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Chairman's Statement

Empresaria Group plc (“Empresaria” or “the Group”) is pleased to announce its unaudited interim results for the six months ended 30 June 2007

Empresaria is a leading example of a new generation of international staffing company seeking to develop a multi-specialist sector, multi-geographical presence without the burden of a significant trading presence in the traditional clerical and industrial staffing markets.

Commenting on the results, Chairman Tony Martin said:

“The Group continued to perform strongly over the first six months of 2007 and as Empresaria has historically traded better in the second half of the year it is anticipated that this trend will continue in 2007, particularly when augmented by a full six months’ contribution from Headway.

Considerable reinvestment has been made during the period for future organic growth which will benefit the long term growth prospects of the Group.”

Operating highlights

- Strong organic growth in the UK
- Continued growth of overseas contribution – now 33% of Group net fee income
- Successful €14.6 million acquisition of Headway in Germany – 25 new offices opened in 2007
- Successful acquisitions in Holland and Indonesia
- New companies established in Singapore, Philippines, Malaysia and Japan
- Encouraging start to the second half of the year

Financial highlights

- Turnover up 64% to £55.7m (2006: £33.9m),
- Net fee income up 52% to £15.0m (2006: £9.9m),
- Profit before tax up 32% to £1.25m (2006: £0.95m) ,
- Adjusted like for like earnings per share up 18% to 2.7p (2006: 2.3p). *

* Figures based on underlying profits, before IFRS transition adjustments and exceptional items, and exclude the effect of acquisitions and start ups after 1 July 2007. There were no exceptional items in the period to 30 June 2007.

The directors of the issuer accept responsibility for this announcement.

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Notes for editors:
Empresaria Group plc (AIM: EMR; sector: Support Services, staffing) provides specialist recruitment services across 18 countries through 42 trading subsidiaries. Empresaria was formed in 1996 by Miles Hunt and its business model is based on the philosophy of management equity which allows founder managers and key staff within Empresaria's subsidiaries to acquire or retain a meaningful stake in the businesses they run or work in.

Results

In the six month period to 30 June 2007 the Group once again produced an excellent set of results with EPS growth, on a like for like basis, of 18%, adjusted to exclude IFRS transition adjustments.

Total EPS, before IFRS transition adjustments, was down 9%, as expected, following the issue of 9.2m shares in May to enable the acquisition of Headway in Germany. Planned expansion of the branch network in Germany meant that no profit contribution was anticipated in the two months from acquisition to 30 June 2007 with the consequent short term effect on EPS. In the event, the financial performance of Headway in the period has been stronger than expected and the consequent EPS dilution less than anticipated. The acquisition is expected to be modestly earnings enhancing in the full year and to make a significant positive contribution in 2008. In strategic terms, the investment in Headway represents a sizeable step forward in Empresaria's objective of creating a balanced international specialist staffing group.

The underlying earnings growth in the Group has been driven by turnover up 64% to £55.7m (2006: £33.9m), an increase in gross profit, or net fee income, of 52% to £15.0m (2006: £9.9m) and an increase in pre-tax profit of 32% to £1.25m (2006: £0.95m).

The organic turnover growth rate in the period was 19% and adjusted profit before tax on the same basis grew by 19%.

Diluted earnings per share before IFRS transition adjustments were 2.1p (2006: 2.3p). Diluted earnings per share after IFRS transition adjustments were 2.0p. There were no exceptional costs in the period.

Dividend

In line with previous years, the Board is not recommending the payment of an interim dividend for the six months to 30 June 2007 (2006: nil).

Strategy

Empresaria's strategy is to develop an international specialist staffing group, balanced in terms of sector, geographic and operational coverage, as well as organic and acquisitive growth.

Strategic focus is concentrated on developing sustainable high growth at the same time as managing business risk. The Group's approach is to apply a combination of a management equity philosophy, a decentralised management structure, a balanced business mix (between temporary and permanent staffing operations as well as between industry sectors) and an international expansion programme.

Each of the companies in the Group is run by experienced managers holding significant equity stakes in their own businesses or alternatively in Empresaria itself. The central group functions are focused on financial management and group development. A combination of this equity philosophy and freedom of operation attracts, motivates and retains good managers.

The diversification of investment across different operations, industry sectors and geographies manages risks relating to individual people, clients, companies and markets.

