

St Ives plc
Restated Financial Information
for International Financial Reporting Standards

31 January 2006

ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY
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INTRODUCTION

In June 2002 the Council of the European Union announced that listed companies in Europe would be required to adopt International Financial Reporting Standards ('IFRS') for accounting periods beginning on or after 1 January 2005. The first time St Ives plc will be required to prepare its consolidated financial information under IFRS will be for the 26 weeks to 27 January 2006 and for the 52 weeks to 28 July 2006.

This document details the effect of the adoption of IFRS and includes an opening balance sheet at 31 July 2004, interim statements for the 26 weeks to 28 January 2005 and financial statements for the 52 weeks to 29 July 2005, which have all been restated under IFRS. The Group previously reported under UK Generally Accepted Accounting Principles ('UK GAAP').

The IFRS information presented has been prepared on the basis of current interpretations of the standards. These standards are subject to amendment or interpretation by the International Accounting Standards Board and there is an ongoing review and endorsement by the European Commission. As such the information presented and format of that information may be subject to change.

Under UK GAAP, the Group separately disclosed exceptional items on the face of the profit and loss account. However under IFRS exceptional items are not defined but the nature of material items should be disclosed. The Group has opted to show such items on the face on the income statement as previously reported.

This document also details the exemptions taken under IFRS 1: "First-time Adoption of International Financial Reporting Standards" ('IFRS 1') and the Group's accounting policies under IFRS.

Summary of the IFRS impact for the 52 weeks to 29 July 2005

The table below summarises the impact of the IFRS adjustments on the results for the 52 weeks to 29 July 2005:

	*Underlying profit before tax £'000	Restructuring costs and provision releases £'000	Profit before tax £'000	Income tax expense £'000	Net assets/ Total equity £'000
As reported under UK GAAP	39,106	** (27,660)	11,446	(8,666)	214,621
IFRS adjustments:					
Dividends	–	–	–	–	12,517
Employee benefits	(191)	–	(191)	78	(64,450)
Exchange gains/(losses)	(84)	101	17	25	–
Goodwill amortisation	–	2,773	2,773	–	2,773
Goodwill previously written-off	–	6,806	6,806	–	–
Share-based payments	(612)	–	(612)	197	110
Rolled over gains	–	–	–	(409)	(1,234)
As restated under IFRS	38,219	(17,980)	20,239	(8,775)	164,337

* Underlying profit before tax represents profit before tax, restructuring costs and provision releases.

** The UK GAAP amount represents exceptional items and goodwill amortisation.

Deloitte & Touche LLP have audited the restated IFRS opening balance sheet at 31 July 2004 and the financial information for the 52 weeks to 29 July 2005.

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IMPACT OF IFRS ON GROUP RESULTS

Changes to presentation:

IAS 1: "Presentation of Financial Statements" ('IAS 1')

Separately identifiable items

Under IFRS a definition of exceptional items does not exist; however material items should be disclosed separately. As such the restructuring costs provided and any related provision releases previously reported under UK GAAP will continue to be shown separately on the face of the income statement.

Deferred tax

Under IAS 1 deferred tax assets and liabilities must be split by tax group.

Provisions and deferred income

IAS 1 requires provisions and deferred income to be split between current liabilities and non-current liabilities.

Hedging and translation reserve

Exchange differences written-off to reserves under UK GAAP were disclosed in the statement of total recognised gains and losses and included in the profit and loss reserve. Under IFRS they are disclosed in the statement of recognised income and expense and shown in equity in the hedging and translation reserve.

IAS 7: "Cash Flow Statements" ('IAS 7')

IAS 7 defines cash equivalents as 'short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value'. IAS 7 also recognises that bank overdrafts repayable on demand may form an integral part of an entity's cash management and should therefore be included in cash and cash equivalents.

IAS 14: "Segment Reporting" ('IAS 14')

On 30 September 2005 St Ives plc announced changes in Board responsibilities, reflecting the structure under which the Group would be managed. The structure comprises three business segments which are Media Products, Commercial Products and USA. Included in this document are notes disclosing revenue and result by these business segments.

Changes to accounting:

IAS 10: "Events after the Balance Sheet Date" ('IAS 10')

Proposed Dividends

IAS 10 states that dividends declared after the balance sheet date should not be recognised as a liability at that date but recognised in the period in which they are formally approved for payment.

The final proposed dividend for the 52 weeks to 30 July 2004 of £12,491,000 has been reversed in the opening IFRS balance sheet and is recognised in the accounts for the 26 weeks ended 28 January 2005. Similarly the interim dividend proposed for the 26 weeks to 28 January 2005 of £5,147,000 and the final proposed dividend for the 52 weeks ended 29 July 2005 of £12,517,000 have been reversed and will be recognised in the periods to 29 July 2005 and 27 January 2006 respectively.

IAS 12: "Income Taxes" ('IAS 12')

IAS 12 requires deferred tax to be provided on all temporary differences rather than only taxable timing differences.

At 31 July 2004 an un-provided deferred tax liability of £825,000 has been recognised in respect of rolled over gains (net of capital losses).

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IAS 12: "Income Taxes" ('IAS 12') *(continued)*

At 28 January 2005 the deferred tax liability recorded remained unchanged at £825,000 and at 29 July 2005 the deferred tax liability increased to £1,234,000 reflecting a charge in the income statement of £409,000.

Adjustments have also been made to the financial information where deferred tax liabilities and assets can be offset under the provisions of IAS 12.

IAS 19: "Employee Benefits" ('IAS 19')

St Ives Defined Benefit Pension Scheme

IAS 19 requires the net pension liability relating to the defined benefits pension scheme to be recognised on the balance sheet.

Under UK GAAP, the Group accounted for its defined benefits pension schemes under SSAP 24: "Accounting for pension costs" ("SSAP 24") and presented, within the notes to the financial statements, disclosures under FRS 17: "Retirement benefits" ("FRS 17").

