CARR'S MILLING
INDUSTRIES PLC

INTERIM RESULTS
2006/2007

CARR'S MILLING INDUSTRIES PLC
CHAIRMAN'S INTERIM STATEMENT

The unaudited Group result for the 26 weeks to 3 March 2007 is a creditable performance in the context of adverse external factors affecting the Food and Agriculture Divisions. Principal amongst these was the massive increase in wheat prices impacting the cost of flour, primarily, and animal feed, but other market difficulties continued to affect the UK compound feed and fertiliser businesses, in particular.

FINANCIAL REVIEW

Although revenue was marginally up at £110.97m (2006: £110.39m), reported pre-tax profit reduced by 10.1% to £3.57m (2006: £3.97m) and basic earnings per share was 11.8% lower at 30.6p (2006: 34.7p). The result for the period reflects a £0.14m increase in pension-related costs to £0.62m (2006: £0.48m).

Adjusted Group pre-tax profit reduced by 12.3% to £4.01m (2006: £4.57m), with an adjusted operating margin of 4.1% (2006: 4.8%). Adjusted earnings per share was 16.0% lower at 32.5p (2006: 38.7p). Adjusted figures exclude the amortisation of intangible assets, but include the share of operating profit in associate and joint ventures.

Period end shareholders' equity totalled £21.8m, as against £20.4m at 2 September 2006 and £22.1m at 4 March 2006. Net debt totalled £18.1m as against £13.9m and £21.7m, respectively, with gearing of 83%, as against 68% and 98%, respectively. Net finance costs of £0.44m (2006: £0.58m) were covered 7.6 times (2006: 7.3 times) by Group operating profit.

The book values of assets and liabilities have been taken from the management accounts of Johnstone Fuels and Lubricants Limited at 8 January 2007 (the date of acquisition). The above fair values are provisional and will be finalised in the full year financial statements when the detailed acquisition investigation has been completed.

11. Analysis of net debt

	At		At
	3 March 2007 £'000	4 March 2006 £'000	2 September 2006 £'000
Cash and cash equivalents	716	94	2,292
Bank overdrafts	(4,431)	(3,382)	(1,208)
Loans and other borrowings: current	(7,315)	(10,753)	(7,634)
Loans and other borrowings: non-current	(5,394)	(5,887)	(5,640)
Finance leases: current	(662)	(996)	(840)
Finance leases: non-current	(967)	(754)	(872)
	(18,053)	(21,678)	(13,902)

12. This Interim Report will be sent by post to all registered shareholders. Copies are also available to the public from the Company's registered office: Old Croft, Stanwix, Carlisle, CA3 9BA, or at www.carrs-milling.com

10. Acquisition

On 8 January 2007, Carrs Billington Agriculture (Sales) Limited acquired the entire issued share capital of Johnstone Fuels and Lubricants Limited for a total consideration of £1,735,000. The total provisional adjustments required to the book value of the assets and liabilities of the acquired company in order to present the net assets at fair values and in accordance with group accounting principles were £175,000, details of which are set out below, together with the resultant amount of goodwill arising.

From the date of acquisition to 3 March 2007, the acquisition contributed £2,006,000 to revenue and £53,000 to profit before interest. The acquired company utilised £137,000 of the Group's net operating cash flows, £77,000 for capital expenditure, and contributed £1,000 in respect of interest.

In its last financial year to 30 April 2006, Johnstone Fuels and Lubricants Limited made an audited profit after tax of £217,000. For the period since that date to the date of acquisition, the management accounts of Johnstone Fuels and Lubricants Limited show:

	£'000
Revenue	8,106
Operating profit	138
Profit before taxation	130
Taxation	(39)
Profit attributable to shareholders	91

	Book Value £'000	Intangible Assets £'000	Provisional Fair value £'000
Intangible assets	-	250	250
Property, plant and equipment	315	-	315
Inventories	171	-	171
Trade and other receivables	1,512	-	1,512
Cash and cash equivalents	686	-	686
Current borrowings	(44)	-	(44)
Trade and other payables	(1,467)	-	(1,467)
Current tax liabilities	(94)	-	(94)
Non-current borrowings	(96)	-	(96)
Deferred tax liabilities	(33)	(75)	(108)
Net assets acquired	950	175	1,125
Goodwill			610
Consideration			1,735
Consideration satisfied by:			
Cash			1,700
Acquisition expenses			35
			1,735

