Brulines Group plc

Interim Results for the six months ended 25 September 2009

The market leading provider of real time monitoring systems and data management services for the UK leisure sector

Brulines Group plc

("Brulines" or "the Group")

Financial Highlights

- Turnover increased 11.3% to £9.90 million (H1 2008: £8.90 million)
- Gross margin increased to 58% (H1 2008: 55%)
- EBITDA increased 6.44% to £2.63 million pre exceptional costs (H1 2008: £2.47 million)
- Profit before tax £1.90 million post exceptional items of £0.3 million and increased intangible amortisation of £0.1 million (H1 2008: £2.17 million)
- Recurring revenues account for over 70% of Group turnover
- Basic earnings per share at 4.85p (H1 2008: 6.11p) – impacted by December 2008 placing – like for like EPS would have been 6.49p representing 6.2% growth
- Progressive interim dividend payment of 1.63p (2008 interim dividend 1.55p)

Operational Highlights

- Partnership with Green King Pub Partners to supply Brulines' leading i-draught beer quality and dispense monitoring system as their primary system in its estate of 1,400 pubs throughout the UK

Chairman's Statement

I am pleased to report another positive set of results and good progress in the strategic development of the Group during the last six months.

Results

Turnover for the six months ended 25 September 2009 was £9.90 million, 11.3% higher than the same period last year (H1 2008: £8.90 million). This is in part due to the turnover derived from the recent acquisitions, as well as increased penetration of existing leisure markets and the recurring contract income it brings which, over time, underpins future growth.

Gross margin has risen from 55% in H1 2008 to 58% in H1 2009 as a result of the increased recurring revenues. Although overheads in the core business are well controlled, the overall fixed overheads have risen marginally due to the two recent acquisitions and the additional reorganisation costs post completion.

As a result of the trading losses incurred at Vianet and Edensure, the Group operating profits before the exceptional reorganisation charges were similar to last year at £2.20 million. Profits before taxation were slightly ahead at £2.20 million (H1 2008: £2.17million) as net finance costs reduced following the Placing in December 2008.

Before exceptional costs of £0.30 million, and the impact of the Placing in December 2008, the Group's earnings per share increased by 6.2% to 6.49p (H1 2008: 6.11p). Basic earnings per share, following the issue of 3,786,641 shares in December 2008 has fallen from 6.11p to 4.85p.

Dividend

In line with the Group's progressive dividend policy and high operating cash generation in the first half, the Board has declared an interim dividend of 1.63p per share (H1 2008: 1.55p per share), payable on 27 January 2010 to shareholders on the register as at 11 December 2009. A final dividend of 3.80p was paid in respect of the year ended 31 March 2009 on 24 July 2009.

Integration of recent acquisitions

The integration of Edensure and Vianet, purchased in October and December 2008 respectively, has progressed well with Edensure now performing around breakeven levels and the inherited losses at Vianet much reduced. The Board is hopeful that both companies will start to make contributions to Group profit early in the new financial year.

Universe Group plc ("Universe")

As announced on 24 September 2009, the Group has made a preliminary approach to Universe Group plc relating to a potential offer for the issued share capital of Universe. In pursuance of this transaction, the Group has purchased 11.52% of the share capital of Universe at prices between 3.9 and 4p. Whilst agreement for the Group to undertake the necessary due diligence has not yet been reached, the Board continues to seek ways to resolve this impasse and to progress the transaction. As and when progress is achieved, further announcements will be made as appropriate.

Board and Senior Management

As the Group continues to grow its activities, the Board has taken steps to strengthen senior management, including the appointment of Phil Maud, who joins us from Morrisons to head our Petrol Forecourt Division, where we believe the opportunities for growth are significant.

Outlook

Good progress on a number of fronts has been made in the first half of the year, including the acceptance of the Group's i-draught product by one of the UK's leading pub companies, and the successful reorganisation and integration of recent acquisitions.