Balance Sheet Impact

In the opening IFRS balance sheet at 31 July 2004 the SSAP 24 prepayment of £25,068,000 and its related deferred tax liability of £1,875,000 have been reversed through opening retained earnings. The treatment of the pension deficit is similar under IAS 19 and FRS 17, and any differences are not considered material. As such the deficit of £44,931,000 at 30 July 2004 has been recorded in the opening IFRS balance sheet, along with the related deferred tax asset of £13,479,000. In addition, a deferred tax asset of £5,625,000 has been recognised in respect of £18,750,000 of pension costs which have been paid but for which tax relief had not been obtained at 31 July 2004.

At 28 January 2005 the pension deficit was £58,210,000 and deferred tax asset £22,150,000.

At 30 July 2005 the pension deficit was £66,584,000 and deferred tax asset £23,725,000.

Income Statement Impact

For the 26 weeks to 28 January 2005 the SSAP 24 pension cost of £1,961,000 has been reversed and the IAS 19 current service cost of £1,359,000 has been recognised in administrative expenses on the income statement. The IAS 19 net finance charge of £1,109,000 has also been reflected in the income statement within finance costs. The movement in the deferred tax asset recognised in the income statement is £152,000.

Similarly, for the 52 weeks to 29 July 2005 the SSAP 24 charge of £3,990,000 has been reversed and a current service cost of £2,202,000 (net of £1,200,000 aged-related rebates) and net finance charge of £2,257,000 have been recognised in the income statement. The movement in the deferred tax asset recognised is £161,000.

The Group has opted to account for pension benefits in accordance with the amendment to IAS 19 issued in December 2004 under which all actuarial gains and losses are recognised directly in equity. The actuarial loss recognised for the 26 weeks to 28 January 2005 was £12,772,000 and for the 52 weeks to 29 July 2005 was £21,118,000. The deferred tax recognised on the actuarial losses for each period was £3,832,000 and £6,335,000 respectively.

Holiday Pay

Under UK GAAP the Group provided for holiday pay for some but not all employees, however IAS 19 is more prescriptive. Consequently holiday pay provisions have been calculated for all employees as at 30 July 2004 and an adjustment of £485,000 has been recorded at that date. Additionally, a provision of £120,000 for holiday pay in SP Group has been recorded at 13 September 2004, the date of acquisition, reducing the fair value of assets acquired and therefore increasing goodwill.

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IAS 19: “Employee Benefits” (‘IAS 19’) (continued)

Holiday Pay (continued)

The provision reduced to £255,000 for the 26 weeks to 28 January 2005 resulting in a credit in the income statement, for that period, of £350,000. There was no material movement in the total provision for the 52 weeks to 29 July 2005.

IAS 21: “The Effect of Changes in Foreign Exchange Rates” (‘IAS 21’)

Loans between St Ives plc and its foreign operations

Loans exist between St Ives plc and certain of its foreign operations. All foreign exchange gains and losses on the restatement of these loans were previously written off to reserves under UK GAAP. The majority of the loans meet the definition of ‘net investments in a foreign operation’ under IAS 21, as settlement is neither planned nor likely to occur. The foreign exchange difference on such loans is recognised directly in equity.

The foreign exchange differences on the working capital element of these loans, that was not hedged, must be recognised in the income statement under IFRS. For the 26 weeks to 28 January 2005 a loss of £86,000 has been recognised in the income statement and for the 52 weeks to 29 July 2005 a loss of £84,000 has been recognised.

Disposal of subsidiary

Under IAS 21, any translation differences taken to equity on the retranslation of a foreign operation’s assets and liabilities, and income and expense items, should be recognised in the income statement on the disposal of that operation.

For the 52 weeks to 29 July 2005 a gain of £101,000 has been recognised in the income statement following the disposal of Johler Druck GmbH on 5 April 2005.

IAS 36: “Impairment of Assets” (‘IAS 36’)

Goodwill

Under IFRS, goodwill amortisation is not permitted, instead annual impairment reviews must be carried out. At 31 July 2004 goodwill on the balance sheet and in reserves was frozen.

For the 26 weeks to 28 January 2005 goodwill amortisation of £1,289,000 has been reversed and for the 52 weeks to 29 July 2005 £2,773,000 has been reversed. The impairment tests performed during 2005 have been reworked to reflect IFRS requirements and no impairment charges are required for either period.

IAS 38: “Intangible Assets” (‘IAS 38’)

Computer software

In accordance with IFRS, capitalised computer software, which is not integral to a related item of hardware, has been reclassified from property, plant and equipment to other intangible assets. At 31 July 2004 the net book value of computer software reallocated was £431,000. Similarly computer software reclassified at 28 January 2005 and 29 July 2005 was £714,000 and £649,000 respectively.

IFRS 1: “First-time Adoption of International Financial Reporting Standards” (‘IFRS 1’)

IFRS 1 permits the freezing of goodwill in the balance sheet at the date of transition to IFRS. Goodwill reversed out of reserves under UK GAAP in relation to disposals, has been taken back to equity under IFRS.

In the 52 weeks to 29 July 2005 £5,865,000 has been written back following the disposal of Johler Druck GmbH and £941,000 following the closure of St Ives Bristol Limited.

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IFRS 2: “Share-based Payment” (‘IFRS 2’)

IFRS 2 requires the Group to reflect in its accounts the effects of share-based payment transactions, including expenses associated with transactions in which share options are granted to employees. The options granted by the Group are fair valued at the grant date using a binomial model and charged to the income statement over the vesting period of the options.

IFRS 2 does not affect the total equity on the opening IFRS balance sheet. For the 26 weeks to 28 January 2005 the long-term incentive scheme release of £634,000 under UK GAAP has been reversed in the income statement and a net credit of £327,000 under IFRS 2 has been recognised. Similarly for the 52 weeks to 29 July 2005 the UK GAAP credit of £1,266,000 has been reversed in the income statement and the IFRS credit of £654,000 recognised. There is no impact on the total equity of the Group.

