer, a national house builder, had served notice that it would no longer fit our fireplaces in all its houses but would only continue to purchase on an 'options only' basis. This has had a substantial impact on sales, and consultations are now taking place with employee representatives and trade unions with the objective of downsizing the business at its Peterlee facility so as to discontinue the mantelpiece, electric suites and fire operations. We shall increase the focus of Suncrest's operations on the Corby trouser press business. Any resulting impairment or closure costs will be recognised in the second half year.

John Corby, the internationally renowned trouser press manufacturer, suffered reduced profits on marginally increased sales. The pressure on margins both from High Street customers and increasingly from international customers has had a major impact. Export sales accounted for 47% in the period. The largest markets are America and Japan, where the weakness of the US$ and the Yen has resulted in extremely slim and in some cases negative margins in the short term. In line with our predictions Sterling has now weakened significantly against all currencies, thus making the overseas business more profitable.

Nelsons Labels, a leading supplier of fabric-based labels for the bedding, carpet and upholstery industries, was expanded by the acquisition of Prime Packaging Limited in March 2007. Whilst the subsequent consolidation of both businesses into the Nelsons' factory had a beneficial impact on sales but a negative one on profits owing to closure and redundancy costs, bank interest and market conditions, the reduction in activity on the UK High Street has had a major impact on sales and profits. However the rationalisation of the two businesses is nearly complete and we look forward to a more prosperous 2008/2009.

Group Pensions

Like many final salary pension schemes, our Fund's investments diminished in value over the two years ended April 2004, the date of the last actuarial valuation. However, I am pleased to say that the subsequent rise in world stock markets is increasing the value of the investments and reducing the deficit, even though lately some of the increase has been eliminated. The triennial valuation at April 2007 will reflect increasing life expectancies, the cost of which will offset gains on investments.

Outlook

Although the first six months' results are reasonably satisfactory the reducing activity in the High Street is having an increasingly negative impact on Suncrest which has already been damaged by the loss of its major customer. Your Board believes that the implementation of the proposed restructuring plan is essential and will result in a stronger more focussed business once the turmoil is over. Nelsons should begin to improve, Corby is steady and Westfield/Clinipak, our most important businesses, continue to go from strength to strength.

J David Abell

10 March 2008

Condensed Consolidated Interim Income Statement

Unaudited

Notes		**6 months to 31 December 2007 £000s**	6 months to 31 December 2006 £000s	Year to 30 June 2007 £000s
	Continuing operations			
	Revenue	**16,018**	14,022	27,472
	Cost of sales	**(10,854)**	(9,423)	(18,584)
	Gross profit	**5,164**	4,599	8,888
	Net operating costs:			
	Operating costs	**(4,231)**	(3,645)	(7,589)
	Profit on disposal of non-current assets held for sale	**623**	–	–
	Net operating costs	**(3,608)**	(3,645)	(7,589)
	Operating profit	**1,556**	954	1,299
	Profit on disposal of available-for-sale investments	**–**	190	197
	Finance income	**11**	5	8
	Finance costs	**(150)**	(134)	(269)
	Profit before tax	**1,417**	1,015	1,235
	Taxation	**(262)**	(309)	(164)
	Profit for the period attributable to equity holders of the Parent Company	**1,155**	706	1,071
	Earnings per share: total and continuing	**Pence**	Pence	Pence
7	Basic	**34.0**	21.8	33.0
7	Diluted	**33.8**	21.7	33.0

Condensed Consolidated Interim Balance Sheet

Unaudited

Notes		31 December 2007 £000s	31 December 2006 £000s	30 June 2007 £000s
	Assets			
	Non-current assets			
	Property, plant and equipment	**1,962**	3,615	2,137
	Goodwill	**5,160**	4,594	5,192
5	Other intangible assets	**855**	691	989
	Available-for-sale investments	**–**	306	–
	Deferred tax assets	**424**	959	455
		8,401	10,165	8,773
	Current assets			
	Inventories	**3,188**	3,257	3,522
	Trade and other receivables	**6,162**	5,274	5,146
		9,350	8,531	8,668
	Non-current assets held for sale	**1,502**	279	1,781
	Total assets	**19,253**	18,975	19,222
	Liabilities			
	Current liabilities			
	Trade and other payables	**(7,955)**	(8,780)	(8,676)
	Current portion of deferred consideration	**(395)**	–	(419)
	Current tax payable	**(362)**	(334)	(292)
		(8,712)	(9,114)	(9,387)
	Non-current liabilities			
	Deferred consideration	**(75)**	–	(224)
	Long-term provision	**(44)**	(71)	(44)
	Deferred tax liabilities	**(144)**	(330)	(208)
	Pension liability	**(1,516)**	(3,195)	(1,516)
		(1,779)	(3,596)	(1,992)
	Total liabilities	**(10,491)**	(12,710)	(11,379)
	Net assets	**8,762**	6,265	7,843