Empresaria has made significant progress in the development of its international network of companies. In the six months to 30 June 2007, the international subsidiaries contributed 33% to the Group's net fee income, compared to 19% for the year ended 31 December 2006. With the acquisition of Headway in Germany and with a continued focus on international expansion, it is expected that the proportion of net fee income contributed by the Group's international businesses will continue to increase significantly.

The Group has stated that its aim is to increase the proportion of net fee income generated by temporary staffing. In line with this strategy, the Group derived 62% of its net fee income for the six months to June from its temporary operations, compared to 52% for the same period in 2006.

Operations

UK and Other

In total, turnover in the UK increased by 39% to £39.3m (2006: £28.3m) and net fee income increased by 32% to £10.0m (2006: £7.6m). The UK operations saw strong organic growth and improvement in earnings were recorded by all sectors. In particular, the Property and Construction, Specialist Brands and the Financial Services sectors performed well.

Within the Property and Construction sector, the FastTrack brand invested in additional headcount and offices within the South East during 2006. As a result, it has enjoyed a significant increase in its profitability and market share in the first half of 2007.

Within Specialist Brands, Greycoat Placements, The Recruitment Business and McCall enjoyed significant growth in comparison to the same period in 2006. The Recruitment Business launched an office in Sydney in early 2007 which is already beginning to contribute profits on a monthly basis.

The Financial Services brands continue to build on the improved trading enjoyed during 2006. In particular, the investment banking and asset management brand, LMa Recruitment, performed well. There has been no evidence to date of a slowdown in demand for staff in the financial services sector following the recent market turbulence.

Europe

In May 2007, Empresaria acquired Headway, a staffing business based in Munich, Germany. Headway is a substantial operation and had 47 established branches across southern Germany and the region at the beginning of 2007. Since then Headway has opened a further 25 offices. The German staffing market remains one of the most exciting in Europe with continuing strong growth in demand for staffing services resulting from recent structural changes to the labour markets. Following the acquisition of Headway, the Group is well placed to take advantage of these market opportunities.

The ITC brand in Poland continues to perform in line with our expectations. During 2007, management has made significant strides in developing the local Polish market and also developed a customer base for Polish workers in France.

Asia

As in the case of Germany, Japan represents one of the highest growing staffing markets in recent years with growth driven by liberalisation of the labour markets. Our existing businesses in Japan continue to perform strongly and Japan remains a strong focus of development. This is demonstrated by the decision to invest in a new company in Japan in July of this year. The new start up operation, Fines KK, is a temporary staffing company focussing on the retail sector.

Outside of Japan, the main regional area of strong organic growth is South East Asia. Further investment was made in the period in start up operations in Malaysia, Singapore and the Philippines, all operating under the Monroe brand. In addition, Advanced Career Indonesia, an HR outsourcing operation, has established three new regional branch offices in the country. In March the Group acquired a 51% stake in PT Learning Resources Indonesia, a training company specialising in the provision of training to call centre and customer service staff and with a complementary client base to the Group's existing operations.

US

The US is the largest individual international staffing market. Empresaria invested in a small start up business in 2005, Gerard Stewart, holding a 40% stake with an option to increase this to 60%. In the light of underlying concerns about the economic outlook in the US combined with sellers' valuation expectations, the Group is content to maintain but not presently to increase its investment in the US. Although the dividend distribution from Gerard Stewart has more than covered the initial investment, the relatively low growth expectations for this business has led to the decision not to increase the existing equity stake from the current 40% holding.

Empresaria's businesses outside the UK contributed in total £16.4m of turnover (2006: £4.5m) and £5.0m of net fee income (2006: £2.1m).

IFRS Transition

In compliance with AIM requirements, Empresaria has adopted International Financial Reporting Standards (IFRS) for the first time in these interim financial statements. The IFRS accounting policies adopted are consistent with those to be used for the Group's financial statements as at 31 December 2007.

The key impact on the Group's results is that goodwill is no longer amortised but subject to an annual impairment review.

The Board has adjusted the trading results to remove the effect of the amortised goodwill charge. For the 6 month period to 30 June 2006 this amounted to £342,000 and for the 12 month period to 31 December 2006 £762,000.

Please refer to note 5 of the accounts to understand the key adjustments implemented to ensure compliance with and transition to IFRS for the Group's reporting purposes.

Prospects

The Group continued to perform strongly over the first six months of 2007 and, as Empresaria has historically traded better in the second half of the year, it is anticipated that this trend will continue in 2007, particularly when augmented by a full six months' contribution from Headway. Organic growth continues to be driven by established operations supplemented increasingly by recent start-ups and complementary acquisitions.

