

ENCARGO 5. *Statement of Accounting Policies***ESPECIFICACIONES DEL ENCARGO DE TRADUCCIÓN.**

Función prevista para el texto meta: informar sobre la política contable adoptada por la empresa, así como los principios de consolidación.

Receptores: público con nivel cultural medio-alto e interesados en el mundo empresarial y comercial. Inversores o socios capitalistas de la empresa.

Coordenadas situacionales: la traducción aparecerá publicada en la página web de la empresa al final del ejercicio.

Medio de transmisión del TM: página web de la empresa. El texto habrá de mantener el mismo formato que el TO.

Razón o motivo por el que se realiza la traducción: mantener informados a los inversores y a los socios capitalistas de la situación económica de la empresa. La empresa está realizando la versión en español de su página web y necesita toda la información empresarial traducida a esta lengua.

TAREA: Traducir el TO al español teniendo en cuenta las especificaciones del encargo de traducción.

STATEMENT OF ACCOUNTING POLICIES**General information**

Alexon Group plc is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 2. A description of the Group's operations and principal activities are given within the Chief Executive's Report on page 4 and the Directors' Report on page 6.

Basis of preparation

These financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below, and in accordance with International Financial Reporting Standards and IFRIC interpretations endorsed by the European Union and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS.

ENCARGO 5. *Statement of Accounting Policies***Transition to International Financial Reporting Standards**

The Group adopted International Financial Reporting Standards (IFRS) on 1 February 2004.

Reconciliations from UK GAAP to IFRS of the Group's and Company's net assets at 31 January 2004 and 29 January 2005, and the Group's result for the 52 weeks ended 29 January 2005 are shown in note 27.

For the 52 weeks ended 28 January 2006 the Group is required to prepare its annual financial statements in accordance with accounting standards adopted for use in the European Union. As such these financial statements take account of the requirements and options in IFRS 1, "First-time adoption of International Financial Report Standards" as they relate to the 2005 comparatives included therein.

IFRS 1 sets out the requirements for companies preparing financial statements under IFRS for the first time and requires the accounting policies to be applied retrospectively. IFRS 1 allows companies certain exemptions to the requirement for retrospective application and the Group has chosen to apply the following:

- the provisions of IFRS2, share based payments, have been applied only to those options granted after 7 November 2002;
- the provisions of IFRS3, business combinations, have not been applied to acquisitions prior to 31 January 2004;
- the provisions of IAS32 and IAS39 relating to financial instruments have been applied from 30 January 2005.

In accordance with the amendment to IAS19, "Employee Benefits", the Group has recognised in full those actuarial gains and losses relating to the defined benefit pension schemes as at 1 February 2004.

The following standards have been issued by the IASB and IFRIC which have an effective date which falls after the date of these financial statements:

ENCARGO 5. *Statement of Accounting Policies*

| | EFFECTIVE DATE |
|--|----------------|
| IAS39 Amendment – Fair Value Option | 1 January 2006 |
| IAS39 Amendment – Cash Flow Hedge Accounting | 1 January 2006 |
| IFRIC4 Determining whether an arrangement contains a lease | 1 January 2006 |
| IAS21 Amendment - The effects of changes in foreign exchange rates: | |
| Net Investment in a Foreign Operation | 1 January 2006 |
| IAS1 Amendment – Presentation of Financial Statements: Capital Disclosures | 1 January 2007 |
| IFRS7 Financial Instruments: Disclosures | 1 January 2007 |

A number of other standards and interpretations issued by the IASB and IFRIC are not applicable to Alexon Group plc.

The directors do not believe that the adoption of the standards listed above will have a material impact on the Group's financial statements in the period of initial adoption.

Basis of consolidation

The financial statements consolidate the accounts of Alexon Group plc and its subsidiary undertakings. Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Annual financial statements are prepared for the 52 or 53 weeks to the last Saturday in the month of January. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of

ENCARGO 5. *Statement of Accounting Policies*

acquisition or up to the effective date of disposal, as appropriate. All companies within the group have coterminous accounting periods. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill, being the difference between the fair values of assets acquired and the cost of acquisition, is not amortised but is reviewed annually for impairment, and at other times when there are indications that the carrying value may not be recoverable. Any impairment is then recognised in the income statement in the period in which it is identified.

Impairment losses on goodwill are not reversed. On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gain or loss on disposal. Goodwill was previously amortised over a period of twenty years and the carrying value at the date of transition to IFRS, 1 February 2004, is the cost less amounts amortised up to that date.

ENCARGO 5. *Statement of Accounting Policies***ESPECIFICACIONES DEL ENCARGO DE TRADUCCIÓN.**

Función prevista para el texto meta: mostrar el flujo de caja (informe de tesorería) de la empresa durante el ejercicio 2005-2006.

Receptores: público con nivel cultural medio-alto e interesados en el mundo empresarial y comercial. Inversores o socios capitalistas de la empresa.

Coordenadas situacionales: la traducción aparecerá publicada en la página web de la empresa al final del ejercicio.

Medio de transmisión del TM: página web de la empresa. El texto habrá de mantener el mismo formato que el TO.

Razón o motivo por el que se realiza la traducción: mantener informados a los inversores y a los socios capitalistas de la situación económica de la empresa. La empresa está realizando la versión en español de su página web y necesita toda la información empresarial traducida a esta lengua.

TAREA: Traducir el TO al español teniendo en cuenta las especificaciones del encargo de traducción.

ENCARGO 5. *Statement of Accounting Policies*
**CONSOLIDATED
STATEMENT OF
CASH FLOWS**

ALEXON GROUP PLC

| For the 52 weeks to 28 January 2006 | Note | 2006 | | 2005 | |
|---|------|---------|---------|----------|----------|
| | | £000 | £000 | £000 | £000 |
| Cash flow from operating activities | | | | | |
| Cash generated from operations | 22 | 17,267 | | 36,078 | |
| Interest received | | 289 | | 197 | |
| Interest paid | | (244) | | (411) | |
| Tax paid | | (6,123) | | (6,712) | |
| Net cash generated from operating activities | | | 11,189 | | 29,152 |
| Investing activities | | | | | |
| Purchase of property, plant and equipment | 9 | (4,524) | | (6,339) | |
| Proceeds from disposals of property, plant and equipment | | 167 | | 60 | |
| Net cash used in investing activities | | | (4,357) | | (6,279) |
| Financing activities | | | | | |
| Proceeds from the issue of shares | | 334 | | 864 | |
| Purchase of own shares | 19 | (2,983) | | (11,195) | |
| Repayment of loan notes | | - | | (556) | |
| Dividends paid | 5 | (4,944) | | (4,709) | |
| Capital element of finance lease payments | | - | | (76) | |
| Interest element of finance lease payments | | - | | (1) | |
| Net cash used in financing activities | | | (7,593) | | (15,673) |
| Net (decrease)/increase in cash and cash equivalents | | | (761) | | 7,200 |
| Cash and cash equivalents at the beginning of the period | | | 8,626 | | 1,426 |
| Cash and cash equivalents at the end of the period | | | 7,865 | | 8,626 |
| Cash and cash equivalents | | | 12,327 | | 10,686 |
| Short term borrowings | | | (4,462) | | (2,060) |
| | | | 7,865 | | 8,626 |

(© IRISA GROUP. El documento complete puede consultarse en la siguiente dirección:
<http://www.irisagroup.com/investor-relations/annual-reports/>)