

27 November 2009: For immediate release

HOLIDAYBREAK

Final Results for the year ended 30 September 2009

Holidaybreak, the education, leisure and activity travel group, today announces its final full year results for the year ended 30 September 2009.

Financial highlights

	2009 £m	2008 £m
Group revenue	473.4	455.1
Headline profit before tax ¹	28.4	32.6
Statutory profit before tax	5.4	23.4
Headline basic EPS ^{1,2}	37.0 pence	44.7 pence
Statutory basic EPS ²	4.7 pence	31.3 pence
Net debt	138.1	161.3
Dividend per share ³	11.80 pence	13.53 pence

¹ Headline profit before tax and earnings per share are stated before amortisation of acquired intangible assets of £3.5m (2008: £4.2m), exceptional restructuring costs of £1.6m (2008: £2.3m), impairment of goodwill of £9.6m (2008: £2.5m), IAS 39 mark-to-market revaluations of financial derivatives of £8.3m (2008: £0.2m) and the tax effect thereof of £3.6m (2008: £1.6m).

² 2008 EPS is restated for the Rights Issue

³ 2009 interim and 2008 interim and final year dividends restated for the Rights Issue

John Coleman, Executive Chairman, said:

"I am pleased to say that the Group has demonstrated a resilient performance in a difficult economic environment. The Education Division is not materially affected by the recession as parents continue to prioritise expenditure on their child's school trip. Camping is well positioned, offering flexible family holidays across a wide choice of destinations and representing value for money. While Adventure has seen a more challenging period, both it and Hotel Breaks are well placed to benefit from any upturn in general economic conditions.

Despite the current economic environment, we are encouraged by recent trading patterns. We have strong brands with market leading positions across different travel segments operating in various European markets. These factors give us confidence that we are well placed when the economy emerges from the downturn. We continue to look at ways of exploiting opportunities for investment and acquisitive growth in our education businesses. However, we will continue to manage the entire business tightly, with a focus on cash generation and cost control."

Summary

- Holidaybreak has demonstrated a resilient performance in a difficult economic environment.
- The trend towards customers booking their holidays later continues. Holidaybreak benefited from strong late bookings in Camping and Adventure Travel.
- The Group completed a £31.2m Rights Issue in July 2009 and on 18 September finalised the £9.4m purchase of a 150 acre site for PGL at Liddington which will open in 2010. The Group continues to look for further locations for PGL centres, as well as opportunities to acquire other education businesses.
- Education's revenue was £122.3m (2008: £109.5m). Headline** operating profit was up 25% at £13.6m (2008: £10.9m). For 2009/10, the division is 79% booked and sales are in line with last year. PGL outdoor education centres are 92% booked for 2009/10, with revenue growth currently running at approximately 5%.
- Hotel Breaks' revenue was £141.3m (2008: £149.9m) and headline** operating profit was £12.6m (2008: £15.5m). For 2009/10, sales intake for the division is currently up approximately 4% from last year reflecting improved demand into London in particular.
- Adventure Travel's revenue was £97.9m (2008: £94.6m) and headline** operating profit was £4.2m (2008: £4.8m). For 2009/10 sales intake for the division is 12% lower than last year, consistent with our expectation of lower demand levels.
- Camping's revenue was £111.9m (2008: £101.1m) on 4% lower capacity. Headline** operating profit was £12.9m (2008: £13.8m). Sales intake for the Camping Division is currently approximately 7% below last year's level on 8% lower capacity for the 2010 season. We expect the trend to later bookings to continue.
- Net debt at 30 September 2009 was £138.1m (2008: £161.3m)
- The Board is recommending a final dividend of 7.9p (2008: 5.73p, restated for the Rights Issue), payable on 7 May 2010, to shareholders on the register on 9 April 2010, making a total of 11.80p (the interim dividend is restated for the Rights Issue) (2008: 13.53p, restated for the Rights Issue) for the year.

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Note to Editors

Holidaybreak (HBR.L) is an education, leisure and activity travel group listed on the London Stock Exchange. The Group's four operating divisions have market leading positions in the UK and other major European markets, organising educational and activity trips for UK school children, short breaks in the UK and Europe, worldwide adventure holidays and mobile-home and camping holidays on sites throughout Europe. For more information, please go to www.holidaybreak.co.uk.

****Reconciliation of headline to statutory operating profit**

2009	Education	Hotel Breaks	Adventure Travel	Camping	Group
	£m	£m	£m	£m	£m
Headline operating profit**	13.6	12.6	4.2	12.9	43.3
Amortisation of other intangible assets acquired via business combinations	(2.4)	(0.7)	(0.4)	-	(3.5)
Impairment of goodwill	-	-	(9.6)	-	(9.6)
Exceptional restructuring costs	(0.7)	-	(0.9)	-	(1.6)
Operating profit	10.5	11.9	(6.7)	12.9	28.6

2008	Education	Hotel Breaks	Adventure Travel	Camping	Group
	£m	£m	£m	£m	£m
Headline operating profit**	10.9	15.5	4.8	13.8	45.0
Amortisation of other intangible assets acquired via business combinations	(2.9)	(0.9)	(0.4)	-	(4.2)
Impairment of goodwill	-	-	(2.5)	-	(2.5)
Exceptional restructuring costs	(1.8)	-	-	(0.5)	(2.3)
Operating profit	6.2	14.6	1.9	13.3	36.0

Chairman's Statement

Introduction

Since joining the Group in April, I have been pleased with the resilience shown by each of the divisions in what remains a difficult economic environment.