The acquisition of Headway is a transformational investment that is expected to have a material positive impact on the financial performance of the Group.

Considerable reinvestment has been made during the period for future organic growth which will benefit the long term growth prospects of the Group.

Tony Martin

Chairman

13 September 2007

Consolidated interim income statement

	Note	**6 months to 30 June 2007 £'000 (unaudited)**	6 months to 30 June 2006 £'000 (unaudited)	Year to 31 December 2006 £'000 (unaudited)
Revenue		55,677	33,900	75,459
Cost of sales		(40,686)	(23,986)	(53,619)
Gross profit		14,991	9,914	21,840
Administrative costs		(13,345)	(8,760)	(18,335)
Operating profit		1,646	1,154	3,505
Finance income		-	-	-
Finance costs		(308)	(168)	(408)
Movements in fair value of financial assets		-	-	-
Net finance income/(cost)		(308)	(168)	(408)
Share of operating loss from associates		(91)	(38)	(203)
Profit before tax		1,247	948	2,894
Income tax expense		(437)	(282)	(828)
Profit for the period		810	666	2,066
Attributable to:				
Equity holders of the parent		529	503	1,558
Minority interest		281	163	508
		810	666	2,066
Earnings per share:				
Basic and diluted	**3**	2.0	2.2	6.7

All results for the Group are derived from continuing operations in both the current and preceding periods.

Consolidated interim balance sheet

	30 June 2007 £'000 (unaudited)	30 June 2006 £'000 (unaudited)	31 December 2006 £'000 (unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	1,662	648	790
Goodwill	20,068	9,014	10,346
Other intangible assets	3,379	-	-
Investments in associates	941	590	582
Deferred tax assets	493	95	334
	26,543	10,347	12,052
Current assets			
Trade and other receivables	23,691	13,777	11,229
Cash and cash equivalents	4,678	2,135	3,342
	28,369	15,912	14,571
Total assets	54,912	26,259	26,623
LIABILITIES			
Current liabilities			
Trade and other payables	20,833	9,130	9,388
Short-term borrowings	3,981	4,051	2,569
Current portion of long-term borrowings	1,962	245	989
Current tax payable	774	924	798
	27,550	14,350	13,744
Non-current liabilities			
Long-term borrowings	-	1,200	1,038
Deferred tax liabilities	1,085	65	125
Other non-current liabilities	1,863	123	163
Total non-current liabilities	2,948	1,388	1,326
Total liabilities	30,498	15,738	15,070
Net assets	24,414	10,521	11,553
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	1,667	1,175	1,193
Share premium account	16,694	4,980	5,185
Merger reserve	1,539	1,539	1,539
Profit and loss account	3,448	1,970	2,922
Translation reserve	(179)	(22)	(28)
Fair value movements in financial instruments	(65)	(74)	(78)
	23,104	9,568	10,733
Minority interest	1,310	953	820
Total equity	24,414	10,521	11,553

Consolidated interim statement of recognised income and expense

	Note	**6 months to 30 June 2007 £'000 (unaudited)**	6 months to 30 June 2006 £'000 (unaudited)	Year to 31 December 2006 £'000 (unaudited)
Available-for-sale investments:				
Valuation gains/(losses) taken to equity		13	(74)	(78)
Exchange differences on Goodwill for foreign operations		(124)	-	-
Exchange differences on translation of foreign operations		(27)	(22)	(28)
Exchange differences on translation of foreign operations attributed to Minority		(18)	-	-
Tax on items taken directly to or transferred from equity		(3)	20	23
Net loss recognised directly in equity		(159)	(76)	(83)
Profit for the period		810	666	2,066
Dividend paid		-	-	(106)
Total recognised income and expense for the period		651	590	1,877
Attributable to:				
Equity holders of the parent		388	427	1,369
Minority interest		263	163	508
		651	590	1,877

Minority Interest statement

	Note	**6 months to 30 June 2007 £'000 (unaudited)**	6 months to 30 June 2006 £'000 (unaudited)	Year to 31 December 2006 £'000 (unaudited)
Income / (Expense) recognised for the period as above		263	163	508
Changes due to acquisition during the period		386	84	(122)
Dividend paid to Minority		(159)	(61)	(333)
Movement recognised in Minority		490	186	53