Whilst there is no doubt that the uncertainty on the enforcement of the 'Beer Tie' has held back some customers from progressing new data collection and monitoring projects, the recent ruling from the OFT may allow the industry to move on and develop the data systems which are so necessary, particularly in the current harsh economic climate.

The Group remains in a strong financial and market position and despite the more difficult trading environment, its growth prospects are encouraging and the Board continues to view the future with confidence.

James H Newman
Chairman

1 December 2009

Executive Review

Group turnover and margin

The Group's results for the six months to 25 September 2009 are in line with management expectations. Trading in the Group's core beer monitoring business over the first half of the financial year has remained resilient in an economic environment which continues to be challenging.

The Group is encouraged by the commercial progress of i-draught quality monitoring and the further headway which has been made in significantly reducing the losses associated with the recent acquisitions of Vianet and Edensure.

As anticipated, the core business turnover for the first half increased by 11.3% to £9.90 million (H1 2008: £8.90 million).

The turnover mix in the first half continued to move towards recurring revenue as income from support service contracts was generated from the installation base of circa. 22,000 sites. Recurring revenue currently accounts for over 70% of Group turnover and management expects this to continue for the foreseeable future.

Gross margin has risen from 55% for the first half 2008 to 58% for the first half 2009 as a result of increased recurring revenue, change in the product mix and improved cost control.

Core beer monitoring service customers and contracts

New installations have progressed satisfactorily in the first half with a net increase of 212 installations, whilst another 341 system upgrades were completed, and further progress is expected in the second half of the year. This has provided year on year growth in recurring revenue and increased margins associated with support services.

Negotiations for our core beer dispense monitoring service to the tenanted/leased sector are ongoing with national and regional operators which will increase market share and gain further penetration into existing customers. There has also been increased demand for the Group's support service where we assist customers in optimising their beer volumes.

Good progress has been made on the commercial development of i-draught, the Group's beer quality and EPOS variance monitoring product, with new regional brewer contracts and commercial evaluation in the managed house sector.

The Group was pleased to announce on 29 October 2009 that it has secured a partnership with Greene King Pub Partners ("Greene King") to supply the national tenanted pub operator with Brulines' leading i-draught beer quality and dispense monitoring system.

The partnership with Greene King marks Brulines' first major order for i-draught, with the pub operator rolling out i-draught as their primary system in its estate, which numbers 1,400 pubs throughout the UK. Initially, 100 i-draught systems will be installed by the end of 2009, before a more extensive installation programme commences in January 2010.

The i-draught system offers pub licensees a vital tool to monitor the quality and yield of beer served, providing valuable intelligence about their business to help them to improve beer quality, manage wastage and costs on all draught products. The roll-out will enable us to work in partnership to tailor the system and ensure the data delivers exactly the information that Greene King and their licensees need to run even more efficiently and deliver enhanced quality.

For an organisation of the scale and professionalism of Greene King to have selected our product to be integrated across their pub estate is a great endorsement of i-draught and adds to the momentum which is being created.

Market environment

Group performance has been resilient in a pub trading environment that has remained largely unchanged with ongoing socio economic pressures, the burden of beer duty and legislation, as well as the recent uncertainty in the leased sector relating to the beer tie.

Despite ongoing sector cost and capital pressures, the Group has been experiencing further demand for its services, including volume recovery and i-draught and the pipeline of new enquiries is encouraging.

Increased activity and traction with medium sized pub companies, regional brewers, hotels and the wider leisure sector is having a positive impact on the Group's customer mix as penetration is extended into the wider leisure market.

Despite a particularly tough consumer environment for pubs and bars in the US, the Group has been encouraged by the customer reaction to trials already carried out. The Board will continue to progress this investment conservatively with plans to increase US presence to around 100 outlets within the Denver metropolitan area during the coming year.

Successful integration of subsidiaries and business development

The Group has now integrated the Coin Metrics and Machine Insite customer offerings within its Leisure Division. Coin Metrics' gaming machine remote monitoring business has now achieved break even on a monthly basis, whilst Machine Insite performance has remained broadly level with last year.