Condensed Consolidated Interim Balance Sheet continued

Unaudited

Notes		**31 December 2007 £000s**	31 December 2006 £000s	30 June 2007 £000s
	Equity			
6	Share capital	**3,400**	3,240	3,400
6	Share premium account	**260**	–	260
6	Other reserves	**3,145**	3,145	3,145
6	Profit and loss reserve	**1,957**	(120)	1,038
	Equity attributable to equity holders of the Parent Company	**8,762**	6,265	7,843

Condensed Consolidated Interim Statement of Recognised Income and Expense

Unaudited

	31 December 2007 £000s	31 December 2006 £000s	30 June 2007 £000s
Actuarial gain recognised in the pension scheme	**–**	–	1,068
Movement on deferred tax relating to pension liability	**–**	–	(321)
Net income recognised directly in equity	**–**	–	747
Profit for the period	**1,155**	706	1,071
Total recognised income and expense in the period attributable to equity holders	**1,155**	706	1,818

Condensed Consolidated Interim Cash Flow Statement

Unaudited

Notes		**6 months to 31 December 2007 £000s**	6 months to 31 December 2006 £000s	Year to 30 June 2007 £000s
	Cash flows from operating activities			
	Profit after tax	1,155	706	1,071
	Adjustments for:			
	Depreciation	238	265	529
	Amortisation of intangible assets	134	34	197
	Profit on disposal of property, plant and equipment	(623)	–	–
	Profit on sale of investments	–	(190)	(197)
	Other (gains) and losses	36	20	(134)
	Interest expense (net)	139	129	261
	Tax expense recognised in income statement	262	309	164
	Decrease in inventories	334	174	121
	Increase in trade and other receivables	(1,016)	(668)	(207)
	Increase/(decrease) in trade and other payables	42	(156)	136
	Cash generated from operations	701	623	1,941
	Interest paid	(150)	(134)	(282)
	Tax paid	(225)	(124)	(321)
	Net cash from operating activities	326	365	1,338
	Cash flows from investing activities			
	Acquisition of subsidiaries, net of cash acquired	(141)	(1,647)	(2,158)
	Purchase of property, plant and equipment	(63)	(51)	(219)
	Proceeds from sale of non-current assets	902	–	–
	Proceeds from disposal of equipment	–	–	31
	Proceeds from disposal of available-for-sale investments	–	300	613
	Interest received	11	5	8
	Net cash generated from/(used in) investing activities	709	(1,393)	(1,725)
	Cash flows from financing activities			
10	Dividends paid	(272)	(162)	(162)
	Net cash used in financing activities	(272)	(162)	(162)
	Net increase/(decrease) in cash and cash equivalents	763	(1,190)	(549)
	Cash and cash equivalents at beginning of period	(3,401)	(2,852)	(2,852)
	Cash and cash equivalents at end of period	(2,638)	(4,042)	(3,401)

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

These condensed consolidated interim financial statements are for the six months ended 31 December 2007. They have been prepared taking into account the requirements of IFRS 1 "First Time Adoption of International Financial Reporting Standards" relevant to interim reports because they are part of the period covered by the Group's first IFRS financial statements for the year ending 30 June 2008. They do not include all of the information required for full financial statements, and should be read in conjunction with the consolidated financial statements (under UK GAAP) of the Group for the year ended 30 June 2007. These condensed consolidated interim 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 10 March 2008.