IFRS 3: “Business Combinations” (‘IFRS 3’)

The acquisition of SP Group has been reviewed as it falls within the scope of IFRS 3. As a result of the review no separately identifiable intangible assets have been recognised and the difference between the fair value of the assets acquired and the consideration is entirely goodwill.

IAS 32: “Financial Instruments: Disclosure and Presentation” (‘IAS 32’) and IAS 39: “Financial Instruments: Recognition and Measurement” (‘IAS 39’)

The Group has taken the exemption from providing restated comparative information under IAS 32 and IAS 39. The opening IFRS balance sheet and restated financial information for the 26 weeks to 28 January 2005 and 52 weeks to 29 July 2005 include only financial instruments as previously reported under UK GAAP.

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ACCOUNTING POLICIES

The following provides a summary of St Ives plc's significant accounting policies under IFRS. These policies have been applied to the restated financial information at 31 July 2004, 28 January 2005 and 29 July 2005.

Basis of accounting

IFRS are subject to amendment or interpretation by the International Accounting Standards Board and there is an ongoing process of review and endorsement by the European Commission. For these reasons, it is possible that the restated information for the twenty six weeks to 28 January 2005 and for the 52 weeks to 29 July 2005 may be subject to further change before its inclusion in the Group's 2006 Interim Statement and Annual Report and Accounts, which will contain the Group's first complete financial statements prepared in accordance with IFRS.

IFRS 1 permits those companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. The Group has taken advantage of the following exemptions:

Business combinations

Business combinations that took place prior to 31 July 2004, the date of transition to IFRS, have not been restated.

Goodwill

IAS 21 requires goodwill arising on the acquisition of a foreign business to be retranslated at each period end. The Group has opted not to retranslate such goodwill for acquisitions arising prior to 31 July 2004 but continues to translate it at acquisition rate.

Fair value as deemed cost

The Group has opted to use the previous valuation of tangible fixed assets made under UK GAAP as deemed cost.

Retirement benefits

The deficits and surpluses of the defined benefits pension scheme have been recognised in full on the Group's balance sheet at 31 July 2004. The Group has opted to account for pension benefits under the amendment to IAS 19 issued in December 2004 in which all actuarial gains and losses are recognised in equity. This is similar to the UK GAAP treatment under FRS 17. FRS 17 was not previously adopted but the effects were disclosed in the Annual Report and Accounts.

Cumulative translation differences

Translation differences relating to foreign currency investments in subsidiaries in existence at the transition date are deemed to be zero at the date of transition, and as such the gain or loss on subsequent disposal of any foreign operation excludes translation differences that arose before that date.

Financial instruments

IAS 32 and IAS 39 will be applied from 30 July 2005 and as such the 2005 restated information presented excludes any adjustments required by these standards.

Share-based payments

IFRS 2 is applied to all share-based rewards made after 7 November 2002 that did not vest before 31 July 2004.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary undertakings) for each period. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

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Basis of consolidation *(continued)*

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the results of subsidiaries to align their accounting policies with those of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue

Revenue is measured at the fair value of consideration received or receivable and comprises amounts receivable for goods and services, net of trade discounts, VAT and other sales related taxes. Revenue is recognised in the income statement when the significant risks and rewards of ownership are transferred to the customer, normally on shipment of the product.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Intangible assets

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of the acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities, that satisfy the recognition criteria, of the subsidiary at the date of acquisition. Fair value is finalised within twelve months of the date of acquisition.

Goodwill recognised prior to the date of transition to IFRS is stated at deemed cost, which represents the amount recorded under previous UK GAAP at 31 July 2004. Goodwill recognised subsequent to 31 July 2004 is capitalised. Goodwill is not amortised but reviewed for impairment annually in accordance with the impairment policy set out below.

Goodwill that was eliminated against reserves under UK GAAP prior to 1998 has not been reinstated and will not be included in determining any profit or loss on disposal of subsidiaries.

Computer software

Computer software that is not integral to an item of property, plant or equipment is classified as an intangible asset and is held on the balance sheet at cost. These assets are amortised over their estimated useful lives, which is generally two years.

Other intangible assets

Other intangible assets are recognised only when it is probable that the expected future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. These assets are stated at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods, or for administration purposes is stated in the balance sheet at deemed cost less any accumulated depreciation and impairment losses.

Costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the period in which they are incurred.

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Property, plant and equipment *(continued)*

Assets in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets commences when the assets are ready for their intended use.

Freehold land is not depreciated. Depreciation is charged, other than on freehold land and assets under the course of construction, so as to write-off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	2% – 4%
Leasehold properties	Period of lease
Leasehold improvements	10% – 20%
Plant and machinery	10% – 33 ¹ / ₃ %
Fixtures, fittings and equipment	20% – 33 ¹ / ₃ %
Motor vehicles	20% – 25%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in the income statement.

Impairment of goodwill

Goodwill arising on acquisition is allocated to the group of cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit represents the lowest level at which goodwill is monitored by the Group's board of directors for internal management purposes. The recoverable amount of the group of cash-generating units to which goodwill has been allocated is tested for impairment annually on a consistent date during each financial year, or more frequently when such events or changes in circumstances indicate that it may be impaired.

Any impairment is recognised immediately in the income statement. Impairments of goodwill are not subsequently reversed.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those production overheads that have been incurred in bringing the inventories to their present location and condition. Cost is valued on a first in, first out ('FIFO') basis. Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in selling and distribution.

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Taxation

The tax expense in the income statement comprises tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise on goodwill or from the initial recognition (other than business combinations) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax is not discounted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Government grants

Government grants relating to property, plant and equipment are treated as deferred income and released to the income statement over a period to match the expected useful lives of the assets to which they relate. Grant income is recognised separately from the related expense.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation.

Provisions for repairs

Provisions for repairs are made where the Group is committed under the terms of the lease to make repairs to leasehold property. The provision is made for the estimated cost over the period of the lease.

Provisions for restructuring costs

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

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Foreign currencies

Transactions in foreign currencies other than Sterling are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the exchange rate ruling at that date. Foreign currency differences arising on translation or settlement of monetary items are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and not retranslated each period end. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Sterling at exchange rates ruling at the date the fair value was determined.