The acquisition of Edensure, the forecourt solutions provider, was completed at the end of October 2008. The business secured ongoing activity with a leading supermarket earlier this calendar year which has taken Edensure close to break even on a monthly basis during the past six months. The Group is also encouraged by the increased interest from other major petrol forecourt operators and is pursuing opportunities to expand its footprint in this market as part of its strategy to provide cost-effective value added command and control solutions to all sectors of the forecourt industry.

Vianet was acquired out of administration on 11 December 2008 and is now integrated with the Group's Leisure Division, where there are significant synergies in terms of technology, commercial proposition and customers. The focus since acquisition has been on revamping both the commercial organisation and customer proposition, whilst ensuring the unique solutions it provides are fit for purpose in addressing the significant market which is available.

Vianet's first half losses are materially lower than the Board anticipated as a result of increased device sales in the period, however the Board does not expect this reduction in losses to be repeated to the same extent in the second half. The sale of the M2M division to its management team in the period has facilitated the removal of significant management costs whilst retaining a ten percent Group interest in the new entity.

Both Edensure and Vianet have leading, globally scalable products and operate in markets with no dominant competitor. The Board is confident that there are opportunities to achieve market leadership in both these sectors and is exploring a number of potential complementary acquisitions.

Management and employees

The Group continues to develop the calibre of its people, management and leaders as we ensure our organisation is equipped to deliver against the significant growth opportunities that are available to our Leisure and Petrol Forecourt Service divisions.

On 28 September 2009, Phil Maud was appointed Managing Director of the Group's Petrol Forecourt Services Division. His knowledge and experience gained in retail forecourt management, including Morrisons Supermarkets plc where he has spent the last eight years as Director of Petrol Forecourts, will prove invaluable to the Group as we continue to expand our leading proprietary software and footprint into the UK petrol forecourt market and beyond.

Earnings per Share (EPS)

EPS reduced by 20.6% from 6.11p to 4.85p per share this half year, and similarly on a fully diluted basis from 6.04p to 4.73p per share. This has been directly impacted by increased intangible asset amortisation of £0.10 million and exceptional costs of £0.30 million, as well as the impact of the December 2008 placing. On a like for like basis, EPS would have been 6.49p, representing 6.2% growth.

Cash generation

The Group generated operational cash flow of £2.29 million in the period of which £1.04 million has been used for the dividend paid in July 2009, and £0.53 million was used for the equity investment in Universe Group plc.

The Group has net cash of £4.06 million at the half year and a highly cash generative core business, and therefore a strong financial base from which to raise debt funding should appropriate acquisition opportunities arise.

Outlook

The Group's strategic intent is to profitably extend its data handling penetration and footprint in the leisure, including vending, and petrol forecourt sectors where there is considerable overlap, and to achieve market leading positions using its core capabilities and products.

Brulines aims to become the market leader in the UK, and beyond, for the provision of telemetry, data management analysis, software and support services across the leisure, and petrol forecourt sectors, where the opportunity exists to become a 'one stop shop' provider for customers.

The Group is performing well in challenging economic and trading conditions. As the Group's customers become increasingly focused on profitability and cash generation from their core operations, our products will become more important to them than ever before.

Despite the more difficult leisure sector trading environment, future growth prospects are encouraging and management continues to view the future with confidence. The Board anticipates maintaining a progressive interim dividend policy from the Group's high level of cash generation in the first half of the year.