BUSINESS REVIEW

The £0.56m decrease in adjusted Group pre-tax profit reflected the virtual halving of the Food Division's operating profit. Agriculture, much the largest Division, increased its profit, if the results of the associate and joint ventures are taken into account. Engineering, much the smallest Division, experienced a similar level of profit to the strong comparator period last year. The Group's pre-tax profit would have improved but for the impact of high wheat prices on the Food Division.

INTERIM DIVIDEND

The Board has declared an unchanged interim dividend per share of 5.5p, to be paid on 31 May 2007 to shareholders on the register at close of business on 4 May 2007, with an ex-dividend date of 2 May 2007.

Agriculture

The Group's Agriculture business comprises, in the UK (primarily in the North West of England and South West of Scotland), four related activities – animal feed manufacture, fertiliser blending, agricultural retailing and oil distribution – and, in the USA and Germany, animal feed manufacture.

Operating profit (before retirement benefit charge) of £2.57m (2006: £2.61m) was achieved on a revenue of £81.89m (2006: £80.46m).

United Kingdom

Agriculture's UK market place was even more challenging than last year. This reflected the continuance of a low farm gate milk price (with farmers receiving as little as 17 pence per litre during the period), high energy costs, and over-capacity in the animal feed market in the Group's trading area. Additionally, the high wheat prices impacted animal feed margins, as some of the cost increase could not immediately be passed on to customers, few of whom are arable farmers. In England, farmers experienced delays in receipt of the Single Farm Payment subsidy, albeit not as severe as in the previous year, causing uncertainty in their cash flow.

The Group's low moisture feed block business in the UK is Caltech, with a plant at Silloth (Cumbria). This successful business traded well across the full product range and benefited from the launch of a trialled health product, Garlyx, for ruminant animals and the equine market.

The Group's principal compound and blended feed block business in the UK is Carrs Billington Agriculture, in association with Edward Billington & Sons Limited. This business has four compound feed mills – at Carlisle (Cumbria), Lancaster (Lancashire), Langwathby (Cumbria) and Stone (Staffordshire) – and three blended feed mills – at Askrigg (North Yorkshire), Kirkbride (Cumbria) and Lancaster. In the period, Carrs Billington Agriculture increased sales and market share through service and product innovation.

In November 2006, Afgritech, a 50:50 joint venture with Afgri Operations, one of the largest South African agriculture companies, launched AminoMax™, a patented innovative rumen bypass protein for feeding to cattle and sheep, produced at the Langwathby mill. Initially available only to customers of Carrs Billington Agriculture, Afgritech has assisted in winning new customers for the Group. Work is ongoing to extend the sale of AminoMax™ to the USA animal feed market.

Bibby Agriculture is a joint venture company, 50% owned by Carrs Billington Agriculture (Sales). It was formed in 2005 to sell animal feed manufactured by its shareholders, fertiliser and other farming supplies in Wales and bordering counties. In the period, Bibby Agriculture traded well, ahead of budget.

The Autumn sales of fertiliser from the three manufacturing and blending plants, at Invergordon (Easter Ross), Montrose (Angus) and Silloth (Cumbria), producing a wide range of fertilisers, were lower than last year. In the first half, revenue and margins declined, ahead of the March/April peak selling period, reflecting farmers' cautious approach to market conditions.