On consolidation, the assets and liabilities of the Group's foreign operations are translated to Sterling at the rates prevailing on the balance sheet date. Income and expense items and the cash flows of foreign operations are translated at the average exchange rates for the period, except for individually material items which may be translated at the exchange rate on the date of transaction. Exchange differences arising are classified in equity and transferred to the Group's translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation after 31 July 2004 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Retirement benefits

The Group operates both defined benefit and defined contribution schemes for its employees. Payments to the defined contribution scheme are expensed to the income statement as they fall due.

For the defined benefits pension scheme actuarial valuations are carried out at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the income statement and presented in the statement of recognised income and expense.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service costs, and as reduced by the fair value of the schemes assets. Any asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions to the plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Share-based payments

The Group makes equity-settled share-based payments to certain employees, which are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The fair value of share options issued is measured using a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Leases

Rental costs under operating leases are charged to the income statement in equal annual amounts over the term of the lease.

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated opening IFRS Balance Sheet at 31 July 2004

	UK GAAP in IFRS format £'000	IAS 1 Presentation of Statements £'000	IAS 10 Post Balance Sheet Events £'000	IAS 19 Employee Benefits £'000	IAS 12 Income Taxes £'000	IAS 38 Intangible Assets £'000	IFRS 2 Share- based Payment £'000	Restated for IFRS £'000
ASSETS								
Non-current assets								
Property, plant and equipment	163,165	–	–	–	–	(431)	–	162,734
Goodwill	22,814	–	–	–	–	–	–	22,814
Other intangible assets	–	–	–	–	–	431	–	431
Deferred tax assets	–	995	–	19,344	(9,530)	–	(87)	10,722
Other non-current assets	22,896	–	–	(22,658)	–	–	–	238
	208,875	995	–	(3,314)	(9,530)	–	(87)	196,939
Current assets								
Inventories	11,554	–	–	–	–	–	–	11,554
Trade and other receivables	67,924	–	–	(2,410)	–	–	–	65,514
Cash and cash equivalents	47,455	–	–	–	–	–	–	47,455
	126,933	–	–	(2,410)	–	–	–	124,523
Total assets	335,808	995	–	(5,724)	(9,530)	–	(87)	321,462
EQUITY AND LIABILITIES								
Capital and reserves								
Share capital	10,331	–	–	–	–	–	–	10,331
Other reserves	45,234	–	–	–	–	–	985	46,219
Retained earnings	167,193	–	12,491	(49,583)	(825)	–	(1,072)	128,204
Total equity	222,758	–	12,491	(49,583)	(825)	–	(87)	184,754
Non-current liabilities								
Retirement benefit obligations	–	–	–	45,249	–	–	–	45,249
Deferred tax liabilities	9,624	995	–	(1,875)	(8,705)	–	–	39
Deferred income	706	(398)	–	–	–	–	–	308
Other non-current liabilities	992	–	–	–	–	–	–	992
Long-term provisions	8,895	(6,938)	–	–	–	–	–	1,957
Total non-current liabilities	20,217	(6,341)	–	43,374	(8,705)	–	–	48,545
Current liabilities								
Trade and other payables	65,358	–	(12,491)	485	–	–	–	53,352
Short-term borrowings	21,449	–	–	–	–	–	–	21,449
Current tax payable	6,026	–	–	–	–	–	–	6,026
Deferred income	–	398	–	–	–	–	–	398
Short-term provisions	–	6,938	–	–	–	–	–	6,938
Total current liabilities	92,833	7,336	(12,491)	485	–	–	–	88,163

Total liabilities	113,050	995	(12,491)	43,859	(8,705)	–	–	136,708
Total equity and liabilities	335,808	995	–	(5,724)	(9,530)	–	(87)	321,462

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Income Statement for the twenty six weeks ended 28 January 2005

	UK GAAP in IFRS format						Restated for IFRS			
	Before exceptional items and goodwill amortisation £'000	Exceptional items and goodwill amortisation £'000	Total £'000	*IAS 19 Employee Benefits £'000	IAS 21 Foreign Exchange £'000	IAS 36 Goodwill Amortisation £'000	IFRS 2 Share-based Payment £'000	Before restructuring costs and provision releases £'000	Restructuring costs and provision releases £'000	Tot £'000
Revenue (note 1)										
Existing activities	195,550	–	195,550	–	–	–	–	195,550	–	195,55
Acquired activities	15,265	–	15,265	–	–	–	–	15,265	–	15,26
	210,815	–	210,815	–	–	–	–	210,815	–	210,81
Cost of sales	(155,785)	354	(155,431)	–	–	–	–	(155,785)	354	(155,43
Gross profit	55,030	354	55,384	–	–	–	–	55,030	354	55,38
Sales and distribution costs	(12,655)	–	(12,655)	–	–	–	–	(12,655)	–	(12,65
Administrative expenses	(23,262)	(676)	(23,938)	952	(86)	1,289	(307)	(22,703)	613	(22,09
Other operating income										
Profit on disposal of fixed assets	–	626	626	–	–	–	–	–	626	62
Other income	310	56	366	–	–	–	–	310	56	36
	310	682	992	–	–	–	–	310	682	99
Profit from operations (note 1)										
Existing activities	17,507	942	18,449	898	(86)	707	(307)	18,012	1,649	19,66
Acquired activities	1,916	(582)	1,334	54	–	582	–	1,970	–	1,97
	19,423	360	19,783	952	(86)	1,289	(307)	19,982	1,649	21,63
Investment income	373	–	373	3,816	–	–	–	4,189	–	4,18
Finance costs	(322)	–	(322)	(4,932)	–	–	–	(5,254)	–	(5,25
Profit before taxation	19,474	360	19,834	(164)	(86)	1,289	(307)	18,917	1,649	20,56
Income tax expense	(6,524)	16	(6,508)	49	26	–	7	(6,442)	16	(6,42
Profit for the										

period (note 1)	12,950	376	13,326	(115)	(60)	1,289	(300)	12,475	1,665	14,14
Basic EPS			12.96							13.7
Diluted EPS			12.95							13.7

* IAS 19 costs include interest income of £24,000, finance costs of £31,000 and tax charge of £4,000 which related to the DisplayCraft pension scheme.
This scheme was closed for future benefit accrual on 9 August 2004 and the assets and liabilities were transferred to the St Ives Pension Scheme on 15 June 2005.