James Dickson
Chief Executive

Mark Foster
Group Finance Director

1 December 2009

Consolidated Statement of Comprehensive Income

For the six months ended 25 September 2009

	Note	Before Exceptional 6 months ended 25 Sep 2009 £'000	Exceptional 6 months ended 25 Sep 2009 £'000	**Total Unaudited 6 months ended 25 Sep 2009 £'000**	Unaudited 6 months ended 26 Sep 2008 £'000	Audited Year ended 31 March 2009 £'000
Revenue	3	9,899	–	**9,899**	8,896	19,067
Cost of sales		(4,110)	–	**(4,110)**	(4,003)	(7,848)
Gross profit		5,789	–	**5,789**	4,893	11,219
Administration and other operating expenses	4	(3,591)	(297)	**(3,888)**	(2,680)	(6,536)
Operating profit		2,198	(297)	**1,901**	2,213	4,683
Finance income		40	–	**40**	74	138
Finance costs		(46)	–	**(46)**	(122)	(197)
Profit before tax		2,192	(297)	**1,895**	2,165	4,624
Income tax expense	5	(613)	83	**(530)**	(677)	(1,184)
Profit and total comprehensive income for the period attributable to the owners of the parent		1,579	(214)	**1,365**	1,488	3,440
Earnings per share	6					
Basic		5.61p	(0.76)p	**4.85p**	6.11p	13.59p
Diluted		5.45p	(0.72)p	**4.73p**	6.04p	13.12p

Consolidated Balance Sheet

At 25 September 2009

	Unaudited As at 25 Sep 2009 £'000	Unaudited As at 26 Sep 2008 £'000	Unaudited As at 31 March 2009 £'000
Assets			
Non-current assets			
Intangible Assets	**14,277**	13,478	14,396
Property, plant and equipment	**3,423**	3,292	3,439
Investments	**556**	–	–
Total non-current assets	**18,256**	16,770	17,835
Current assets			
Inventories	**1,321**	1,297	1,371
Trade and other receivables	**4,097**	4,072	4,646
Cash and cash equivalents	**7,252**	2,760	7,697
	12,670	8,129	13,714
Total assets	**30,926**	24,899	31,549
Equity and liabilities			
Liabilities			
Current liabilities			
Trade and other payables	**6,459**	5,952	7,038
Borrowings	**420**	394	420
Tax liabilities	**535**	728	348
Provisions	**89**	89	89
	7,503	7,163	7,895
Non-current liabilities			
Borrowings	**2,770**	3,283	3,021
Provisions	**194**	268	232
Deferred tax	**340**	242	340
	3,304	3,793	3,593
Equity attributable to owners of the parent			
Share capital	**2,813**	2,434	2,813
Share premium account	**11,126**	7,024	11,126
Shares to be issued	**212**	140	176
Own shares	**(1,167)**	(877)	(864)
Merger reserve	**310**	310	310
Retained profit	**6,825**	4,912	6,500
Total equity	**20,119**	13,943	20,061
Total equity and liabilities	**30,926**	24,899	31,549

Summarised Consolidated Cash Flow Statement

For the six months ended 25 September 2009

	Unaudited 6 months ended 25 Sep 2009 £'000	Unaudited 6 months ended 26 Sep 2008 £'000	Audited Year ended 31 March 2009 £'000
Cash flows from operating activities			
Profit for the period	**1,365**	1,488	3,440
Adjustments for			
Interest receivable	**40**	74	138
Interest payable	**(46)**	(122)	(197)
Income tax expense	**529**	677	1,184
Amortisation of intangible assets	**231**	136	337
Depreciation	**200**	121	321
Loss on sale of property, plant and equipment	**(38)**	–	(1)
Share-based payments	**36**	36	72
Operating profit before changes in working capital and provisions	**2,317**	2,410	5,294
Change in inventories	**50**	(175)	(196)
Change in receivables	**549**	(335)	(628)
Change in payables	**(579)**	(483)	(24)
Change in provisions	**(38)**	(35)	(71)
	(18)	(1,028)	(919)
Cash generated from the operations	**2,299**	1,382	4,375
Income tax paid	**(342)**	(657)	(1,596)
Net cash from operating activities	**1,957**	725	2,779
Cash flows from investing activities			
Interest payable	**46**	122	197
Interest receivable	**(40)**	(74)	(138)
Proceeds on disposal of property, plant and equipment	**51**	–	5
Purchases of property, plant and equipment	**(197)**	(30)	(218)
Purchase of subsidiary undertakings	**(112)**	–	(1,054)
Purchase of investments	**(556)**	–	–
Cash acquired from subsidiary	**–**	–	215
Net cash used in investing activities	**(808)**	18	(993)
Cash flows from financing activities			
Repayments of borrowings	**(251)**	(202)	(438)
Dividends paid	**(1,040)**	(839)	(1,203)
Purchase of own shares	**(303)**	–	13
Issue of ordinary share capital	**–**	–	4,481
Net cash used in financing activities	**(1,594)**	(1,041)	2,853
Net (decrease)/increase in cash and cash equivalents	**(445)**	(298)	4,639
Cash and cash equivalents at beginning of period	**7,697**	3,058	3,058
Cash and cash equivalents at end of period	**7,252**	2,760	7,697