Consolidated interim cash flow statement

	6 months to 30 June 2007 £'000 (unaudited)	6 months to 30 June 2006 £'000 (unaudited)	Year to 31 December 2006 £'000 (unaudited)
Cash flows from operating activities			
Profit after taxation	810	666	2,066
Adjustments for:			
Depreciation	200	167	337
Tax recognised in profit & loss	437	282	828
Share of losses in associates	91	38	203
Interest expense	308	168	408
Increase in trade receivables	(529)	(3,424)	(940)
(Decrease) / increase in trade payables	(150)	2,390	2,253
Cash generated from operations	1,167	287	5,155
Interest paid	(308)	(168)	(408)
Income taxes paid	(333)	(245)	(739)
Net cash from / (used in) operating activities	526	(126)	4,008
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	(10,660)	(740)	(2,060)
Investment in associates	(401)	(593)	(694)
Purchase of property, plant and equipment	(286)	(298)	(528)
Net cash used in investing activities	(11,347)	(1,631)	(3,282)
Cash flows from financing activities			
Proceeds from issue of share capital	11,615	905	905
Proceeds from long-term borrowings	-	-	725
Proceeds from short-term borrowings	1,710	-	-
Payment of long term loan	(108)	(105)	(247)
(Decrease) / Increase in factoring borrowings	(901)	748	(733)
Dividends paid	-	-	(106)
Dividends paid to minority shareholders in subsidiary undertakings	(159)	(61)	(333)
Net cash from financing activities	12,157	1,487	211
Net increase/(decrease) in cash and cash equivalents	1,336	(270)	937
Cash and cash equivalents at beginning of period	3,342	2,405	2,405
Cash and cash equivalents at end of period	4,678	2,135	3,342

Notes to the consolidated interim financial statements

1 General information

Empresaria Group plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Empresaria Group plc's registered address is Peveril Court, 6-8 London Road, Crawley, West Sussex RH10 8JE. Its shares are listed on AIM, a market of London Stock Exchange plc.

These consolidated interim financial statements have been approved for issue by the Board of Directors on 13 September 2007.

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 31 December 2006, 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) of the Companies Act 1985.

2 Basis of preparation

These consolidated interim financial statements are for the six months ended 30 June 2007. They have been prepared in accordance with 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 ended 31 December 2007. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2006.

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

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

These consolidated interim financial statements have been prepared in accordance with the accounting policies which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 December 2007 or are expected to be adopted and effective at 31 December 2007, the Group’s first annual reporting date at which it is required to use IFRS accounting standards adopted by the EU.

Empresaria Group plc's consolidated financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) until 31 December 2006. The date of transition to IFRS was 1 January 2006. The comparative figures in respect of 2006 have been restated to reflect changes in accounting policies as a result of adoption of IFRS. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in the reconciliation schedules, presented and explained in note 5.

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

3 Earnings per share

Basic and diluted earnings per share

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

Based on current trading conditions, the Directors are of the opinion that there would be no dilution to the earnings per share figure resulting from subsidiary minority shareholders trading up.

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

	6 months to 30 June 2007 (unaudited)	6 months to 30 June 2006 (unaudited)	Year to 31 December 2006 (unaudited)
Profit after tax attributable to Equity share holders of the parent (£'000)	529	503	1,558
Weighted average number of shares	26,572,580	22,478,049	23,102,238
Basic and diluted earnings per share (pence)	2.0	2.2	6.7

Adjusted earnings per share

	6 months to 30 June 2007 £'000 (unaudited)	6 months to 30 June 2006 £'000 (unaudited)	Year to 31 December 2006 £'000 (unaudited)
Profit before tax	1,247	948	2,894
Income tax expense	(437)	(282)	(828)
Add back:			
Recognition of pre-acquisition deferred tax asset against goodwill under IFRS	-	-	100
Recognition of deferred tax liability on amortisation on purchased goodwill under IFRS	28	32	65
Minority interests (*)	(289)	(170)	(562)
Adjusted profit after tax and minority interests	549	528	1,669
Adjusted earnings per share (pence)	2.1	2.3	7.2

(*) Adjusted as necessary for minority interest impact from add backs under IFRS.

4 Dividends

The directors do not propose the payment of a dividend for the period.

