

Consolidated profit and loss account

for the half year ended 30 June 2003

	Note	Half year to 30 June 2003 £'000	Half year to 30 June 2002 £'000	Year to 31 December 2002 £'000
Turnover from continuing operations	3	278,730	250,494	510,971
Operating costs		(266,489)	(238,235)	(479,727)
Operating profit				
before exceptional items and amortisation of intangibles	3	14,904	13,826	34,344
Exceptional items		(748)	-	-
Amortisation of intangibles		(1,915)	(1,567)	(3,100)
Operating profit from continuing operations		12,241	12,259	31,244
Net interest payable		(2,071)	(1,822)	(3,914)
Profit on ordinary activities before taxation				
before exceptional items and amortisation of intangibles		12,833	12,004	30,430
Exceptional items		(748)	-	-
Amortisation of intangibles		(1,915)	(1,567)	(3,100)
Profit on ordinary activities before taxation		10,170	10,437	27,330
Tax on profit on ordinary activities		(4,292)	(4,118)	(10,684)
Tax on exceptional items		224	-	-
Taxation	4	(4,068)	(4,118)	(10,684)
Profit on ordinary activities after taxation		6,102	6,319	16,646
Equity minority interests		(1,004)	(256)	(233)
Profit for the period		5,098	6,063	16,413
Dividends proposed	5	(2,245)	(1,970)	(6,284)
Retained profit for the period		2,853	4,093	10,129
Earnings per share	6	7.9p	10.2p	27.5p
Adjusted earnings per share*		11.6p	12.8p	32.7p
Diluted earnings per share	6	7.9p	10.1p	27.3p
Dividend per share	5	3.45p	3.3p	9.9p

*Adjusted earnings per share is calculated before exceptional items and amortisation of intangibles

Consolidated statement of total recognised gains and losses

for the half year ended 30 June 2003

	Half year to 30 June 2003 £'000	Half year to 30 June 2002 £'000	Year to 31 December 2002 £'000
Profit for the period	5,098	6,063	16,413
Currency translation differences on overseas investments	1,083	311	(107)
Total recognised gains and losses	6,181	6,374	16,306

Consolidated balance sheet
as at 30 June 2003

	As at 30 June 2003 £'000	As at 30 June 2002 £'000	As at 31 December 2002 £'000
Fixed assets			
Positive goodwill	66,398	58,467	68,529
Negative goodwill	(142)	(53)	(2,239)
	66,256	58,414	66,290
Other intangible assets	287	337	374
Intangible assets	66,543	58,751	66,664
Tangible assets	83,633	61,626	79,815
Investments	-	1,379	-
	150,176	121,756	146,479
Current assets			
Stocks	17,434	12,141	15,147
Debtors	152,705	124,814	143,897
Cash at bank and in hand	12,340	7,875	16,206
	182,479	144,830	175,250
Creditors: amounts falling due within one year	(154,184)	(129,838)	(141,404)
Net current assets	28,295	14,992	33,846
Total assets less current liabilities	178,471	136,748	180,325
Creditors: amounts falling due after more than one year	(63,235)	(51,878)	(72,341)
Provisions for liabilities and charges	(10,392)	(6,814)	(7,840)
Net assets	104,844	78,056	100,144
Capital and reserves			
Called up share capital	6,507	5,974	6,498
Share premium account	35,374	22,266	35,293
Capital redemption reserve	7,629	7,629	7,629
Profit and loss account	50,430	40,876	46,494
Equity shareholders' funds	99,940	76,745	95,914
Equity minority interests	4,904	1,311	4,230
	104,844	78,056	100,144

Consolidated cash flow statement
for the half year ended 30 June 2003

	Half year to 30 June 2003 £'000	Half year to 30 June 2002 £'000	Year to 31 December 2002 £'000
Net cash inflow from operating activities	9,936	18,331	43,171
Returns on investment and servicing of finance	(2,378)	(2,171)	(4,358)
Taxation	(5,772)	(5,817)	(8,975)
Capital expenditure	(7,489)	(6,319)	(12,700)
Acquisitions and disposals	207	(591)	(32,042)
Equity dividends paid	(4,404)	(3,611)	(5,609)
Net cash (outflow) before use of liquid resources and financing	(9,900)	(178)	(20,513)
Management of liquid resources	369	633	(61)
Financing	(4,980)	(6,641)	31,254
(Decrease)/increase in cash in the period	(14,511)	(6,186)	10,680
Exchange differences on cash balances	570	-	75
(Decrease)/increase in short term bank deposits	(258)	(691)	235
Decrease/(increase) in bank loans	3,676	6,043	(16,553)
Decrease in loan notes	1,451	2,776	1,595
Decrease/(increase) in finance leases	244	(169)	(825)
(Increase)/decrease in net debt	(8,828)	1,773	(4,793)
Opening net debt	(67,995)	(63,202)	(63,202)
Closing net debt	(76,823)	(61,429)	(67,995)
Analysis of closing net debt			
Cash in hand	10,257	6,460	13,865
Bank overdrafts	(12,565)	(11,768)	(2,232)
Net (overdraft)/cash	(2,308)	(5,308)	11,633
Short term bank deposits	2,083	1,415	2,341
Bank loans	(69,871)	(50,951)	(73,547)
Loan notes	(3,852)	(4,122)	(5,303)
Finance leases	(2,875)	(2,463)	(3,119)
Closing net debt	(76,823)	(61,429)	(67,995)

Notes to the interim report:

1. Basis of preparation

This interim report, which is unaudited, was approved by the board of directors on 21 August 2003 and has been prepared following the accounting policies set out in the Group's 2002 Annual Report and Accounts. The figures for the year to 31 December 2002 have been extracted from the 2002 Annual Report and Accounts which received an unqualified auditors' report and which has been filed with the Registrar of Companies.