The Board was delighted with the very positive support shown for our recent Rights Issue which has already enabled us to capitalise on opportunities in our education businesses. The Group's businesses remain focused on delivering value for the consumer by offering quality products with great customer service at attractive prices whilst improving cash generation and keeping costs under control. In addition, the Group is continuing to look at ways of exploiting opportunities for investment and acquisitive growth in our education businesses.

On behalf of the Board, I would like to thank management and staff throughout the Group for their continued hard work and commitment during this challenging period and for their enthusiasm and dedication to serving our customers.

Group results

For the year ended 30 September 2009, headline profit before tax* was £28.4m (2008: £32.6m) on revenue of £473.4m (2008: £455.1m). Statutory profit before tax was £5.4m (2008: £23.4m). Headline earnings per share* were 37.0p (2008: 44.7p, restated for the Rights Issue). Statutory basic earnings per share were 4.7p (2008: 31.3p, restated for the Rights Issue).

Net debt at 30 September 2009 was £138.1m (2008: £161.3m), after spending £30.5m on capital expenditure and intangible assets net of disposal proceeds (2008: £23.7m) and £0.8m on acquisitions (2008: £5.3m). In July, we successfully completed a Rights Issue raising £31.2m after £2.0m of costs.

Dividend

The Board is recommending a final dividend of 7.9p (2008: 5.73p, restated for the Rights Issue), payable on 7 May 2010, to shareholders on the register on 9 April 2010, making a total of 11.80p, the interim dividend is restated for the Rights Issue (2008: 13.53p, restated for the Rights Issue) for the year. The cash cost of the full year dividend is £7.8m (2008: £7.8m).

Finance and investment

In July, the Group successfully completed a Rights Issue, raising net proceeds of £31.2m to enable the Group to capitalise on investment opportunities in the education sector. Initial deployment of a portion of this expansion capital saw the purchase of a 150 acre site at Liddington, Wiltshire. The site, formerly a hotel and conference centre, will open as a PGL outdoor education centre in 2010.

The Liddington purchase was finalised in September for a consideration of £9.4m. A further investment of up to £3.2m is planned to be made over 2010, 2011 and 2012. The remaining proceeds from the Rights Issue will be used to make further acquisitions in the education sector.

The Group retains a comfortable level of headroom on its committed credit and bonding facilities and the covenants within those facilities.

Management and Board changes

I was appointed to the Board as a Non-executive Director in April and succeeded Robert Ayling as Chairman on 1 May 2009.

In July, we announced that Carl Michel, Group Chief Executive, was leaving the Board with effect from 30 September 2009. The search for his replacement is ongoing. In the meantime, I have assumed the role of Executive Chairman.

In April, we announced that the Joint Managing Directors of the Hotel Breaks Division, Nick Cust OBE and Mark Wray, are to retire on 31 December 2009. Nick will also be stepping down from the Board with effect from this date. I am delighted that Nick and Mark have agreed to work with us on a consultancy basis following their retirement. Eamonn Ferrin, previously chief executive of Allbury Travel Group Limited, joined the division on 2 November 2009 and will become managing director on 1 January 2010. From that date, Eamonn will report directly to me but will not be appointed to the plc Board.

Simon Tobin, Managing Director of the Adventure Travel Division, stepped down from the Board and left the Company at the end of February 2009. Chris Bentley, Head of Group Corporate Development, chairs the division and reports directly to me.

James Wallace retired from the Board on 31 December 2008 and was succeeded as Chairman of the Audit Committee by Neil Bright. Neil, who joined the Board on 27 November 2008, is finance director of HMV Group plc and has extensive experience in a consumer-facing and international business.

I would like to thank Robert, Carl, Nick, Mark, Simon and James for their invaluable contributions during their time on the Board and for their service to the Company.

Annual General Meeting

The Annual General Meeting will be held on Wednesday 24 February 2010 at 11:30am at the Lowry, Pier 8, Salford Quays, Manchester M50 3AZ. Changes to the Company's Articles of Association will be proposed at this meeting to take account of changes introduced by the Companies Act 2006 and the Companies (Shareholders' Rights) Regulations 2009.

Current trading and outlook

Group sales intake for 2009/10 to date is currently down 3%, compared to 2008/09.

The Education Division is 79% booked and sales are in line with last year. PGL outdoor education centres are 92% booked for 2009/10, with revenue growth currently running at approximately 5%.

The Hotel Breaks Division's sales intake is approximately 4% up on the comparable period for 2008/09 reflecting stronger demand for short breaks into London.

Sales intake for the Adventure Travel Division is 12% lower than last year, consistent with our expectation of lower demand levels.

Sales intake for the Camping Division is currently approximately 7% below last year's level on 8% lower capacity for the 2010 season. We expect the trend to later bookings to continue.

Despite the current economic environment, we are encouraged by recent trading patterns. We have strong brands with market leading positions across different travel segments operating in various European markets. These factors give us confidence that we are well placed when the economy emerges from the downturn.

We continue to look at ways of exploiting opportunities for investment and acquisitive growth in our education businesses. However, we will continue to manage the entire business tightly, with a focus on cash generation and cost control.