5 Explanation of transition to IFRS

As stated in the Basis of Preparation, these are the Group's first consolidated interim financial statements for part of the period covered by the first IFRS annual consolidated financial statements which will be 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 January 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 £7,981,000 has not been restated;

- Cumulative translation differences on foreign operations are deemed to be nil at 1 January 2006. Any gains and losses recognised in the consolidated income statement on subsequent disposal of foreign operations will exclude translation differences arising prior to the transition date; and

- The entity has elected not to apply IAS 21 "The Effects of Changes in Foreign Exchange Rates" retrospectively to goodwill and fair value adjustments arising on business combinations before the Group's date of transition to IFRS. Such goodwill and fair value adjustments are not treated as foreign currency assets and so are not retranslated at each reporting date.

Reconciliation of equity at 1 January 2006 - unaudited

	UK GAAP £'000	a £'000	b £'000	c £'000	d £'000	e £'000	IFRS £'000
Non-current assets							
Property, plant and equipment	535	-	-	-	-	-	535
Goodwill	7,981	-	-	-	-	-	7,981
Other intangible assets	-	-	-	-	-	-	-
Investments in associates	39	-	-	-	-	-	39
Other financial assets	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	169	-	-	169
Current assets							
Trade and other receivables	10,169	-	-	(164)	-	-	10,005
Cash and cash equivalents	2,405	-	-	-	-	-	2,405
Current liabilities							
Trade and other payables	(6,754)	-	-	-	-	-	(6,754)
Short-term borrowings	(3,302)	-	-	-	-	-	(3,302)
Current portion of long-term borrowings	(225)	-	-	-	-	-	(225)
Current tax payable	(711)	-	-	-	-	-	(711)
Non-current liabilities							
Long-term borrowings	(1,326)	-	-	-	-	-	(1,326)
Deferred tax liabilities	-	-	-	(5)	-	-	(5)
Other non-current liabilities	(123)	-	-	-	-	-	(123)
Net assets	8,688	-	-	-	-	-	8,688
Equity							
Share capital	1,113	-	-	-	-	-	1,113
Share premium account	3,822	-	-	-	-	-	3,822
Merger reserve	1,539	-	-	-	-	-	1,539
Profit and loss account	1,447	-	-	-	-	-	1,447
Translation reserve	-	-	-	-	-	-	-
Fair value movements in financial instruments	-	-	-	-	-	-	-
Minority interest	767	-	-	-	-	-	767
Total equity	8,688	-	-	-	-	-	8,688

Reconciliation of equity at 30 June 2006 - unaudited

	UK GAAP £'000	a £'000	b £'000	c £'000	d £'000	e £'000	IFRS £'000
Non-current assets							
Property, plant and equipment	648	-	-	-	-	-	648
Goodwill	8,672	342	-	-	-	-	9,014
Other intangible assets	-	-	-	-	-	-	-
Investments in associates	664	-	-	-	-	(74)	590
Other financial assets	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	73	-	22	95
Current assets							
Trade and other receivables	13,817	-	-	(40)	-	-	13,777
Cash and cash equivalents	2,135	-	-	-	-	-	2,135
Current liabilities							
Trade and other payables	(9,130)	-	-	-	-	-	(9,130)
Short-term borrowings	(4,051)	-	-	-	-	-	(4,051)
Current portion of long-term borrowings	(245)	-	-	-	-	-	(245)
Current tax payable	(924)	-	-	-	-	-	(924)
Non-current liabilities							
Long-term borrowings	(1,200)	-	-	-	-	-	(1,200)
Deferred tax liabilities	-	-	-	(33)	(32)	-	(65)
Other non-current liabilities	(123)	-	-	-	-	-	(123)
Net assets	10,263	342	-	-	(32)	(52)	10,521
Equity							
Share capital	1,175	-	-	-	-	-	1,175
Share premium account	4,980	-	-	-	-	-	4,980
Merger reserve	1,539	-	-	-	-	-	1,539
Profit and loss account	1,664	309	-	-	(25)	22	1,970
Translation reserve	(22)	-	-	-	-	-	(22)
Fair value movements in financial instruments	-	-	-	-	-	(74)	(74)
Minority interest	927	33	-	-	(7)	-	953
Total equity	10,263	342	-	-	(32)	(52)	10,521