9. Cash flow generated from/(used by) operating activities

	26 weeks ended		52 weeks ended
	3 March 2007 £'000	4 March 2006 £'000	2 September 2006 £'000
Net profit	2,663	2,835	4,334
Adjustments for:			
Tax	902	1,130	1,989
Depreciation	1,807	1,661	3,419
(Profit)/loss on disposal of property, plant and equipment	(67)	(14)	27
Profit on disposal of investments	-	-	(1)
Immediate recognition of negative goodwill	-	-	(77)
Intangible asset amortisation	221	490	986
Net fair value (gains)/losses on derivative financial instruments in operating profit	(26)	(80)	27
Net fair value loss on share-based payments	29	-	27
Net foreign exchange differences	(16)	-	14
Interest income	(214)	(92)	(378)
Interest expense and borrowing costs	718	675	1,539
Net fair value gains on derivative financial instruments in interest	(59)	-	(143)
Share of post-tax profits from associate and joint ventures	(669)	(299)	(218)
Changes in working capital (excluding the effects of acquisitions):			
(Increase)/decrease in inventories	(6,436)	(6,418)	1,003
(Increase)/decrease in receivables	(3,564)	(4,725)	1,903
Increase/(decrease) in payables	5,296	3,258	(3,382)
Cash generated from/(used by) continuing operations	585	(1,579)	11,069

7. Dividends

	26 weeks ended		52 weeks ended
	3 March 2007 £'000	4 March 2006 £'000	2 September 2006 £'000
Ordinary: Final dividend of 12.5p per share (2006: 11.0p)	1,032	905	905
Ordinary: Interim dividend of 5.5p per share	-	-	453
	1,032	905	1,358

The directors have approved an interim dividend of 5.5p per share (2006: 5.5p per share), which, in line with the requirements of IAS10 – 'Events after the Balance Sheet Date', has not been recognised within these results. This results in an interim dividend of £454,113 (2006: £453,000), which will be paid on 31 May 2007 to shareholders whose names are on the Register of Members at the close of business on 4 May 2007. The ordinary shares will be quoted ex-dividend on 2 May 2007.

8. Changes in shareholders' equity

	Attributable to Equity Holders of the Company								
	Share Capital £'000	Share Premium Account £'000	Equity Compensation Reserve £'000	Foreign Exchange Reserve £'000	Other Reserves £'000	Retained Earnings £'000	Total Shareholders' Equity £'000	Minority Interest £'000	Total £'000
At 3 September 2006	2,058	5,004	22	(230)	1,601	11,895	20,350	1,931	22,281
Total recognised income and expense for the period	-	-	-	(38)	-	2,523	2,485	140	2,625
Dividends	-	-	-	-	-	(1,032)	(1,032)	-	(1,032)
Equity-settled share-based payment transactions, net of tax	-	-	24	-	-	-	24	5	29
Share issues	6	69	-	-	-	-	75	-	75
Purchase of shares held in trust	(101)	-	-	-	-	-	(101)	-	(101)
Transfer	-	-	-	-	(15)	15	-	-	-
At 3 March 2007	1,963	5,073	46	(268)	1,586	13,401	21,801	2,076	23,877

Carr's agricultural retailing comprises 14 branches from Perth in the North to Leek (Staffordshire) in the South, selling farm supplies. Carr's Machinery distributes new and used agricultural and ground care machinery from six of these branches, in the North of England and the South West of Scotland. In the period, sales of farm inputs, machinery and parts exceeded budget.

Wallace Oils, which was acquired in April 2005, supplies oils and lubricants to a broad customer base out of three depots, located at Carlisle, Dumfries and Stranraer, the latter two in Dumfries and Galloway. In the period, the oil business exceeded budget despite severe competition and the milder weather. In January 2007, the entire share capital of Johnstone Fuels and Lubricants Limited was acquired; Johnstone Fuels is an oil distribution business with three depots, at Dumfries, Castle Douglas and Newton Stewart, all of them in Dumfries and Galloway. In the year ended 30 April 2006, Johnstone Fuels reported an audited turnover of £13.5m and at that date it had shareholders' funds of approximately £0.9m. The integration of the Johnstone Fuels and Wallace Oils businesses is progressing well and it is planned to combine the two depots at Dumfries.

Overseas

The Group's principal overseas business is the wholly-owned Animal Feed Supplement Inc., which produces low moisture feed block at two plants in the USA, at Belle Fourche (South Dakota) and Poteau (Oklahoma). In the period, Animal Feed Supplement traded strongly, with sales volumes up 14% on last year.