2. Exchange rates

The exchange rates used in respect of principal currencies are

		Half year to 30 June 2003	Half year to 30 June 2002	Year to 31 December 2002
Euro:	average for period	1.46	1.61	1.59
	period end	1.44	1.55	1.53
US Dollar:	average for period	1.61	1.45	1.50
	period end	1.65	1.53	1.60
Australian Dollar:	average for period	2.62	2.70	2.77
	period end	2.47	2.72	2.84

3. Segmental analysis

Turnover and operating profit may be analysed as follows:

	Half year to 30 June 2003 £'000	Half year to 30 June 2002 £'000	Year to 31 December 2002 £'000
Turnover from continuing operations			
Class of business			
Foundations	198,848	173,839	361,441
Specialist services	79,882	76,655	149,530
	278,730	250,494	510,971
Geographical origin			
United Kingdom	57,142	50,228	106,738
The Americas	130,571	127,505	242,567
Continental Europe and Overseas	78,783	64,014	135,599
Australia	12,234	8,747	26,067
	278,730	250,494	510,971
Operating profit from continuing operations before exceptional items and amortisation of intangibles			
Class of business			
Foundations	13,237	10,767	27,678
Specialist services	3,053	4,233	8,829
	16,290	15,000	36,507
Geographical origin			
United Kingdom	930	1,771	4,323
The Americas	9,104	9,867	22,338
Continental Europe and Overseas	5,447	3,179	8,042
Australia	809	183	1,804
	16,290	15,000	36,507
Unallocated central costs	(1,386)	(1,174)	(2,163)

3. Segmental analysis continued

	Amortisation of intangibles £'000	Exceptional items £'000	Half year to 30 June 2002 £'000	Half year to 30 June 2002 £'000	Year to 31 December 2002 £'000
Exceptional items and amortisation of intangibles					
Class of business					
Foundations	439	330	769	169	292
Specialist services	1,476	418	1,894	1,398	2,808
	1,915	748	2,663	1,567	3,100
Geographical origin					
United Kingdom	252	748	1,000	144	376
The Americas	1,343	-	1,343	1,443	2,802
Continental Europe and Overseas	334	-	334	32	122
Australia	(14)	-	(14)	(52)	(200)
	1,915	748	2,663	1,567	3,100

Exceptional items comprise reorganisation costs in respect of the UK businesses. There were no exceptional items in the prior year.

4. Taxation

Taxation based on the profit on ordinary activities is:

	Half year to 30 June 2003 £'000	Half year to 30 June 2002 £'000	Year to 31 December 2002 £'000
UK corporation tax at 30% (2002:30%)	(861)	87	342
Overseas tax	5,017	3,923	9,555
Deferred tax	(104)	85	1,817
Under/(over) provisions in respect of prior periods	16	23	(1,030)
	4,068	4,118	10,684

5. Dividends proposed and paid

Ordinary dividends on equity shares	2,245	1,970	6,284
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The interim ordinary dividend of 3.45p per share (2002:3.3p) will be paid on 31 October 2003 to shareholders on the register at 3 October 2003.

6. Earnings per share

Earnings per share is calculated as follows:

	2003		2002	
	Basic	Diluted	Basic	Diluted
Profit after tax and minority interests (earnings)	£5,098,000	£5,098,000	£6,063,000	£6,063,000
Earnings before exceptional items and amortisation of intangibles	£7,537,000	£7,537,000	£7,630,000	£7,630,000
	No of shares		No of shares	
Weighted average of ordinary shares in issue	64,807,347	64,807,347	59,456,908	59,456,908
Weighted average of ordinary shares under option	-	1,079,359	-	734,550
Weighted average of own shares held	-	195,044	-	242,596
Number of shares assumed issued (at fair value)	-	(1,160,877)	-	(544,322)
Adjusted weighted average of ordinary shares in issue	64,807,347	64,920,873	59,456,908	59,889,732

Adjusted earnings per share*	11.6p	11.6p	12.8p	12.7p
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*Adjusted earnings per share is calculated before exceptional items and amortisation of intangibles.

7. Reconciliation of movements in shareholders' funds

	As at 30 June 2003 £'000	As at 30 June 2002 £'000	As at 31 December 2002 £'000
Profit for the period	5,098	6,063	16,413
Dividends	(2,245)	(1,970)	(6,284)
Exchange differences	1,083	311	(107)
Issue of new shares*	90	70	13,621
Net addition to shareholders' funds	4,026	4,474	23,643
Shareholders' funds at start of period	95,914	72,271	72,271
Shareholders' funds at end of period	99,940	76,745	95,914

* Shares include share premium