John Coleman

Executive Chairman

* Headline profit before tax and earnings per share are stated before amortisation of acquired intangible assets of £3.5m (2008: £4.2m), exceptional restructuring costs of £1.6m (2008: £2.3m), impairment of goodwill of £9.6m (2008: £2.5m), IAS 39 mark-to-market revaluations of financial derivatives of £8.3m (2008: £0.2m) and the tax effect thereof of £3.6m (2008: £1.6m).

Business and Financial Review

Group strategy

Our primary focus is to generate cash and control costs across all our businesses to manage the Group as efficiently as possible during the recession. At the same time, our businesses remain focused on delivering value for the consumer by offering quality products with great customer service at attractive prices. We believe this approach is serving us well and leaves us well placed when recovery begins.

We continue to pursue our four strategic themes:

- *Develop a multi-path approach*

This year our main focus has been on organic rather than acquisitive growth. Examples of initiatives include PGL developing its non-schools' products to improve occupancy at off-peak times; Bookit launching an online weekend breaks brand in Belgium; TravelWorks expanding its high margin high school offering for German students to new destinations worldwide and Camping growing its non-UK Ecamp brand, formerly Easycamp, which offers value holidays in camp-site owned mobile-homes.

The successful completion of the Rights Issue enables us to pursue our investment and acquisition strategy in our education businesses.

- *Pursue sustainable faster growth*

Investment has largely been focused on adding capacity at PGL's UK outdoor education centres. The newly purchased centre in Liddington is already 87% booked for 2010. It is expected to achieve attractive returns well in excess of the Group's cost of capital, similar to the returns we expect from the Windmill Hill centre acquired last year. PGL's UK outdoor education centre capacity now stands at approximately 7,500 beds.

We continue to look for further locations for new centres, as well as opportunities to acquire other education businesses.

- *Build on core competences*

We continue to build on our core competences. For example, Superbreak's strength in London hotel bookings coupled with its strong London theatre and event supplier relationships enables it to grow its strategically important packaged product. These inclusive value breaks, which currently represent approximately 55% of the business, increase average spend per booking and provide Superbreak with a sustainable position in the competitive domestic hotel breaks market.

The Camping Division uses its pan-European distribution and local marketing expertise to manage yield effectively in an environment of fluctuating exchange rates and different economic environments in each of its markets.

- *Diversify sales mix*

All of our businesses have multi-channel distribution to enable consumers to benefit from wider accessibility to our products. We continue to invest in all channels of distribution, particularly in online capabilities.

Market overview

The diversity of our four operating divisions across different travel segments and in various European markets provides us with some trading resilience in the recession.

The Education Division is not materially affected by the recession as parents continue to prioritise expenditure on their child's school trip. The market drivers for educational travel are also very strong. The Board believes that over the last five years, the market for school trips to privately

held education centres has grown at approximately 10% per annum, due in part to a reduction in public sector funding of local education authority centres and a general decline in smaller competitors. Equally, the administrative burden and increasing climate of litigation mean that teachers are less willing to organise trips themselves. Furthermore, the UK government has also expressed strong support for outdoor learning.

The other three divisions operate in markets which have experienced a marked trend towards later bookings.

European mobile-home and camping holidays are popular in difficult times as they represent value for money family holidays. The Camping Division's strong and trustworthy brands offer a wide choice of destinations with flexible durations that can be tailored to suit customers' budgets. Our pan-European distribution model gives additional resilience and provides key competitive advantages, allowing us to attract customers of different nationalities.

Domestic short breaks in the UK and the Netherlands continue to grow in popularity on the back of increasingly competitive accommodation, rail and theatre deals. The presence of attractive theatre shows and exhibitions in London, Hotel Breaks' key sales market, also drives demand. The Hotel Breaks businesses have relatively low operational gearing, with no forward commitments for room or transport allocations.

Of all of our businesses, demand for adventure travel holidays is the most affected by the recession. The relatively high cost and aspirational nature of trips means that they are more likely to be deferred in difficult times. In the short to medium term we expect trading conditions to remain difficult, and have planned accordingly, but we believe growth will return once consumers feel more confident as there is still a trend towards people seeking experiences and activity, helped by an aging demographic. Against this backdrop, we have restructured Explore to ensure that the business model remains flexible with significantly reduced fixed costs.

Group results

In the year to 30 September 2009 headline profit before tax* fell by 12.9% to £28.4m. Statutory profit before tax was £5.4m (2008: £23.4m). The reduction in statutory profit before tax is substantially due to impairment of goodwill of £9.6m (2008: £2.5m) and other gains and losses on interest rate derivatives and forward foreign currency exchange derivatives of £8.3m (2008: £0.2m).

We raised net proceeds of £31.2m by way of a Rights Issue in July 2009 and after expenditure on fixed and intangible assets net of disposal proceeds of £30.5m, net debt reduced by £23.2m to £138.1m. The Group retains a comfortable level of headroom on its committed credit and bonding facilities and the covenants within those facilities.

Divisional performance, operating profit & margins

Group revenue in 2009 was up 4% on 2008 at £473.4m (2008: £455.1m). Headline operating profit** was 3.8% lower than 2008 at £43.3m (2008: £45.0m). Headline operating margin** reduced to 9.1% (2008: 9.9%).

We have incurred one-off costs of £1.6m principally in respect of reorganisations at Explore and NST. The reorganisations, together with headcount reductions at other businesses, will provide annualised cost savings of £2.5m.