Statement of changes in equity

For the six months ended 25 September 2009

6 months ended 26 September 2008

	Share Capital £'000	Share Premium Account £'000	Own Shares £'000	Share based payment reserve £'000	Merger Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2008	2,434	7,024	(877)	104	310	4,263	13,258
Profit and total comprehensive income for the period	–	–	–	–	–	1,488	1,488
Share based payment	–	–	–	36	–	–	36
Dividends	–	–	–	–	–	(839)	(839)
At 26 September 2008	2,434	7,024	(877)	140	310	4,912	13,943

12 months ended 31 March 2009

	Share Capital £'000	Share Premium Account £'000	Own Shares £'000	Share based payment reserve £'000	Merger Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2008	2,434	7,024	(877)	104	310	4,263	13,258
Profit and total comprehensive income for the period	–	–	–	–	–	3,440	3,440
Share capital issued	379	4,102	–	–	–	–	4,481
Share based payment	–	–	–	72	–	–	72
Exercised options re own shares	–	–	13	–	–	–	13
Dividends	–	–	–	–	–	(1,203)	(1,203)
At 31 March 2009	2,813	11,126	(864)	176	310	6,500	20,061

6 months ended 25 September 2009

	Share Capital £'000	Share Premium Account £'000	Own Shares £'000	Share based payment reserve £'000	Merger Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2009	2,813	11,126	(864)	176	310	6,500	20,061
Profit and total comprehensive income for the period	–	–	–	–	–	1,365	1,365
Share based payment	–	–	–	36	–	–	36
Purchase of own shares	–	–	(303)	–	–	–	(303)
Dividends	–	–	–	–	–	(1,040)	(1,040)
At 25 September 2009	2,813	11,126	(1,167)	212	310	6,825	20,119

Notes to the interim report

1. Statutory information

The interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The auditors' review report on the interim financial information for the six months ended 25 September 2009 is set out on page 13.

The financial information for the year ended 31 March 2009 has been derived from the published statutory accounts. A copy of the full accounts for that period, on which the auditors issued an unqualified report that did not contain statements under Section 237 (2) or (3) of the Companies Act 1985, has been delivered to the Registrar of Companies.

These interim financial statements will be posted to all shareholders and are available from the registered office at One Surtees Way, Surtees Business Park, Stockton on Tees, TS18 3HR or from our website at www.brulines.com.

2. Accounting policies

The interim financial information has been prepared on the basis of the recognition and measurement principles of adopted IFRS's as at 25 September 2009 that are effective (or available for early adoption) at 31 March 2010. Based on these adopted IFRS's, the Directors have approved the accounting policies, which they expect to apply when the annual IFRS financial statements are prepared for the year ending 31 March 2010. The Group's accounting policies remain as stated in the Group's full annual accounts for the year ended 31 March 2009 (except for the adoption of IAS 1 Presentation of Financial Statements (revised 2007) and IFRS 8 (Operating Segments).

As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing these interim financial statements and therefore the interim financial information is not in full compliance with International Financial Reporting Standards.

The presentation of these interim financial statements has been changed to that required by the revised IAS1 'Presentation of Financial Statements'. This has resulted in the inclusion of a Consolidated Statement of Comprehensive Income and changes to the formatting of the Consolidated Statement of Changes in Equity.