In January 2006, Crystalyx Products GmbH, a 50:50 joint venture with Agravis, one of Germany's largest agricultural companies, commissioned a new low moisture animal feed plant to manufacture *Crystalyx* in Oldenburg, North West Germany for the domestic market. In the period, Crystalyx Products traded ahead of expectations and expanded its market base with sales into Eastern Europe.

Food

Carr's principal food companies are the flour millers: Carr's Flour Mills at Silloth (Cumbria), Hutchisons at Kirkcaldy (Fife) and Greens at Maldon (Essex).

Operating profit (before retirement benefit charge) of £0.92m (2006: £1.70m) was achieved on a revenue of £25.14m (2006: £24.53m).

The feature of the period was the rapid and massive increase in wheat prices, with year-on-year prices higher by approximately £30/tonne or 40%. This rise in price was a global trend driven partly by a disastrous harvest in Australia and increased demand for cereals in the bio-fuel industry. Energy costs were also significantly higher than the previous year, with the last of the mills moving to a higher cost contract. In a highly competitive market, the flour industry has so far been unsuccessful in its attempt to pass on to customers the full cost of these increases, resulting in a significant deterioration in flour margins.

Engineering

Engineering comprises Bendalls and R Hind, both of which are based in Carlisle, and Carrs MSM, which is based in Swindon. Bendalls, whose specialism is precision welding, designs and manufactures process plant and equipment; R Hind provides vehicle bodybuilding and accident repairs for cars and commercial vehicles; and Carrs MSM designs and manufactures master slave manipulators, which are key components for many industries but notably the nuclear industry.

Operating profit (before retirement benefit charge) of £0.59m (2006: £0.59m) was achieved on a revenue of £3.87m (2006: £5.32m).

In the period, Engineering traded solidly, albeit with reduced revenue and with profit similar to the strong comparator period. The build-up of work on nuclear decommissioning for British Nuclear Group in West Cumbria is slow as the time from quotation to order is long. In the period, Bendalls completed its fabrication for the SeaGen next generation tidal energy device for installation in Strangford Lough in Northern Ireland later this year.

6. Earnings per share

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

The adjusted earnings per share figures have been calculated in addition to the earnings per share required by IAS33 – 'Earnings per Share' and is based on earnings excluding the effect of non-recurring items and amortisation. It has been calculated to allow the shareholders to gain an understanding of the underlying performance of the Group. Details of the adjusted earnings per share are set out below:

	26 weeks ended		52 weeks ended
	3 March 2007 £'000	4 March 2006 £'000	2 September 2006 £'000
Earnings	2,523	2,849	4,195
Non-recurring items and intangible asset amortisation:			
Immediate recognition of negative goodwill	-	-	(77)
Amortisation of intangible assets	202	474	948
Amortisation of intangible asset and impairment of goodwill recognised in joint ventures, net of tax	13	-	129
Taxation arising on non-recurring items and amortisation	(61)	(142)	(284)
Adjusted earnings	2,677	3,181	4,911
Weighted average number of ordinary shares in issue	8,244,122	8,221,079	8,227,329
Potentially dilutive share options	150,206	96,172	101,237
	8,394,328	8,317,251	8,328,566
Basic earnings per share	30.6p	34.7p	51.0p
Diluted earnings per share	30.1p	34.3p	50.4p
Adjusted earnings per share	32.5p	38.7p	59.7p

The segment results for the 52 weeks to 2 September 2006 are as follows:

	Agriculture £'000	Food £'000	Engineering £'000	Other £'000	Group £'000
Total gross segment revenue	174,793	55,703	12,345	213	243,054
Inter-segment revenue	(301)	(3)	(174)	-	(478)
Revenue	174,492	55,700	12,171	213	242,576
Operating profit/(loss) before retirement benefit charge	4,954	2,506	1,055	(325)	8,190
Analysed as:					
Before non-recurring items and amortisation	4,998	3,333	1,055	(325)	9,061
Non-recurring items and amortisation	(44)	(827)	-	-	(871)
	4,954	2,506	1,055	(325)	8,190
Retirement benefit charge					(1,074)
Net finance costs					(1,011)
Share of post-tax profit of associate					393
Share of post-tax loss of joint ventures					(175)
Profit before taxation					6,323
Taxation					(1,989)
Profit for the period					4,334

4. Taxation

The tax charges for the 26 weeks ended 3 March 2007 and 4 March 2006 are based on the estimated tax charge for the applicable year.