Education

	2009	2008
Revenue	£122.3m	£109.5m

Headline operating profit**	£13.6m	£10.9m
Operating profit	£10.5m	£6.2m

The Education Division has performed well and is not materially affected by the recession. Headline operating profit** increased by 25%. The division benefited from EST's first full year of trading post acquisition and the first operating season for the Windmill Hill education centre. In September 2009, PGL acquired a 150 acre site at Liddington for a total consideration (including fees) of £9.4m. The site will open as a PGL outdoor education centre in 2010. Further capacity was added by increasing bed stock in the UK at the Caythorpe Court and Dalguise education centres. We expect to spend £3.1m on increasing bed capacity and developing the Liddington education centre in 2010.

Hotel Breaks

	2009	2008
Revenue	£141.3m	£149.9m
Headline operating profit**	£12.6m	£15.5m
Operating profit	£11.9m	£14.6m

The division benefited from higher booking volumes due to improved supplier offers (lower room rates and train fares) and better availability, although the average spend per booking was lower than last year. Headline operating profit** was down 19% as margin was adversely affected by the sales mix with increased sales through UK retail travel agents. Going forward, the division will continue to benefit from being able to offer consumers more special value deals, particularly for rail inclusive packages.

Adventure Travel

	2009	2008
Revenue	£97.9m	£94.6m
Headline operating profit**	£4.2m	£4.8m
Operating (loss) profit	(£6.7m)	£1.9m

The overall performance of the Adventure Travel Division was affected by a reduction in demand, with Explore being the most affected business; however the division benefited from strong late bookings. Revenue was up 3% but 6% down at constant exchange rates compared with last year. To mitigate for the weaker demand and reduced margins, Explore implemented a cost saving programme to reduce fixed costs by approximately £1m per annum and to enable it to trade profitably at lower volumes. Both Explore and Djoser are experiencing a significant shift to later bookings. We expect trading conditions in the adventure travel market to remain difficult for at least the next 12 months.

Camping

	2009	2008
Revenue	£111.9m	£101.1m
Headline operating profit**	£12.9m	£13.8m
Operating profit	£12.9m	£13.3m

The Camping Division benefited from strong late bookings. Revenue was up 11% (2% up at constant exchange rates) compared with last year. Pre-sited capacity was reduced by 4%. For the 2010 season, capacity will be reduced by approximately 8%. We expect to spend £6.8m, net of disposals, on mobile-homes and other camping equipment. Going forward, we will continue to monitor and rebalance the geographical mix of capacity and sales accordingly in order to maximise profitability.

Impairment of goodwill

The profitability and prospects of our subsidiary business, Explore Worldwide Limited, have been significantly impacted by the current economic conditions and, as a result, we have partially impaired the goodwill which arose when we purchased Explore in 2000. The impairment charge of £9.6m was announced with the interim results and leaves the residual goodwill remaining in the balance sheet in respect of Explore at £12.2m.

Finance costs

Finance costs (net of investment income) increased from £12.6m in 2008 to £23.2m. We have incurred a non-cash charge of £8.3m in respect of the revaluations of the Group's interest rate derivatives and forward foreign currency exchange contracts (2008: £0.2m). In addition, interest payable reflects the increase in margin over LIBOR (from 1.30% to 3.25%) payable on borrowings following the modification of covenants in the Group's five year committed credit facilities in November 2008. Interest cover* reduced from 3.5 times in 2008 to 2.2 times in 2009. Net interest was 3.5 times covered by operating cash flow (2008: 4.7 times).

Taxation

The tax charge, including full provision for deferred tax, was £2.6m and the tax rate of 48% (2008: 23%) was substantially higher than last year reflecting the non-deductibility of the impairment of goodwill. The headline rate of corporate tax was 22% (2008: 21%) as corporate tax rates in the UK and the European markets in which we operate declined. The underlying rate going forward is expected to remain at this level for the foreseeable future.

Earnings and dividends

Headline basic earnings per share* were down 17% at 37.0p (2008: 44.7p, restated for the Rights Issue). Statutory basic earnings per share were 4.7p (2008: 31.3p, restated for the Rights Issue).

The Board is recommending a final dividend of 7.9p per ordinary share (2008: 5.73p, restated for the Rights Issue). This gives a total dividend for the year of 11.80p per ordinary share, the interim dividend is restated for the Rights Issue (2008: 13.53p, restated for the Rights Issue). This is covered 3.1 times by headline basic earnings per share* (2008: 3.3 times, restated for the Rights Issue).

Balance sheet

Net assets of the Group increased to £101.1m (2008: £73.2m). Net debt gearing*** at 30 September 2009 was 137% compared to 220% at the previous year end. In July, we successfully completed a Rights Issue raising net proceeds of £31.2m.

Cash flow and bank facilities

The Group's net borrowings at 30 September 2009 were £138.1m, compared to £161.3m at the previous year end. Cash flow from our operating activities was £52.4m (2008: £59.0m).

In November 2008, the Group agreed modified covenants with its lending banks for the remainder of its five year committed credit facility which expires in May 2013. Under this facility the Group retains a comfortable level of headroom on both the banking facility and the covenants. The Group's cost of borrowing will be lower from October 2009 as the margin payable under the facility reduces from LIBOR plus 3.25% to LIBOR plus 3.125%.

Due to the highly seasonal nature of the Group's cash flow, headroom under the Group's credit facilities was £16.4m at the end of January 2009 when borrowings and facility utilisation were at their maximum. This headroom is expected to increase largely due to the proceeds of the Rights Issue. In addition to these facilities, the Group has hire purchase agreements with various UK financial institutions to finance the purchase of mobile-homes. Just over half of annual expenditure on mobile-homes is financed from this source.