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Balance Sheet at 28 January 2005

	UK GAAP in IFRS format £'000	IAS 1 Presentation of Statements £'000	IAS 10 Post Balance Sheet Events £'000	IAS 19 Employee Benefits £'000	IAS 12 Income Taxes £'000	IAS 21 Foreign Exchange £'000	IAS 36 Goodwill Amortisation £'000	IAS 38 Intangible Assets £'000	IFRS 2 Share- based Payment £'000	Restated for IFRS £'000
ASSETS										
Non-current assets										
Property, plant and equipment	161,089	–	–	–	–	–	–	(714)	–	160,375
Goodwill	52,331	–	–	84	–	–	1,289	–	–	53,704
Other intangible assets	1	–	–	–	–	–	–	714	–	715
Deferred tax assets	–	988	–	22,317	(8,669)	–	–	–	(80)	14,556
Other non-current assets	22,892	–	–	(22,658)	–	–	–	–	–	234
	<u>236,313</u>	<u>988</u>	<u>–</u>	<u>(257)</u>	<u>(8,669)</u>	<u>–</u>	<u>1,289</u>	<u>–</u>	<u>(80)</u>	<u>229,584</u>
Current assets										
Inventories	15,514	–	–	–	–	–	–	–	–	15,514
Trade and other receivables	79,661	–	–	(2,410)	–	–	–	–	–	77,251
Cash and cash equivalents (note 3)	10,242	–	–	–	–	–	–	–	–	10,242
	<u>105,417</u>	<u>–</u>	<u>–</u>	<u>(2,410)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>103,007</u>
Total assets	<u>341,730</u>	<u>988</u>	<u>–</u>	<u>(2,667)</u>	<u>(8,669)</u>	<u>–</u>	<u>1,289</u>	<u>–</u>	<u>(80)</u>	<u>332,591</u>
EQUITY AND LIABILITIES										
Capital and reserves										
Share capital	10,344	–	–	–	–	–	–	–	–	10,344
Other reserves	45,650	15	–	–	–	60	–	–	658	46,383
Retained earnings	174,745	(15)	5,147	(58,624)	(825)	(60)	1,289	–	(738)	120,919
Total equity	<u>230,739</u>	<u>–</u>	<u>5,147</u>	<u>(58,624)</u>	<u>(825)</u>	<u>–</u>	<u>1,289</u>	<u>–</u>	<u>(80)</u>	<u>177,646</u>
Non-current liabilities										
Retirement benefit obligations	–	–	–	58,515	–	–	–	–	–	58,515
Deferred tax liabilities	9,710	988	–	(2,813)	(7,844)	–	–	–	–	41
Deferred income	506	(248)	–	–	–	–	–	–	–	258
Other non-										

current liabilities	729	-	-	-	-	-	-	-	-	729
Long-term provisions	4,179	(2,282)	-	-	-	-	-	-	-	1,897
Total non-current liabilities	15,124	(1,542)	-	55,702	(7,844)	-	-	-	-	61,440
Current liabilities										
Trade and other payables	63,640	-	(5,147)	255	-	-	-	-	-	58,748
Short-term borrowings (note 3)	24,259	-	-	-	-	-	-	-	-	24,259
Current tax payable	7,968	-	-	-	-	-	-	-	-	7,968
Deferred income	-	248	-	-	-	-	-	-	-	248
Short-term provisions	-	2,282	-	-	-	-	-	-	-	2,282
Total current liabilities	95,867	2,530	(5,147)	255	-	-	-	-	-	93,505
Total liabilities	110,991	988	(5,147)	55,957	(7,844)	-	-	-	-	154,945
Total equity and liabilities	341,730	988	-	(2,667)	(8,669)	-	1,289	-	(80)	332,591

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Y 2006**Consolidated Cash Flow Statement for the twenty six weeks ended 28 January 2005**

	UK GAAP in IFRS format £'000	IAS 38 Intangible Assets £'000	Restated for IFRS £'000
Operating activities			
Cash generated from operations (note 2)	17,935	–	17,935
Interest paid	(388)	–	(388)
Income taxes paid	(4,703)	–	(4,703)
Net cash from operating activities	12,844	–	12,844
Investing activities			
Acquisition of subsidiary	(29,742)	–	(29,742)
Purchase of property, plant and equipment	(12,787)	240	(12,547)
Purchase of other intangibles	–	(240)	(240)
Proceeds on disposal of property, plant and equipment	4,352	–	4,352
Interest received	374	–	374
Net cash used in investing activities	(37,803)	–	(37,803)
Financing activities			
Proceeds from issue of share capital	429	–	429
Dividends paid	(12,499)	–	(12,499)
Net cash used in financing activities	(12,070)	–	(12,070)
Net decrease in cash and cash equivalents	(37,029)	–	(37,029)
Cash and cash equivalents at beginning of period (note 3)	47,455	–	47,455
Effect of foreign exchange rate changes	(184)	–	(184)
Cash and cash equivalents at end of period (note 3)	10,242	–	10,242

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY
Y 2006

**Consolidated Statement of Recognised Income and Expense for the twenty six weeks ended 28 January
2005**

	UK GAAP in IFRS format £'000	IFRS Adjustments £'000	Restated for IFRS £'000
Exchange differences on translating foreign operations	15	60	75
Actuarial losses on defined benefit pension schemes (net of deferred tax)*	–	(8,926)	(8,926)
Net income/(expense) recognised directly in equity	15	(8,866)	(8,851)
Profit for the period	13,326	814	14,140
Total recognised income and expense for the period	13,341	(8,052)	5,289

* Actuarial losses includes £14,000 gain which related to the DisplayCraft pension scheme.

