

Reconciliations of earnings from UK GAAP to IFRS

Reconciliation of earnings under UK GAAP to IFRS for the year ended 3 March 2005

	Turnover	Operating Profit	Interest	Income from Joint Ventures & Associates	Tax	Profit after Tax	Minority Interest	Equity Holders of the Parent
	£m	£m	£m	£m	£m	£m	£m	£m
As reported under UK GAAP	1,912.9	275.9	(64.3)	37.8	(72.5)	176.9	(0.3)	176.6
Depreciation adjustment of held for sale assets	-	1.0	-	-	-	1.0	-	1.0
Pension accounting adjustments	-	(6.5)	(11.0)	-	5.3	(12.2)	-	(12.2)
IFRS tax adjustments	-	-	-	-	(1.7)	(1.7)	-	(1.7)
Share-based payments adjustment	-	(3.3)	-	-	1.4	(1.9)	-	(1.9)
Restatement of joint ventures & associates	-	-	1.2	(15.3)	12.9	(1.2)	-	(1.2)
Cessation of goodwill	-	7.3	-	-	-	7.3	-	7.3
Restated reporting under IFRS	1,912.9	274.4	(74.1)	22.5	(54.6)	168.2	(0.3)	167.9

Reconciliations of earnings from UK GAAP to IFRS (unaudited)

Reconciliation of earnings under UK GAAP to IFRS for the 6 months ended 2 September 2004

	Revenue	Operating Profit	Interest	Income from Joint Ventures & Associates	Tax	Profit after Tax	Minority Interest	Equity Holders of the Parent
	£m	£m	£m	£m	£m	£m	£m	£m
As reported under UK GAAP	938.4	151.8	(25.7)	21.0	(46.7)	100.4	(0.2)	100.2
1. Depreciation adjustment of held for sale assets	-	0.1	-	-	-	0.1	-	0.1
2. Pension accounting adjustments	-	(3.0)	(5.5)	-	2.6	(5.9)	-	(5.9)
3. IFRS tax adjustments	-	-	-	-	(0.7)	(0.7)	-	(0.7)
4. Share-based payments adjustment	-	(1.7)	-	-	0.9	(0.8)	-	(0.8)
5. Restatement of joint ventures & associates	-	(0.1)	0.6	(7.8)	6.7	(0.6)	-	(0.6)
6. Cessation of goodwill	-	3.7	-	-	-	3.7	-	3.7
7. Holiday pay accrual	-	(6.0)	-	-	-	(6.0)	-	(6.0)
Restated reporting under IFRS	938.4	144.8	(30.6)	13.2	(37.2)	90.2	(0.2)	90.0

1. Depreciation of assets held for sale

At September 2004 £0.1m of depreciation was added back under IFRS, relating to a small number of restaurant properties. At the balance sheet date £0.2m of properties were classified as held for sale.

2. Pension accounting adjustments

IAS 19 'Employee Benefits' requires recognition of the operating and finance costs of defined benefit plans in the income statement, resulting in an additional charge of £8.5m before tax during the period.

3. IFRS tax adjustments

The £0.7m tax adjustment relates to the creation of deferred tax liabilities that are not allowed under UK GAAP. These are principally in relation to capital gains that have been subject to rollover relief and revaluation gains on properties, revalued prior to 1999/2000.

4. Share based payment adjustments

The scope of IFRS 2 'Share Based Payments' is wider than UK GAAP as it relates to all share based payment transactions including SAYE, which are exempted under UK GAAP which has resulted in an additional charge of £1.7m before tax.

5. Restatement of joint ventures and associates

The restatement of joint ventures and associates mainly involves restating for profit and loss items recognised on a line-by-line basis under UK GAAP to a single line for joint venture income and a single line for associate income under IFRS. The £0.6m additional charge is the result of accounting for the defined benefit pension scheme of Britannia Soft Drinks Limited under IAS 19.

6. Cessation of goodwill

Goodwill amortised under UK GAAP during the period amounted to £3.7m, this is written back under IFRS as goodwill is tested annually for impairment rather than amortised over its estimated life. Of this £3.5m related to Marriott goodwill with the remaining £0.2m relating to David Lloyd Leisure.

7. Holiday pay accrual

The Group's holiday year runs concurrent with its financial year, and at half-year employees can carry forward any unused holiday into the second half of the year, hence an accrual is required under IAS 19. Any holiday not taken by the end of February cannot be carried forward into the new financial year and so an accrual is not necessary at year-end.