Capital expenditure

Capital expenditure (net of proceeds from disposals) in the year to 30 September 2009 was £27.4m (2008: £19.8m). We spent £7.8m developing capacity at the Education Division's education centre at Windmill Hill, acquired in May 2008, as well as adding capacity at several other UK sites.

We also purchased, in September, a 150 acre site in Liddington, Wiltshire, to be developed as an outdoor education centre for PGL, for a consideration of £9.4m. This centre will open in 2010.

The purchase of mobile-homes accounted for £7.0m (2008: £13.3m). Sales of mobile-homes generated £1.6m (2008: £3.1m). Disposal proceeds in respect of mobile-homes sold at the end of their useful life achieved net book value.

We anticipate Group net capital expenditure of approximately £18.4m in 2009/10, including a further £1.4m in respect of developing capacity at Liddington. Accommodation capacity in the Camping Division will be reduced by approximately 8% in 2009/10. Annual maintenance capital expenditure for the Group is likely to be approximately £17.8m (2009: £16.6m), including £7.3m (2009: £7.0m) to be spent on replacement mobile-homes in the Camping Division. Disposal proceeds for the sale of mobile-homes are likely to be approximately £2.5m (2009: £1.6m).

Financial risk management policies

The Group considers itself to be exposed to risks on financial instruments, including market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group uses derivative financial instruments to hedge these risk exposures and therefore reduce the exposure of the Group. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Board of Directors continuously by way of a formal report to each monthly Board meeting. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- Forward foreign exchange contracts to reduce the exposure to, principally, Euros and US Dollars but also to Australian Dollars, New Zealand Dollars, Danish Krone and Swiss Francs.
- Interest rate swaps and collars to mitigate the risk of movements in interest rates.

Foreign currency risk management

The Group is exposed to foreign currency risks via its transactions denominated in foreign currencies. Exchange rate exposures are managed within approved policies set out by the Board of Directors.

In addition to the economic hedging obtained by the Group, which is managed by the preparation of local currency cash flow forecasts, the Group purchases currency derivatives to hedge significant future transactions and cash flows. The contracts are denominated in foreign currencies noted above.

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contracts that the Group has committed to is as below:

	2009	2008
Forward foreign exchange contracts	£44.6m	£37.8m

These arrangements are designed to address significant exchange exposures until September 2010 and are renewed on a revolving basis as required.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap and interest rate collar contracts.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The Directors have considered the counterparty risk associated with the cash and derivative balances and do not consider there to be a material risk. The Group manages the credit risk associated with its bank and cash balances by ensuring that an appropriate spread of financial institutions are used in which to place these assets. The concentration of credit risk from trade receivables is limited due to the customer base being large and unrelated.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate liquid funds and banking facilities. We have a £255m committed five year credit facility with a syndicate of six leading UK and Irish

banks which expires in May 2013. This facility is sufficient to meet the working capital and bonding requirements of the Group. At 30 September 2009 we had headroom under this facility of £54.2m. We continuously monitor actual and forecast cash flows and actual and forecast compliance with covenants within the facility. In November 2008, due to the heightened uncertainty of future trading in a recession and LIBOR spreads, the Group agreed modified covenants with its lending banks for the remainder of the five year facility.

Changes in accounting policies

During the year ended 30 September 2009, there were no changes in accounting policies.

Principal risks and uncertainties facing the Group

The Board regularly reviews the risks faced by the Group, including social, environmental and ethical risks. The Directors consider that the major risks to delivering the Group's strategy are those set out below. The Board recognises that the profile of risks changes constantly and additional risks not presently known, or that are deemed immaterial, may also impact on delivery of the Group's strategy.

Key risk	Impact	Mitigation strategy
EXTERNAL		
<i>Economic and financial turmoil across markets</i>	Prolonged or deeper recessionary conditions in one or more countries significant to our businesses may lead to a reduction in levels of demand for our products and thereby impact the Group's earnings and financial position.	<ul style="list-style-type: none"> • Our mix of businesses across different travel segments in various European markets provides us with some trading resilience. • We actively seek to redirect business to markets that are less affected by the recession. Our strategic focus is on our education businesses which we believe to be less exposed to discretionary consumer spending and enjoy strong forward booking visibility.
<i>Foreign exchange and interest rates</i>	Fluctuating exchange rates will have financial implications for the Group (both transaction and translation) and could affect the selling price of holidays and therefore impact the consumer demand for some of our products and services. Fluctuating interest rates will have an impact on the Group's costs and borrowings and may affect consumer demand for our products and services.	<ul style="list-style-type: none"> • The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including: <ul style="list-style-type: none"> - forward foreign currency exchange contracts to hedge significant future transactions and cash flows; and - interest rate swaps and collars to mitigate the risk of fluctuating interest rates over the medium to long term. • We have a partial natural currency hedge arising from cash flows between the various markets and destinations in which we operate.
<i>Major external events</i>	Most of our businesses are exposed to external events. For example, an	<ul style="list-style-type: none"> • Whilst all of our businesses have crisis management procedures in place to handle any external