2. Basis of preparation

These condensed consolidated interim 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 condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 30 June 2008 or are expected to be adopted and effective at 30 June 2008, the first annual reporting date at which the Group is required to use IFRS accounting standards adopted by the EU.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

3. Transition to IFRS

In accordance with the provisions of IFRS 1 "First time adoption of International Financial Reporting Standards", the Group's transition date for adoption of IFRS was 1 July 2006. Comparative figures have been restated in these financial statements to reflect changes in accounting policies as a result of the adoption of IFRS. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules presented in note 8. The Group has taken advantage of certain exemptions available under IFRS 1. The exemptions used are explained under the respective accounting policy.

4. Summary of significant accounting policies

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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 calculated on a discounted straight-line basis to allocate the deemed cost over its estimated useful life.

4.6 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 buildings	2%
• Plant and machinery	10%
• Tooling	20% – 50%
• Motor vehicles	25% – 33%
• Computer/office equipment	20% – 33%

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

4.7 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.

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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

The interim tax charge on underlying business performance is calculated by reference to the estimated effective tax rate for the full year. Tax on disposals and other exceptional items is based on the expected tax impact of each item.

4.12 Share-based payments

The Group 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 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 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.

4.13 Financial instruments

Financial instruments issued by the Group are classified as debt or equity according to their underlying nature, as required by IAS32/39. 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 and included within shareholders' funds.

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 trade and other payables and other long term borrowings (which represent deferred consideration). 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.

All financial liabilities are initially recorded 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.

4.14 **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 Company/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.

4.15 **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 profit or loss in the period in which they arise.

4.16 **Use of accounting estimates and judgments**

Many of the amounts included in the 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 financial statements. Information about such judgments and estimation is contained in the accounting policies and/or the notes to the 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

b) Assessment of the impairment of assets is a judgment based on analysis of the likely future cash flows from the relevant income generating unit and an estimate of value in use

c) Discount rates in impairment testing under IAS 36

d) The Directors must judge whether future profitability is likely in making the decision whether or not to create a deferred tax asset

e) Recognition of provisions under IAS 37

f) Actuarial assumptions under IAS 19

g) What is classified as held for sale under IFRS 5.

Sources of estimation uncertainty

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

b) Estimates of future profitability are required for the decision whether or not to create a deferred tax asset

c) Estimates are required as to asset carrying values and impairment charges

d) Fair values in share based payment under IFRS 2

5. Additions and amortisation of intangible assets

The following tables show the significant additions to and amortisation of intangible assets:

	Order book £000s	Contracted sales £000s	Patents £000s	Other customer relationships £000s	Total £000s
Carrying amount at 1 July 2006	–	–	–	–	–
Additions	12	58	551	104	725
Amortisation	(12)	(4)	(11)	(7)	(34)
Carrying amount at 31 December 2006	–	54	540	97	691
Additions	–	–	–	461	461
Amortisation	–	(8)	(44)	(111)	(163)
Carrying amount at 30 June 2007	–	46	496	447	989
Amortisation	–	(14)	(25)	(95)	(134)
Carrying amount at 31 December 2007	–	32	471	352	855

The above additions to intangible assets arose through business combinations in respect of Clinipak and Prime Packaging.

6. Movement on reserves

	Share capital £000s	Share premium £000s	Other reserve £000s	Profit & loss reserve £000s	Total equity £000s
Restated balance at 1 July 2006 under IFRS	3,240	–	3,145	(684)	5,701
Changes in equity for the period					
Net actuarial gain in respect of the defined benefit pension scheme	–	–	–	–	–
Net income recognised directly in equity	–	–	–	–	–
Profit for the six months to 31 December 2006	–	–	–	706	706
Total recognised income and expense for the period	–	–	–	706	706
Dividends				(162)	(162)
Credit relating to issue of share options	–	–	–	20	20
Balance at 31 December 2006	3,240	–	3,145	(120)	6,265
Changes in equity for the period					
Net actuarial gain in respect of the defined benefit pension scheme	–	–	–	747	747
Net income recognised directly in equity	–	–	–	747	747
Profit for the six months to 30 June 2007	–	–	–	365	365
Total recognised income and expense for the period	–	–	–	365	365
Dividends	–	–	–	–	–
Credit relating to issue of share options	–	–	–	46	46
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					
Net actuarial gain in respect of the defined benefit pension scheme	–	–	–	–	–
Net income recognised directly in equity	–	–	–	–	–
Profit for the six months to 31 December 2007	–	–	–	1,155	1,155
Total recognised income and expense for the period	–	–	–	1,155	1,155
Dividends	–	–	–	(272)	(272)
Credit relating to issue of share options	–	–	–	36	36
Balance at 31 December 2007	3,400	260	3,145	1,957	8,762