Reconciliation of equity at 31 December 2006 - unaudited

	UK GAAP £'000	a £'000	b £'000	c £'000	d £'000	e £'000	IFRS £'000
Non-current assets							
Property, plant and equipment	790	-	-	-	-	-	790
Goodwill	9,684	762	(100)	-	-	-	10,346
Other intangible assets	-	-	-	-	-	-	-
Investments in associates	660	-	-	-	-	(78)	582
Other financial assets	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	311	-	23	334
Current assets							
Trade and other receivables	11,480	-	-	(251)	-	-	11,229
Cash and cash equivalents	3,342	-	-	-	-	-	3,342
Current liabilities							
Trade and other payables	(9,388)	-	-	-	-	-	(9,388)
Short-term borrowings	(2,569)	-	-	-	-	-	(2,569)
Current portion of long-term borrowings	(989)	-	-	-	-	-	(989)
Current tax payable	(798)	-	-	-	-	-	(798)
Non-current liabilities							
Long-term borrowings	(1,038)	-	-	-	-	-	(1,038)
Deferred tax liabilities	-	-	-	(60)	(65)	-	(125)
Other non-current liabilities	(163)	-	-	-	-	-	(163)
Net assets	11,011	762	(100)	-	(65)	(55)	11,553
Equity							
Share capital	1,193	-	-	-	-	-	1,193
Share premium account	5,185	-	-	-	-	-	5,185
Merger reserve	1,539	-	-	-	-	-	1,539
Profit and loss account	2,313	696	(60)	-	(50)	23	2,922
Translation reserve	(28)	-	-	-	-	-	(28)
Fair value movements in financial instruments	-	-	-	-	-	(78)	(78)
Minority interest	809	66	(40)	-	(15)	-	820
Total equity	11,011	762	(100)	-	(65)	(55)	11,553

Reconciliation of profit for the 6 months ended 30 June 2006 - unaudited

	UK GAAP £'000	a £'000	b £'000	c £'000	d £'000	e £'000	IFRS £'000
Revenue	33,900	-	-	-	-	-	33,900
Cost of sales	(23,986)	-	-	-	-	-	(23,986)
Gross profit	9,914	-	-	-	-	-	9,914
Administrative costs	(9,102)	342	-	-	-	-	(8,760)
Operating profit	812	342	-	-	-	-	1,154
Finance income	-	-	-	-	-	-	-
Finance costs	(168)	-	-	-	-	-	(168)
Movements in fair value of financial instruments	-	-	-	-	-	-	-
Net finance income / (cost)	(168)	-	-	-	-	-	(168)
Share of profit of associates	(38)	-	-	-	-	-	(38)
Profit before tax	606	342	-	-	-	-	948
Income tax expense	(250)	-	-	-	(32)	-	(282)
Profit for the period	356	342	-	-	(32)	-	666
Attributable to:							
Equity holders of the parent	219	309	-	-	(25)	-	503
Minority interest	137	33	-	-	(7)	-	163
	356	342	-	-	(32)	-	666

Reconciliation of profit for the year to 31 December 2006 - unaudited

	UK GAAP £'000	a £'000	b £'000	c £'000	d £'000	e £'000	IFRS £'000
Revenue	75,459	-	-	-	-	-	75,459
Cost of sales	(53,619)	-	-	-	-	-	(53,619)
Gross profit	21,840	-	-	-	-	-	21,840
Administrative costs	(19,097)	762	-	-	-	-	(18,335)
Operating profit	2,743	762	-	-	-	-	3,505
Finance income	-	-	-	-	-	-	-
Finance costs	(408)	-	-	-	-	-	(408)
Movements in fair value of financial instruments	-	-	-	-	-	-	-
Net finance income / (cost)	(408)	-	-	-	-	-	(408)
Share of profit of associates	(203)	-	-	-	-	-	(203)
Profit before tax	2,132	762	-	-	-	-	2,894
Income tax expense	(663)	-	(100)	-	(65)	-	(828)
Profit for the period	1,469	762	(100)	-	(65)	-	2,066
Attributable to:							
Equity holders of the parent	972	696	(60)	-	(50)	-	1,558
Minority interest	497	66	(40)	-	(15)	-	508
	1,469	762	(100)	-	(65)	-	2,066

Notes to the reconciliations

a) Non-amortisation of goodwill

b) Reduction in goodwill for subsequently recognised deferred tax assets

c) Grossing up of deferred tax - £nil profit/(loss) impact

d) Impact on deferred tax of non amortisation of purchased goodwill

e) Initial and/or fair market valuation of financial instruments

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 of £245,000 and £739,000 paid through June 2006 and December 2006 are classified as operating cash flows under IFRS, but were included in a separate category of tax cash flows under UK GAAP.

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