	<p>outbreak of a contagious disease, most notably swine flu, or a fire is likely to have a significant impact on the ability of any affected centre(s) within the Education Division to continue in operation. A major terrorist (or similar) incident in London could have a significant impact on Superbreak, West End Theatre Bookings and NST. The Camping Division is exposed to the possibility of severe weather rendering accommodation unusable. A major incident overseas may require the Adventure Travel Division to rearrange itinerary timings and/or routings.</p>	<p>incidents to ensure any disruption is kept to a minimum, such events could impact trading or the ability to deliver our products. Our businesses offer a range of products across different destinations to reduce the reliance on a particular market.</p>
<p>Consumer demand</p>	<p>A change in consumer tastes could impact demand levels</p>	<ul style="list-style-type: none"> • We carefully track any changes to consumer tastes through customer insight teams/focus groups and adapt our product offering as necessary.
<p>INTERNAL</p>		
<p>Liquidity risk</p>	<p>The risk that trading underperformance, increased cost of debt and inefficient treasury management could lead to breaches in covenants and bonding arrangements.</p>	<ul style="list-style-type: none"> • The Group manages liquidity risk by maintaining adequate liquid funds and banking facilities. Our five year credit facility, which expires in May 2013, is sufficient to meet the forecast working capital and bonding requirements of the Group. We continuously monitor actual and forecast cash flows and actual and forecast compliance with covenants within the facility and should a risk of trading underperformance occur, the Board has considered mitigation strategies that could be put in place, for example working capital management, capital expenditure reduction and stringent cost control.
<p>Health, safety & security</p>	<p>The risk that the Company fails to manage health, safety and security issues leading to significant financial and operational costs.</p>	<ul style="list-style-type: none"> • Our businesses are committed to ensuring the highest standards of health, safety and security in their operations and monitor and conduct regular audits when appropriate. All divisions produce monthly health & safety reports. Issues noted as significant are considered at the Board meeting.

<p><i>Failure to attract, retain and motivate key employees</i></p>	<p>Our ability to provide high-quality products and services on a timely basis depends to a significant extent on having an adequate number of qualified employees. Accordingly, the Group's ability to increase its productivity and profitability and support its growth strategies may be limited by its ability to employ, train, motivate and retain skilled personnel, which in turn may be hindered by restructurings and cost saving initiatives.</p>	<ul style="list-style-type: none"> • We believe our incentive arrangements and training programmes provide the necessary tools to attract, retain and motivate key staff. A senior executive development programme was launched this year to enhance the calibre of senior management.
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Responsibility statement

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Business and Financial Review includes a fair review of the development and performance of the business and position of the Group together with a description of the principal risks and uncertainties that it faces.

Going concern

The Directors, in their consideration of going concern, have reviewed the Group's future cash flow forecasts and revenue projections, which are based on market data and past experience. The Group is subject to a number of significant risks and uncertainties which are set out in the Business and Financial Review, which could affect the Group's ability to meet these forecasts and hence its ability to meet its banking covenants. The Directors believe that the Group is adequately placed to manage its business risks successfully despite the current uncertain consumer economic outlook and challenging macro economic conditions.

Management is currently of the opinion that the Group's forecasts and projections, after subjecting them to reasonable robust sensitivities, show that the Group should be able to operate within its current facilities and comply with its banking covenants. The Group has a robust policy towards liquidity and cash flow management and it is financed principally through £255m of committed bank facilities through to May 2013.

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Summary

Whilst trading conditions continue to be challenging, we believe the Group is well-positioned to benefit when consumer spending recovers.

Our strong and trustworthy brands remain focused on delivering value for the consumer by offering attractive products combined with great customer service.

Bob Baddeley

Group Finance Director

* Headline profit before tax, earnings per share and interest cover are stated before amortisation of acquired intangible assets of £3.5m (2008: £4.2m), exceptional restructuring costs of £1.6m (2008: £2.3m), impairment of goodwill of £9.6m (2008: £2.5m), IAS 39 mark-to-market revaluations of financial derivatives of £8.3m (2008: £0.2m) and the tax effect thereof of £3.6m (2008: £1.6m).

** Headline operating profit and margin are stated before amortisation of acquired intangible assets, exceptional restructuring costs and impairment of goodwill as set out in note 2 of the attached financial information.

*** Net debt gearing is net debt expressed as a percentage of year end net assets.

Cautionary statement

The full year results announcement has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The full year results announcement should not be relied on by any other party or for any other purpose. The full year results announcement contains certain forward-looking statements. These statements are made by the Directors in good faith based upon the information available to them up to the time of their approval of this announcement and such statements should be treated with caution due to the inherent uncertainties underlying such forward-looking information.

Holidaybreak plc

Consolidated income statement
Year ended 30 September 2009

	Note	2009 £m	2008 £m
Group revenue	1,2	473.4	455.1
Net operating costs		(444.8)	(419.1)
Net operating costs before amortisation of other intangible assets acquired via business combinations, impairment of goodwill and exceptional restructuring costs		(430.1)	(410.1)
Amortisation of other intangible assets acquired via business combinations		(3.5)	(4.2)
Impairment of goodwill		(9.6)	(2.5)
Exceptional restructuring costs		(1.6)	(2.3)
Operating profit	2	28.6	36.0
Investment income		1.1	1.8
Other gains and losses	3	(8.3)	(0.2)
Finance costs		(16.0)	(14.2)
Profit before tax	2	5.4	23.4
Tax	4	(2.6)	(5.4)
Profit for the year		2.8	18.0
Attributable to:			
Equity holders of the parent		2.8	18.0
Earnings per share*		Pence	Restated Pence
Basic	6	4.7	31.3
Diluted	6	4.7	31.3
Headline earnings per share			
Basic	6	37.0	44.7
Diluted	6	37.0	44.7

* The weighted average number of ordinary shares for the year ended 30 September 2008 has been adjusted for the bonus element inherent in the Rights Issue that was approved on 3 July 2009 in compliance with IAS 33 'Earnings per Share'.

