

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months to 30 06 2006	Unaudited 6 months to 30 06 2005	Audited 12 Months to 31 12 2005
	£'000	£'000	£'000
<b>Balance at start of period</b>	22,590	20,318	20,318
Profit for period	2,699	2,450	5,710
Interim dividend paid	-	-	(1,398)
Prior year final dividend paid	(2,796)	(2,663)	(2,663)
Actuarial gains/(losses) on defined benefit pension scheme.	1,893	(33)	(538)
Corporation tax provision on pension benefits.	(568)	9	161
Shares issued on acquisition	-	17	17
Premium on shares issued	-	983	983
<b>Balance at end of period</b>	23,818	21,081	22,590

### Notes to the interim financial statements

#### 1. Accounting policy

The accounts have been prepared using accounting policies consistent with those adopted for the year ended 31<sup>st</sup> December 2005. The results for the half year are unaudited.

#### 2. Earnings per share

Earnings per share are calculated on the basis of the weighted average of 39,947,889 ordinary shares in issue. (2005: 39,928,297 and profit attributable to shareholders of £2,699,000 (2005: £2,450,000)).

#### 3. Interim Dividend

An interim dividend of 3.675p per share (2005 : 3.50p) was approved by the board on 17<sup>th</sup> August 2006 and has not been included as a liability at 30 June 2006. This dividend will be payable on 20<sup>th</sup> September 2006 to shareholders on the register on 1<sup>st</sup> September 2006. The shares will go ex-dividend on 30<sup>th</sup> August 2006.

#### 4. Pension commitments

The present value of the defined benefit pension scheme, the related past and current service costs were measured using the project unit credit method. The amount included in the balance sheet arising from the group's obligations in respect of its defined benefit retirement scheme is as follows:

	June 2006	June 2005	Dec 2005
	£,000	£,000	£,000
Present value of defined benefit obligations	21,102	19,271	21,904
Fair values of assets	<u>16,810</u>	<u>13,721</u>	<u>15,784</u>
Deficit in scheme	4,292	5,550	6,120
Related deferred tax asset	<u>1,288</u>	<u>1,665</u>	<u>1,836</u>
Liability recognised in the balance sheet	<u>3,004</u>	<u>3,885</u>	<u>4,284</u>
The key assumptions used:			
Rate of increase in salaries	4.10%	4.40%	3.90%
Rate of increase in pensions in payment	2.70%	2.60%	2.60%
Discount rate	5.20%	5.30%	4.70%
Inflation assumption	3.10%	2.90%	2.90%
Expected return on scheme assets	<u>6.80%</u>	<u>7.00%</u>	<u>6.20%</u>

5.

**Reconciliation of Operating Profit to Net Cash from Operating Activities:-**

	<b>Unaudited 6 Months Ended 30 06 2006</b>	<b>Unaudited 6 Months Ended 30 06 2005</b>	<b>Audited Year Ended 31 12 2005</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Profit from Operations	4,097	3,628	8,599
Depreciation Charges	478	418	905
Increase in Provisions	45	(5)	11
Profit on Sale of Fixed Assets	<u>4</u>	<u>-</u>	<u>(1,014)</u>
Operating cash flows before movements in working capital	4,624	4,041	8,501
(Increase) / Decrease in Debtors	(6,882)	6,703	(2,145)
(Increase) / Decrease in Work in Progress	2,342	(8,867)	(3,170)
Increase / (Decrease) in Creditors	<u>1,669</u>	<u>1,783</u>	<u>3,507</u>
Cash generated by operations	1,753	3,660	6,693
Corporation tax paid	(2,195)	(1,314)	(2,975)
Interest Paid	(114)	(54)	(183)
Net cash from operating activities	<u><b>(556)</b></u>	<u><b>2,292</b></u>	<u><b>3,535</b></u>

6. The interim report will be circulated to members on 22 August 2006, from which date copies will be available at or on application to the Company's registered office: T. Clarke plc, Stanhope House, 116-118 Walworth Road, London SE17 1JY, or via the Company's website, [www.tclarke.co.uk](http://www.tclarke.co.uk) or telephone: 020-7358-5000.