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Movement in Equity for the twenty six weeks to 28 January 2005

	Other reserves						Retained earnings £'000	Total £'000
	Share capital £'000	Share premium £'000	ESOP reserve £'000	Capital redemption reserve £'000	Share option reserve £'000	Hedging and translation reserve £'000		
UK GAAP in IFRS format at 30 July 2004	10,331	45,909	(1,913)	1,238	–	–	167,193	222,758
IFRS adjustments	–	–	–	–	985	–	(38,989)	(38,004)
As restated	10,331	45,909	(1,913)	1,238	985	–	128,204	184,754
Exchange adjustments	–	–	–	–	–	75	–	75
Net profit	–	–	–	–	–	–	14,140	14,140
New shares issued	13	416	–	–	–	–	–	429
Recognition of share-based payments	–	–	–	–	(327)	–	–	(327)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	–	(8,926)	(8,926)
Dividends	–	–	–	–	–	–	(12,499)	(12,499)
At 28 January 2005	10,344	46,325	(1,913)	1,238	658	75	120,919	177,646

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Notes to the financial information for the twenty six weeks to 28 January 2005

1. Segment Reporting

(a) Business segments

	Media Products £'000	Commercial Products £'000	USA £'000	Elimination £'000	Consolidation £'000
Revenue					
External sales	106,314	69,765	34,736	–	210,815
Inter-segment sales	351	1,035	105	(1,491)	–
Total revenue	106,665	70,800	34,841	(1,491)	210,815
Result					
Segment result	14,434	1,923	3,486	–	19,843
Add back restructuring costs and provision releases	21	18	(1,062)	–	(1,023)
Segment result before restructuring costs and provision releases	14,455	1,941	2,424	–	18,820
Unallocated corporate income					1,162
Operating profit before restructuring costs and provision releases					19,982
Restructuring costs and provision releases					1,649
Profit from operations					21,631
Investment income					4,189
Finance costs					(5,254)
Income tax expense					(6,426)
Profit from ordinary activities					14,140

(b) Geographical segments

	United Kingdom £'000	*United States of America £'000	Rest of the World £'000	Total £'000
Revenue	149,039	43,207	18,569	210,815
Result				
Segment result	17,714	3,251	666	21,631
Add back restructuring costs and provision releases	(587)	(1,062)	–	(1,649)
Segment result before restructuring costs and provision releases	17,127	2,189	666	19,982

* The geographical segment United States of America includes Financial Inc, which is included in commercial products, and the USA business segment.

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY
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2. Reconciliation of Group profit to cash inflow from operating activities for the twenty six weeks to 28 January 2005

	UK GAAP in IFRS format £'000	IAS 19 Employee Benefits £'000	IAS 21 Foreign Exchange £'000	IAS 36 Goodwill Amortisation £'000	IFRS 2 Share- based Payment £'000	Restated for IFRS £'000
Profit from operations	19,783	952	(86)	1,289	(307)	21,631
Adjustments for:						
Depreciation of property, plant and equipment	14,989	–	–	–	–	14,989
Amortisation of goodwill	1,289	–	–	(1,289)	–	–
Gain on disposal of property, plant and equipment	(992)	–	–	–	–	(992)
Foreign exchange gains and losses	–	–	86	–	–	86
Deferred income	(200)	–	–	–	–	(200)
Share-based payment credit	(634)	–	–	–	307	(327)
Decrease in provisions	(3,886)	–	–	–	–	(3,886)
Operating cash flows before movements in working capital	30,349	952	–	–	–	31,301
Increase in inventories	(3,285)	–	–	–	–	(3,285)
Increase in receivables	(4,771)	–	–	–	–	(4,771)
Decrease in payables	(4,358)	(952)	–	–	–	(5,310)
Cash generated from operations	17,935	–	–	–	–	17,935

3. Movement in net debt for the twenty six weeks to 28 January 2005

	31 July 2004 £'000	Cash flow £'000	Acquisitions excluding cash and cash equivalents £'000	Exchange movements £'000	28 January 2005 £'000
Cash and cash equivalents	47,455	(37,029)	–	(184)	10,242
Debt due within one year	(21,449)	–	(3,450)	640	(24,259)
	26,006	(37,029)	(3,450)	456	(14,017)

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Income Statement for the fifty two weeks ended 29 July 2005

	UK GAAP in IFRS format									Restated	
	Before exceptional items and goodwill amortisation £'000	Exceptional items and goodwill amortisation £'000	Total £'000	IAS 12 Income Taxes £'000	IAS 19 Employee Benefits £'000	IAS 21 Foreign Exchange £'000	IAS 36 Goodwill Amortisation £'000	IFRS 1 Goodwill Write-off £'000	IFRS 2 Share-based Payment £'000	Before restructuring costs and provision releases £'000	Restructuring cc pr r
Revenue (note 1)											
Existing activities	384,203	–	384,203	–	–	–	–	–	–	384,203	
Acquired activities	35,274	–	35,274	–	–	–	–	–	–	35,274	
	419,477	–	419,477	–	–	–	–	–	–	419,477	
Cost of sales	(308,824)	(6,837)	(315,661)	–	–	–	–	–	–	(308,824)	
Gross profit	110,653	(6,837)	103,816	–	–	–	–	–	–	110,653	
Sales and distribution costs	(28,494)	(843)	(29,337)	–	–	–	–	–	–	(28,494)	
Administrative expenses	(43,440)	(6,577)	(50,017)	–	2,078	(84)	2,773	941	(612)	(42,058)	
Other operating income											
Profit on disposal of fixed assets	–	626	626	–	–	–	–	–	–	–	
Other income	576	72	648	–	–	–	–	–	–	576	
	576	698	1,274	–	–	–	–	–	–	576	
Profit from operations (note 1)											
Existing activities	35,142	(11,613)	23,529	–	2,078	(84)	1,413	941	(612)	36,524	
Acquired activities	4,153	(1,946)	2,207	–	–	–	1,360	–	–	4,153	
	39,295	(13,559)	25,736	–	2,078	(84)	2,773	941	(612)	40,677	
Loss on disposal of subsidiary	–	(14,101)	(14,101)	–	–	101	–	5,865	–	–	
Investment income	574	–	574	–	7,762	–	–	–	–	8,336	
Finance costs	(763)	–	(763)	–	(10,031)	–	–	–	–	(10,794)	
Profit before taxation	39,106	(27,660)	11,446	–	(191)	17	2,773	6,806	(612)	38,219	(1
Income tax expense	(13,072)	4,406	(8,666)	(409)	78	25	–	–	197	(12,772)	