5. Adjusted operating and pre-tax profit

	26 weeks ended	
	3 March 2007	4 March 2006
	£'000	£'000
Reported group operating profit	3,338	4,245
Amortisation of intangible assets	202	474
Operating profit before non-recurring items and amortisation	3,540	4,719
Share of operating profit in associate and joint ventures	1,009	548
Adjusted operating profit	4,549	5,267
Net finance costs – group	(442)	(579)
Net finance costs – associate and joint ventures	(101)	(120)
Adjusted pre-tax profit	4,006	4,568

OUTLOOK

Agriculture
Market conditions are tough and the Division has traded well to achieve these results in the first half year. We do not expect to see much change in trading conditions for the remainder of 2007. However, development of the AminoMax™ product in the UK and the USA, and expansion of our market for Crystalyx in mainland Europe, is expected to achieve growth in the years ahead.

Food
The flour market remains highly competitive. Carrs Flour Mills is continuing to cut costs where this can be achieved without affecting the high quality of its products or service.

Engineering
The order book across the three businesses has improved in recent months, albeit that Bendalls will have a lower activity level in the third quarter. The result for the year is expected to be similar to 2006, which returned an enhanced performance over previous years.

Overall
Trading in our markets presents many challenges, but in the past the Group has succeeded in combating adverse conditions and achieving growth. Following the trading statement on 14 February 2007, the Company is trading in line with the market's expectations.

Richard Inglewood
Chairman

23 April 2007

UNAUDITED CONSOLIDATED INCOME STATEMENT

for the 26 weeks ended 3 March 2007

	26 weeks ended 3 March 2007 £'000 (unaudited)	26 weeks ended 4 March 2006 £'000 (unaudited)	52 weeks ended 2 September 2006 £'000 (audited)
Continuing operations			
Revenue	**110,970**	110,388	242,576
Net operating expenses	**(107,632)**	(106,143)	(235,460)
Group operating profit	**3,338**	4,245	7,116
Analysed as:			
Operating profit before non-recurring items and amortisation	**3,540**	4,719	7,987
Non-recurring items and amortisation	**(202)**	(474)	(871)
Group operating profit	**3,338**	4,245	7,116
Interest receivable and similar income	**216**	92	384
Interest payable and similar charges	**(658)**	(671)	(1,395)
Share of post-tax profit in associate and joint ventures	**669**	299	218
Profit before taxation	**3,565**	3,965	6,323
Taxation	**(902)**	(1,130)	(1,989)
Profit for the period	**2,663**	2,835	4,334
Profit/(loss) attributable to minority interest	**140**	(14)	139
Profit attributable to equity shareholders	**2,523**	2,849	4,195
	2,663	2,835	4,334
Dividend per share (pence)			
Paid	**12.5**	11.0	16.5
Proposed	**5.5**	5.5	12.5
Earnings per share (pence)			
Basic	**30.6**	34.7	51.0
Diluted	**30.1**	34.3	50.4

3. Segmental information

The segment results for the 26 weeks to 3 March 2007 are as follows:

	Agriculture £'000	Food £'000	Engineering £'000	Other £'000	Group £'000
Total gross segment revenue	82,044	25,142	3,924	79	111,189
Inter-segment revenue	(157)	(7)	(55)	-	(219)
Revenue	81,887	25,135	3,869	79	110,970
Operating profit/(loss) before retirement benefit charge	2,565	919	586	(112)	3,958
Analysed as:					
Before non-recurring items and amortisation	2,608	1,078	586	(112)	4,160
Non-recurring items and amortisation	(43)	(159)	-	-	(202)
	2,565	919	586	(112)	3,958
Retirement benefit charge					(620)
Net finance costs					(442)
Share of post-tax profit of associate					506
Share of post-tax profit of joint ventures					163
Profit before taxation					3,565
Taxation					(902)
Profit for the period					2,663