7. 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:

	6 months to 31 December 2007		
	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	1,155		
Notional taxed interest income accruing on dilution	–		
Profit after tax for calculation of diluted earnings per share	1,155		
Add-back amortisation of intangible assets, net of tax	98		
Adjusted diluted profit before amortisation of intangible assets	1,253		
Number of shares for calculation of basic earnings per share		3,400,010	
Dilutive effect of potential shares		20,952	
Number of shares for calculation of diluted earnings per share		3,420,962	
Basic earnings per share			34.0
Diluted earnings per share			33.8
Adjusted basic earnings per share			36.9
Adjusted diluted earnings per share			36.6

	6 months to 31 December 2006		
	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	706		
Notional taxed interest income accruing on dilution	–		
Profit after tax for calculation of diluted earnings per share	706		
Add-back amortisation of intangible assets, net of tax	24		
Adjusted diluted profit before amortisation of intangible assets	730		
Number of shares for calculation of basic earnings per share		3,240,002	
Dilutive effect of potential shares		9,138	
Number of shares for calculation of diluted earnings per share		3,249,140	
Basic earnings per share			21.8
Diluted earnings per share			21.7
Adjusted basic earnings per share			22.5
Adjusted diluted earnings per share			22.5

	Year to 30 June 2007		
	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	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

8. Explanation of transition to IFRS

As stated in the Basis of Preparation, these are the Group's first condensed consolidated interim financial statements for part of the period covered by the first IFRS annual consolidated financial statements prepared in accordance with IFRS. An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out below.

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 interim 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 2, 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.

Note 8 continued

Reconciliation of equity at 1 July 2006

	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**
Note		8a	8b	8f	
	£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
Non-current assets 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

Note 8 continued

Reconciliation of equity at 31 December 2006

	UK GAAP	IFRS adjustments – 31 December 2006							IFRS
		Deferred tax on pension balance	Eliminate goodwill amortisation	Deferred tax on Share options	Deferred tax on Share options	Business Combinations – Clinipak	Amortisation of intangibles	Deferred tax on assets held for sale	
Note		8a	8c	8b	8b	8c	8c	8f	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Non-current assets									
Property, plant and equipment	3,615	–	–	–	–	–	–	–	3,615
Goodwill	4,935	–	166	–	–	(507)	–	–	4,594
Other intangible assets	–	–	–	–	–	725	(34)	–	691
Available-for-sale investments	306	–	–	–	–	–	–	–	306
Deferred tax assets	–	959	–	–	–	–	–	–	959
Current assets									
Inventories	3,257	–	–	–	–	–	–	–	3,257
Trade and other receivables	5,274	–	–	–	–	–	–	–	5,274
Non-current assets held for sale	279	–	–	–	–	–	–	–	279
Current liabilities									
Trade and other payables	(8,780)	–	–	–	–	–	–	–	(8,780)
Current tax payable	(334)	–	–	–	–	–	–	–	(334)
Non-current liabilities									
Long-term provisions	(71)	–	–	–	–	–	–	–	(71)
Deferred tax	(135)	–	–	10	(10)	(218)	10	13	(330)
Pension liability	(2,236)	(959)	–	–	–	–	–	–	(3,195)
Net assets	6,110	–	166	10	(10)	–	(24)	13	6,265
Equity									
Share capital	3,240	–	–	–	–	–	–	–	3,240
Share premium	–	–	–	–	–	–	–	–	–
Other reserves	3,145	–	–	–	–	–	–	–	3,145
Profit and loss reserves	(275)	–	166	10	(10)	–	(24)	13	(120)
Total equity	6,110	–	166	10	(10)	–	(24)	13	6,265