Profit for the period (note 1)	26,034	(23,254)	2,780	(409)	(113)	42	2,773	6,806	(415)	25,447	(1
Basic EPS			2.70								
Diluted EPS			2.70								

* IAS 19 costs include administrative expenses of £290,000 credit, interest income of £43,000, finance costs of £55,000 and tax charge of £95,000 which related to the DisplayCraft pension scheme. This scheme was closed for future benefit accrual on 9 August 2004 and the assets and liabilities were transferred to the St Ives Pension Scheme on 15 June 2005.

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Balance Sheet at 29 July 2005

	UK GAAP in IFRS format £'000	IAS 1 Presentation of Statements £'000	IAS 10 Post Balance Sheet Events £'000	IAS 19 Employee Benefits £'000	IAS 12 Income Taxes £'000	IAS 21 Foreign Exchange £'000	IAS 36 Goodwill Amortisation £'000	IAS 38 Intangible Assets £'000	IFRS 2 Share- based Payment £'000	Restated for IFRS £'000
ASSETS										
Non-current assets										
Property, plant and equipment	159,557	–	–	–	–	–	–	(649)	–	158,908
Goodwill	51,089	–	–	84	–	–	2,773	–	–	53,946
Intangible assets	–	–	–	–	–	–	–	649	–	649
Deferred tax asset	–	784	–	23,906	(8,627)	–	–	–	110	16,173
Other non-current assets	22,938	–	–	(22,798)	–	–	–	–	–	140
	<u>233,584</u>	<u>784</u>	<u>–</u>	<u>1,192</u>	<u>(8,627)</u>	<u>–</u>	<u>2,773</u>	<u>–</u>	<u>110</u>	<u>229,816</u>
Current assets										
Inventories	13,344	–	–	–	–	–	–	–	–	13,344
Trade and other receivables	79,965	–	–	(2,203)	–	–	–	–	–	77,762
Cash and cash equivalents (note 3)	5,594	–	–	–	–	–	–	–	–	5,594
	<u>98,903</u>	<u>–</u>	<u>–</u>	<u>(2,203)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>96,700</u>
Total assets	<u>332,487</u>	<u>784</u>	<u>–</u>	<u>(1,011)</u>	<u>(8,627)</u>	<u>–</u>	<u>2,773</u>	<u>–</u>	<u>110</u>	<u>326,516</u>
EQUITY AND LIABILITIES										
Capital and reserves										
Share capital	10,349	–	–	–	–	–	–	–	–	10,349
Other reserves	45,822	612	–	–	–	(42)	–	–	331	46,723
Retained earnings	158,450	(612)	12,517	(64,450)	(1,234)	42	2,773	–	(221)	107,265
Total equity	<u>214,621</u>	<u>–</u>	<u>12,517</u>	<u>(64,450)</u>	<u>(1,234)</u>	<u>–</u>	<u>2,773</u>	<u>–</u>	<u>110</u>	<u>164,337</u>
Non-current liabilities										
Retirement benefit obligations	–	–	–	66,584	–	–	–	–	–	66,584
Deferred tax	–	–	–	–	–	–	–	–	–	–

liabilities	10,405	784	–	(3,750)	(7,393)	–	–	–	–	46
Deferred income	308	(102)	–	–	–	–	–	–	–	206
Other non-current liabilities	947	–	–	–	–	–	–	–	–	947
Long-term provisions	5,177	(3,659)	–	–	–	–	–	–	–	1,518
Total non-current liabilities	16,837	(2,977)	–	62,834	(7,393)	–	–	–	–	69,301
Current liabilities										
Trade and other payables	66,320	–	(12,517)	605	–	–	–	–	–	54,408
Short-term borrowings (note 3)	29,086	–	–	–	–	–	–	–	–	29,086
Current tax payable	5,623	–	–	–	–	–	–	–	–	5,623
Deferred income	–	102	–	–	–	–	–	–	–	102
Short-term provisions	–	3,659	–	–	–	–	–	–	–	3,659
Total current liabilities	101,029	3,761	(12,517)	605	–	–	–	–	–	92,878
Total liabilities	117,866	784	(12,517)	63,439	(7,393)	–	–	–	–	162,179
Total equity and liabilities	332,487	784	–	(1,011)	(8,627)	–	2,773	–	110	326,516

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Cash Flow Statement for the fifty two weeks ended 29 July 2005

	UK GAAP in IFRS format £'000	IAS 38 Intangible Assets £'000	Restated for IFRS £'000
Operating activities			
Cash generated from operations (note 2)	41,788	–	41,788
Interest paid	(711)	–	(711)
Income taxes paid	(8,882)	–	(8,882)
	<hr/>	<hr/>	<hr/>
Net cash from operating activities	32,195	–	32,195
Investing activities			
Acquisition of subsidiary	(31,099)	–	(31,099)
Purchase of property, plant and equipment	(33,571)	379	(33,192)
Purchase of other intangibles	–	(379)	(379)
Proceeds on disposal of property, plant and equipment	5,374	–	5,374
Disposal of subsidiary	685	–	685
Interest received	574	–	574
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(58,037)	–	(58,037)
Financing activities			
Proceeds from issue of share capital	606	–	606
Loan notes redeemed	(3,449)	–	(3,449)
Dividends paid	(17,648)	–	(17,648)
Increase in bank overdrafts	4,344	–	4,344
	<hr/>	<hr/>	<hr/>
Net cash used in financing activities	(16,147)	–	(16,147)
Net decrease in cash and cash equivalents	(41,989)	–	(41,989)
Cash and cash equivalents at beginning of period (note 3)	47,455	–	47,455
Effect of foreign exchange rate changes	128	–	128
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period (note 3)	5,594	–	5,594