The segment results for the 26 weeks to 4 March 2006 are as follows:

	Agriculture £'000	Food £'000	Engineering £'000	Other £'000	Group £'000
Total gross segment revenue	80,611	24,532	5,366	71	110,580
Inter-segment revenue	(147)	(1)	(44)	-	(192)
Revenue	80,464	24,531	5,322	71	110,388
Operating profit/(loss) before retirement benefit charge	2,614	1,696	590	(179)	4,721
Analysed as:					
Before non-recurring items and amortisation	2,675	2,109	590	(179)	5,195
Non-recurring items and amortisation	(61)	(413)	-	-	(474)
	2,614	1,696	590	(179)	4,721
Retirement benefit charge					(476)
Net finance costs					(579)
Share of post-tax profit of associate					293
Share of post-tax profit of joint ventures					6
Profit before taxation					3,965
Taxation					(1,130)
Profit for the period					2,835

NOTES TO THE UNAUDITED INTERIM FINANCIAL RESULTS

1. Basis of preparation

The financial information for the 26 weeks to 3 March 2007 does not constitute statutory accounts for the purposes of section 240 of the Companies Act 1985 and has not been audited. No statutory accounts for the period have been delivered to the Registrar of Companies.

The financial information in respect of the 52 weeks ended 2 September 2006 has been produced using extracts from the statutory accounts for this period. Consequently, this does not constitute the statutory information for the 52 weeks ended 2 September 2006, which was audited. The statutory accounts for this period have been filed with the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under sections 237(2) or (3) of the Companies Act 1985.

The annual financial statements of the Group, for the 52 weeks to 1 September 2007, will be prepared in accordance with International Financial Reporting Standards as adopted for use in the EU ("IFRS"). This Interim Report has been prepared in accordance with the Listing Rules of the Financial Services Authority. The Group has chosen not to adopt IAS34, 'Interim financial statements', in preparing its 2007 interim statements.

The directors approved the Interim Report on 23 April 2007.

The interim financial information has been prepared on the historical cost basis, except for certain assets, which are held at deemed cost and derivative financial instruments and share-based payments, which are included at fair value.

2. Accounting policies

The accounting policies used in the preparation of the financial information for the 26 weeks to 3 March 2007 have been consistently applied to all the periods presented and are set out in full in the Group's financial statements for the 52 weeks ended 2 September 2006. A copy of these financial statements is available from the Company's registered office at Old Croft, Stanwix, Carlisle, CA3 9BA.

UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the 26 weeks ended 3 March 2007

	26 weeks ended 3 March 2007 £'000 (unaudited)	26 weeks ended 4 March 2006 £'000 (unaudited)	52 weeks ended 2 September 2006 £'000 (audited)
Foreign exchange translation differences arising on translation of overseas subsidiaries	**(38)**	153	(150)
Actuarial (losses)/gains on retirement benefit obligation:			
- Group	**-**	(972)	(3,900)
- Share of associate	**-**	-	206
Taxation credit/(charge) on actuarial movement on retirement benefit obligation:			
- Group	**-**	292	1,170
- Share of associate	**-**	-	(62)
Net expenses recognised directly in equity	**(38)**	(527)	(2,736)
Profit for the period	**2,663**	2,835	4,334
Total recognised income for the period	**2,625**	2,308	1,598
Attributable to minority interest	**140**	(14)	139
Attributable to equity shareholders	**2,485**	2,322	1,459
	2,625	2,308	1,598