Note 8 continued

Reconciliation of equity at 30 June 2007

	UK GAAP	IFRS adjustments – 30 June 2007								IFRS
		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	
Note		8a	8c	8c	8c	8c	8c	8e	8f	
	£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
Non-current assets held for sale	1,781	–	–	–	–	–	–	–	–	1,781
Current liabilities										
Trade and other payables	(9,095)	–	–	–	–	–	–	–	–	(9,095)
Current tax payable	(292)	–	–	–	–	–	–	–	–	(292)
Non-current liabilities										
Long term borrowings	(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

Note 8 continued

Reconciliation of profit for the 6 months ended 31 December 2006

	UK	IFRS adjustments – 31 December 2006					IFRS
	GAAP	Deferred tax on share options	Eliminate goodwill amortisation	Amortisation of intangibles	Interest adj.	Deferred tax on assets held for sale	
Note		8b	8c	8c	8d	8f	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Revenue (continuing and acquisitions)	14,022	–	–	–	–	–	14,022
Cost of sales	(9,423)	–	–	–	–	–	(9,423)
	4,599	–	–	–	–	–	4,599
Operating costs	(3,611)	–	–	–	–	–	(3,611)
Goodwill amortisation	(166)	–	166	–	–	–	–
Amortisation of intangibles	–	–	–	(34)	–	–	(34)
Total operating costs	(3,777)	–	166	(34)	–	–	(3,645)
Operating profit	822	–	166	(34)	–	–	954
Profit on disposal and changes in market values of investments	190	–	–	–	–	–	190
Finance income	–	–	–	–	5	–	5
Finance costs	(129)	–	–	–	(5)	–	(134)
Profit on ordinary activities before taxation	883	–	166	(34)	–	–	1,015
Taxation	(309)	(10)	–	10	–	–	(309)
Profit for the period attributable to equity holders of the Parent Company	574	(10)	166	(24)	–	–	706

Note 8 continued

Reconciliation of profit for the year ended 30 June 2007

	UK GAAP	IFRS adjustments – 30 June 2007					IFRS
		Deferred tax on share options	Eliminate goodwill amortisation	Amortisation of intangibles	Interest adj.	Deferred tax on assets held for sale	
Note		8b	8c	8c	8d	8f	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Revenue (continuing and acquisitions)	27,472	–	–	–	–	–	27,472
Cost of sales	(18,584)	–	–	–	–	–	(18,584)
	8,888	–	–	–	–	–	8,888
Operating costs	(7,392)	–	–	–	–	–	(7,392)
Goodwill amortisation	(348)	–	348	–	–	–	–
Amortisation of intangibles	–	–	–	(197)	–	–	(197)
Total operating costs	(7,740)	–	348	(197)	–	–	(7,589)
Operating profit	1,148	–	348	(197)	–	–	1,299
Profit on disposal and changes in market values of investments	197	–	–	–	–	–	197
Finance income	–	–	–	–	8	–	8
Finance costs	(261)	–	–	–	(8)	–	(269)
Profit on ordinary activities before taxation	1,084	–	348	(197)	–	–	1,235
Taxation	(377)	(10)	–	59	–	164	(164)
Profit for the period attributable to equity holders of the Parent Company	707	(10)	348	(138)	–	164	1,071

Note 8 continued

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 and 31 December 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 period to 31 December 2006 and 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 £725,000 (with deferred tax of £218,000) 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.

   (ii) At 31 December 2006 and 30 June 2007 the value of these intangible assets, net of amortisation, was £691,000 and £989,000 respectively.

   (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 6 months ended 31 December 2006 and the year ended 30 June 2007 was reduced in aggregate by £166,000 and £348,000 respectively. The equivalent intangible assets amortisation charge was increased by £34,000 and £163,000 respectively. 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. 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, whereas historically under UK GAAP (FRS 19) deferred tax has been accounted for based on 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.

9. 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.

10. Dividends

The Company paid a dividend of 8p per share (£272,000) on 9 November 2007 relating to the financial year ended 30 June 2007. A dividend of 5p per share (£162,000) was paid on 10 November 2006 relating to the financial year ended 30 June 2006.

11. Status of interim report

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 30 June 2007, prepared under UK GAAP, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 237(2) and Section 237(3) of the Companies Act 1985.

12. Distribution of document

Copies of these condensed consolidated interim financial statements will be sent to shareholders and the AIM team shortly.

Printed by Rubicon Corporate Print Limited R0856