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Statement of Recognised Income and Expense for the fifty two weeks ended 29 July 2005

	UK GAAP in IFRS format £'000	IFRS Adjustments £'000	Restated for IFRS £'000
Exchange differences on translating foreign operations	612	59	671
Actuarial losses on defined benefit pension schemes (net of deferred tax)*	–	(14,755)	(14,755)
Net income/(expense) recognised directly in equity	612	(14,696)	(14,084)
Transfer to profit and loss from equity of exchange differences on disposal of foreign operation	–	(101)	(101)
Profit for the period	2,780	8,684	11,464
Total recognised income and expense for the period	3,392	(6,113)	(2,721)

* Actuarial losses includes £28,000 gain which related to the DisplayCraft pension scheme.

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Consolidated Movement in Equity for the fifty two weeks to 29 July 2005

	Other reserves						Retained earnings £'000	Total £'000
	Share capital £'000	Share premium £'000	ESOP reserve £'000	Capital redemption reserve £'000	Share option reserve £'000	Hedging and translation reserve £'000		
UK GAAP in IFRS format at 30 July 2004	10,331	45,909	(1,913)	1,238	–	–	167,193	222,758
IFRS adjustments	–	–	–	–	985	–	(38,989)	(38,004)
As restated	10,331	45,909	(1,913)	1,238	985	–	128,204	184,754
Exchange adjustments	–	–	–	–	–	671	–	671
Net profit	–	–	–	–	–	–	11,464	11,464
New shares issued	18	588	–	–	–	–	–	606
Recognition of share-based payments	–	–	–	–	(654)	–	–	(654)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	–	(14,755)	(14,755)
Transfer to profit and loss from equity of exchange differences on disposal of foreign operation	–	–	–	–	–	(101)	–	(101)
Dividends	–	–	–	–	–	–	(17,648)	(17,648)
At 29 July 2005	10,349	46,497	(1,913)	1,238	331	570	107,265	164,337

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ST IVES PLC RESTATED FINANCIAL INFORMATION FOR IFRS JANUARY 2006

Notes to the financial information for the fifty two weeks to 29 July 2005

1. Segment Reporting
(a) Business segments

	Media Products £'000	Commercial Products £'000	USA £'000	Elimination £'000	Consolidation £'000
Revenue					
External sales	204,598	147,870	67,009	–	419,477
Inter-segment sales	821	2,346	198	(3,365)	–
Total revenue	205,419	150,216	67,207	(3,365)	419,477
Result					
Segment result	21,432	3,612	5,158	–	30,202
Add back restructuring costs and provision releases	7,238	3,067	(1,674)	–	8,631
Segment result before restructuring costs and provision releases	28,670	6,679	3,484	–	38,833
Unallocated corporate income					1,844
Operating profit before restructuring costs and provision releases					40,677
Restructuring costs and provision releases					(9,845)
Profit from operations					30,832
Disposal of subsidiary					(8,135)
Investment income					8,336
Finance costs					(10,794)
Income tax expense					(8,775)
Profit from ordinary activities					11,464

(b) Geographical segments

	United Kingdom £'000	*United States of America £'000	Rest of the World £'000	Total £'000
Revenue	307,421	84,282	27,774	419,477
Result				
Segment result	24,211	5,492	1,129	30,832
Add back restructuring costs and provision releases	11,803	(1,958)	–	9,845
Segment result before restructuring costs and provision releases	36,014	3,534	1,129	40,677

* The geographical segment United States of America includes Financial Inc, which is included in commercial products, and the USA business segment.

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2. Reconciliation of Group profit to cash inflow from operating activities for the fifty two weeks to 29 July 2005

	UK GAAP in IFRS format £'000	IAS 19 Employee Benefits £'000	IAS 21 Foreign Exchange £'000	IAS 36 Goodwill Amortisation £'000	IFRS 1 Goodwill Write-off £'000	IFRS 2 Share- based Payment £'000	Restated for IFRS £'000
Profit from operations	25,736	2,078	(84)	2,773	941	(612)	30,832
Adjustments for:							
Depreciation of property, plant and equipment	29,701	–	–	–	–	–	29,701
Impairment of fixed assets	3,278	–	–	–	–	–	3,278
Amortisation of goodwill	2,773	–	–	(2,773)	–	–	–
Goodwill written-off	941	–	–	–	(941)	–	–
Gain on disposal of property, plant and equipment	(1,274)	–	–	–	–	–	(1,274)
Foreign exchange gains and losses	–	–	84	–	–	–	84
Deferred income	(398)	–	–	–	–	–	(398)
Share-based payment credit	(1,266)	–	–	–	–	612	(654)
Decrease in provisions	(3,839)	–	–	–	–	–	(3,839)
Operating cash flows before movements in working capital	55,652	2,078	–	–	–	–	57,730
Increase in inventories	(1,568)	–	–	–	–	–	(1,568)
Increase in receivables	(6,142)	–	–	–	–	–	(6,142)
Decrease in payables	(6,154)	(2,078)	–	–	–	–	(8,232)
Cash generated from operations	41,788	–	–	–	–	–	41,788

3. Movement in net debt for the fifty two weeks to 29 July 2005

	31 July 2004 £'000	Cash flow £'000	Acquisitions excluding cash and cash equivalents £'000	Exchange movements £'000	29 July 2005 £'000
Cash and cash equivalents	47,455	(41,989)	–	128	5,594
Bank overdrafts	–	(4,344)	–	(42)	(4,386)
Debt due within one year	(21,449)	3,449	(6,016)	(684)	(24,700)
	26,006	(42,884)	(6,016)	(598)	(23,492)