During the year the Directors changed the definition of headline earnings per share due to the increasing importance on the Group's performance of IAS 39 mark-to-market revaluations of interest rate derivatives and forward currency exchange derivatives. In the opinion of the Directors the revised definition of headline earnings per share provides shareholders with a more meaningful representation of the earnings derived from the Group's operations.

Holidaybreak plc

Consolidated statement of recognised income and expense
Year ended 30 September 2009

	Group	
	2009	2008
	£m	£m
Exchange losses on translation of foreign operations	(2.1)	(1.9)
Actuarial losses on defined benefit pension schemes	(0.3)	(1.0)
Tax on items recognised directly in equity	1.7	0.1
Net expense recognised directly in equity	(0.7)	(2.8)
Profit for the year	2.8	18.0
Total recognised income and expense for the year	2.1	15.2
Attributable to:		
Equity holders of the parent	2.1	15.2

Holidaybreak plc

Consolidated balance sheet
At 30 September 2009

	Note	Group	
		2009 £m	Restated* 2008 £m
Non-current assets			
Goodwill		140.1	145.5
Other intangible assets		28.4	30.8
Property, plant and equipment		190.5	175.0
		359.0	351.3
Current assets			
Inventories		2.6	2.6
Trade and other receivables		33.6	36.1
Current tax assets		2.8	-
Cash and cash equivalents		51.9	44.7
Derivative financial instruments		0.7	0.5
		91.6	83.9
Non-current assets classified as held for sale		1.1	1.1
Total assets		451.7	436.3
Current liabilities			
Trade and other payables		(117.8)	(120.9)
Provisions for restructuring costs		-	(1.3)
Current tax liabilities		(1.1)	-
Obligations under finance leases		(4.6)	(6.0)
Interest bearing loans and borrowings		(10.1)	(13.0)
Derivative financial instruments		(9.7)	(1.2)
		(143.3)	(142.4)
Net current liabilities		(51.7)	(58.5)
Non-current liabilities			
Deferred tax liabilities		(31.5)	(33.3)
Obligations under finance leases		(13.9)	(15.2)
Defined benefit pension liability		(0.5)	(0.4)
Interest bearing loans and borrowings		(161.4)	(171.8)
		(207.3)	(220.7)
Total liabilities		(350.6)	(363.1)
Net assets		101.1	73.2
Equity			
Share capital	8	3.5	2.4
Share premium account	9	69.0	38.9
Own shares	9	(2.6)	(2.6)
Other reserves	9	1.3	1.1
Retained earnings	9	29.9	33.4
Total equity		101.1	73.2

* During the current year ended 30 September 2009, the Group completed its initial accounting in respect of the acquisition of Hertford Travel Group Limited. This resulted in an increase in the fair value of intangible assets, and a related increase in deferred tax, with a corresponding net decrease in goodwill. The 2008 comparative information has been restated to reflect this adjustment and had no impact on reported profits, equity or cash flow in the year ended 30 September 2008.

Holidaybreak plc

Consolidated cash flow statement
Year ended 30 September 2009

	Note	Group 2009 £m	2008 £m
Reconciliation of operating profit to cash generated from operating activities			
Cashflow from operating activities			
Operating profit		28.6	36.0
Adjustments for:			
Amortisation of other intangible assets		5.5	5.9
Depreciation of property, plant and equipment		14.1	13.8
Impairment of goodwill		9.6	-
Share-based payment charge (credit)		0.3	(0.1)
Decrease in inventories		-	1.5
Decrease (increase) in receivables		0.9	(1.9)
(Decrease) increase in payables		(6.6)	3.8
Cash inflow from operating activities		52.4	59.0
Tax paid		(4.5)	(13.1)
Net cash from operating activities		47.9	45.9
Investing activities			
Acquisitions of subsidiaries net of cash acquired		(0.8)	(5.3)
Purchase of intangible assets		(3.1)	(3.9)
Purchases of property, plant and equipment		(29.0)	(26.5)
Proceeds on disposal of property, plant and equipment		1.6	6.7
Net cash used in investing activities		(31.3)	(29.0)
Financing activities			
Finance costs paid		(14.5)	(14.0)
Interest received		1.1	2.4
Proceeds on issue of ordinary shares		31.2	0.1
New finance leases		3.3	10.4
Repayment of borrowings		(19.2)	(13.9)
Payments under finance leases		(6.0)	(5.7)
Dividends paid		(5.5)	(15.7)
Net cash used in financing activities		(9.6)	(36.4)
Net increase (decrease) in cash and cash equivalents		7.0	(19.5)
Cash and cash equivalents at beginning of year		41.7	58.8
Effect of foreign exchange rate changes		3.1	2.4
Cash and cash equivalents at end of year	7	51.8	41.7

1. Revenue

	2009 £m	2008 £m
Revenue - continuing operations	473.4	455.1
Investment income	1.1	1.8
	474.5	456.9

Revenue from continuing operations is generated by the provision of services. Investment income arises from bank interest and income from the defined benefit pension scheme.