UNAUDITED CONSOLIDATED BALANCE SHEET

as at 3 March 2007

	26 weeks ended 3 March 2007 £'000 (unaudited)	26 weeks ended 4 March 2006 £'000 (unaudited)	52 weeks ended 2 September 2006 £'000 (audited)
Assets			
Non-current assets			
Goodwill	**845**	155	235
Other intangible assets	**835**	1,249	802
Property, plant and equipment	**29,145**	29,288	29,172
Investment property	**766**	818	794
Investment in associate	**1,487**	1,092	982
Interest in joint ventures	**869**	863	704
Other investments	**254**	255	254
Financial assets			
- Derivative financial instruments	**96**	7	37
- Non-current receivables	**101**	216	208
Deferred tax assets	**5,061**	4,286	5,162
	39,459	38,229	38,350
Current assets			
Inventories	**18,551**	19,365	11,944
Trade and other receivables	**38,729**	39,787	33,546
Current tax assets	**4**	1	1
Cash and cash equivalents	**716**	94	2,292
	58,000	59,247	47,783
Total assets	**97,459**	97,476	86,133
Liabilities			
Current liabilities			
Financial liabilities			
- Borrowings	**(12,408)**	(15,131)	(9,682)
- Derivative financial instruments	**(1)**	-	(27)
Trade and other payables	**(32,677)**	(31,959)	(25,387)
Current tax liabilities	**(1,564)**	(1,773)	(1,324)
	(46,650)	(48,863)	(36,420)
Non-current liabilities			
Financial liabilities			
- Borrowings	**(6,361)**	(6,641)	(6,512)
- Derivative financial instruments	**-**	(33)	-
Retirement benefit obligation	**(15,137)**	(12,905)	(15,796)
Deferred tax liabilities	**(3,647)**	(3,712)	(3,600)
Other non-current liabilities	**(1,787)**	(1,550)	(1,524)
	(26,932)	(24,841)	(27,432)
Total liabilities	**(73,582)**	(73,704)	(63,852)
Net assets	**23,877**	23,772	22,281
Shareholders' equity			
Ordinary shares	**1,963**	2,058	2,058
Share premium	**5,073**	5,004	5,004
Equity compensation reserve	**46**	-	22
Foreign exchange reserve	**(268)**	73	(230)
Other reserve	**1,586**	1,616	1,601
Retained earnings	**13,401**	13,325	11,895
Total shareholders' equity	**21,801**	22,076	20,350
Minority interests in equity	**2,076**	1,696	1,931
Total equity	**23,877**	23,772	22,281

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

for the 26 weeks ended 3 March 2007

	26 weeks ended 3 March 2007 £'000 (unaudited)	26 weeks ended 4 March 2006 £'000 (unaudited)	52 weeks ended 2 September 2006 £'000 (audited)
Cash flows from operating activities			
Cash generated from/(used by) operations	**585**	(1,579)	11,069
Interest received	**204**	233	379
Interest paid	**(574)**	(888)	(1,755)
Tax paid	**(724)**	(1,011)	(2,454)
Net cash (used by)/generated from operating activities	**(509)**	(3,245)	7,239
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	**(1,049)**	-	(3)
Investment in joint ventures	**-**	(685)	(710)
Net payment of loans to joint ventures	**(90)**	-	(280)
Receipt of non-current receivable	**100**	-	-
Purchase of intangible assets	**(5)**	-	(9)
Proceeds from sale of property, plant and equipment	**139**	111	192
Purchase of property, plant and equipment	**(1,275)**	(1,488)	(2,901)
Proceeds from sale of investments	**-**	-	1
Net cash used by investing activities	**(2,180)**	(2,062)	(3,710)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	**75**	32	32
Net purchase of own shares held in trust	**(101)**	-	-
Net proceeds from issue of new bank loans and other borrowings	**1,500**	1,500	-
Finance lease principal repayments	**(486)**	(529)	(1,047)
Repayment of borrowings	**(2,069)**	(618)	(2,487)
Dividends paid to shareholders	**(1,032)**	(905)	(1,358)
Net cash used by financing activities	**(2,113)**	(520)	(4,860)
Effects of exchange rate changes	**3**	36	(88)
Net decrease in cash and cash equivalents	**(4,799)**	(5,791)	(1,419)
Cash and cash equivalents at beginning of the period	**1,084**	2,503	2,503
Cash and cash equivalents at end of the period	**(3,715)**	(3,288)	1,084
Cash and cash equivalents consists of:			
Cash and cash equivalents per the balance sheet	**716**	94	2,292
Bank overdrafts included in borrowings	**(4,431)**	(3,382)	(1,208)
	(3,715)	(3,288)	1,084