The adoption of IFRS 8 has changed the segments disclosed in these interim financial statements as segments are based on the internal management reporting information that is regularly reviewed by the Chief Operating decision maker. The adoption of IFRS 8 has resulted in the reportable segments changing from Dispense and Machine Monitoring, Vending and M2M and Forecourt Services to Leisure and Petrol Forecourts. The 25 September 2008 comparative information has been restated in note 3 to reflect the changes in reportable segments arising from the adoption of IFRS 8.

3. Segmental information

For management purposes the Group is currently organised into two operating divisions. These business segments are the basis on which the Group reports its primary segmental information. As the Group's business is entirely conducted within the United Kingdom, there are no geographical business segments and as a result no secondary reporting segmental information is presented.

Corporate strategy is to dominate the leisure and petrol forecourt markets with the services we provide. In terms of leisure this includes Brulines traditional core business around dispense monitoring & i-draught, as well as machine monitoring across our AWP & vending sectors.

The segmental results for the 6 months ended 25 September 2009 are as follows:

	Leisure £'000	Petrol Forecourts £'000	Group £'000
Revenue			
Total revenue	**9,626**	**273**	**9,899**
Result			
Operating profit before exceptional items	**2,215**	**(17)**	**2,198**
Finance costs	**(5)**	**(1)**	**(6)**
Profit before exceptional items	**2,210**	**(18)**	**2,192**
Exceptional items	**(297)**	**–**	**(297)**
Profit after exceptional items	**1,913**	**(18)**	**1,895**
Tax	**(535)**	**5**	**(530)**
Profit attributable to equity shareholders	**1,378**	**(13)**	**1,365**

The segmental results for the 6 months ended 26 September 2008 are as follows:

	Leisure £'000	Petrol Forecourts £'000	Group £'000
Revenue			
Total revenue	8,896	–	8,896
Result			
Operating profit	2,213	–	2,213
Finance costs	(48)	–	(48)
Profit before tax	2,165	–	2,165
Tax	(677)	–	(677)
Profit attributable to equity shareholders	1,488	–	1,488

4. Exceptional items

Exceptional items principally relate to restructuring costs associated with the subsidiary acquisition of Vianet Limited.

5. Tax

The charge for tax is based on the profit for the period and comprises:

	6 months ended 25 Sep 2009 £'000	6 months ended 26 Sep 2008 £'000	Year ended 31 March 2009 £'000
United Kingdom corporation tax	**530**	677	1,236
Deferred tax: net of originating timing differences	**–**	–	(52)
	530	677	1,184

6. Earnings per share

Earnings per share is calculated on the profit after tax of £1.365m (2008 £1.488m) and the average number of shares in issue during the period of 28,128,164 (2008: 24,341,523).

Diluted earnings per share are calculated by taking the earnings as disclosed above and the average number of shares that would be issued on the full exercise of outstanding share options of 29,620,996 (2008: 25,245,012).

7. Joint Ownership Plan

The following awards over shares in the Company were made to the following Executive Directors of the Company on 25 September 2009 as follows:

Director	**Number of Plan shares in which the Director has an interest**
James Dickson	100,000
Mark Foster	100,000
Stewart Darling	100,000
Duncan Noble	100,000

Awards were made by the Company's Remuneration Committee through the Company's employee benefit trust operated by Halifax EES Trustees International Limited. The awards are subject to EPS performance targets and do not vest for three years. No value has been paid on grant of the Plan shares and participants are entitled to growth over the Plan term.

INDEPENDENT REVIEW REPORT TO BRULINES GROUP PLC

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 25 September 2009 which comprises the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement and the statement of changes in shareholders' equity and the related explanatory notes that have been reviewed. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement and the Executive Review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' Responsibilities

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

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

Our Responsibility

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 25 September 2009 is not prepared, in all material respects, in accordance with the basis of accounting described in note 2.

GRANT THORNTON UK LLP
Chartered Accountants
Leeds

1 December 2009

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