2. Business and geographical segments

Since the previously issued financial statements management has reviewed its segments in respect of the allocation of deferred tax liabilities, which are now allocated to their respective segment whereas previously they were included within unallocated corporate liabilities. Management consider the revised segment information to give a better understanding of the performance and financial position of the respective business segment. The 2008 segments have been restated for the impact of this change.

Business segments

For management purposes, the Group is currently organised into four operating divisions – Education, Hotel Breaks, Adventure Travel and Camping. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

2009	Education £m	Hotel Breaks £m	Adventure Travel £m	Camping £m	Consolidated £m
Revenue					
Total revenue	122.3	141.3	97.9	111.9	473.4
Result					
Operating profit before amortisation of other intangible assets acquired via business combinations, impairment of goodwill and exceptional restructuring costs	13.6	12.6	4.2	12.9	43.3
Amortisation of other intangible assets acquired via business combinations	(2.4)	(0.7)	(0.4)	-	(3.5)
Impairment of goodwill	-	-	(9.6)	-	(9.6)
Exceptional restructuring costs	(0.7)	-	(0.9)	-	(1.6)
Segment result	10.5	11.9	(6.7)	12.9	28.6
Investment income					1.1
Other gains and losses					(8.3)
Finance costs					(16.0)
Profit before tax					5.4
Tax					(2.6)
Profit for the year					2.8

The Adventure Travel segment includes £9.6m in respect of an impairment charge in relation to goodwill recognised on the acquisition of Explore Worldwide Limited.

The exceptional restructuring costs in the Education and Adventure segments of £0.7m and £0.9m respectively relate to redundancy and reorganisation costs incurred by the respective segment.

2. Business and geographical segments (continued)

	Education £m	Hotel Breaks £m	Adventure Travel £m	Camping £m	Consolidated £m
2009					
Other information					
Capital additions ¹	20.3	1.4	0.6	9.9	32.2
Depreciation and amortisation	6.2	1.9	1.1	10.4	19.6
Non-current assets held for sale ²	-	-	-	1.1	1.1
Balance sheet					
Assets					
Segment assets	237.2	53.2	45.7	60.8	396.9
Unallocated corporate assets					54.8
Consolidated total assets					451.7
Liabilities					
Segment liabilities	(60.2)	(46.2)	(22.9)	(18.9)	(148.2)
Unallocated corporate liabilities					(202.4)
Consolidated total liabilities					(350.6)

¹ Includes additions of other intangible assets and property, plant and equipment in addition to acquisitions of subsidiary intangible assets and property, plant and equipment

² Non-current assets held for sale are mobile-homes held within the Camping Division and are expected to be sold within twelve months of the year end.

	Education £m	Hotel Breaks £m	Adventure Travel £m	Camping £m	Consolidated £m
2008					
Revenue					
Total revenue	109.5	149.9	94.6	101.1	455.1
Result					
Operating profit before amortisation of other intangible assets acquired via business combinations, impairment of goodwill and exceptional restructuring costs	10.9	15.5	4.8	13.8	45.0
Amortisation of other intangible assets acquired via business combinations	(2.9)	(0.9)	(0.4)	-	(4.2)
Impairment of goodwill	-	-	(2.5)	-	(2.5)
Exceptional restructuring costs	(1.8)	-	-	(0.5)	(2.3)
Segment result	6.2	14.6	1.9	13.3	36.0
Investment income					1.8
Other gains and losses					(0.2)
Finance costs					(14.2)
Profit before tax					23.4
Tax					(5.4)
Profit for the year					18.0

The Adventure Travel segment includes £2.5m in respect of an impairment charge in relation to goodwill recognised on the acquisition of Regal Diving and Tours Limited.

The exceptional restructuring costs in the Education and Camping segments of £1.8m and £0.5m respectively relate to redundancy and reorganisation costs incurred by the respective division.

2. Business and geographical segments (continued)

2008	Education £m	Hotel Breaks £m	Adventure Travel £m	Camping £m	Consolidated £m
Other information					
Capital additions ¹	10.6	3.0	1.3	16.8	31.7
Depreciation and amortisation	6.6	1.8	1.0	10.1	19.5
Non-current assets held for sale ²	-	-	-	1.1	1.1
Balance sheet (restated)					
Assets					
Segment assets	224.1	47.5	57.8	61.6	391.0
Unallocated corporate assets					45.3
Consolidated total assets					436.3
Liabilities					
Segment liabilities (restated)	(64.5)	(43.6)	(26.8)	(19.2)	(154.1)
Unallocated corporate liabilities					(209.0)
Consolidated total liabilities					(363.1)

¹ Includes additions of other intangible assets and property, plant and equipment in addition to acquisitions of subsidiary intangible assets and property, plant and equipment

² Non-current assets held for sale are mobile-homes held within the Camping Division and are expected to be sold within twelve months of the year end.

Geographical segments

The following table provides an analysis of the Group's revenue by geographical market:

	2009 £m	2008 £m
United Kingdom	345.7	355.3
Ireland	12.1	6.4
Netherlands and Belgium	77.2	64.6
Germany, Switzerland and Austria	30.2	25.6
Other	8.2	3.2
	473.4	455.1

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment and other intangible assets	
	2009 £m	Restated 2008 £m	2009 £m	2008 £m
United Kingdom	357.6	334.3	17.1	14.5
Ireland	1.2	3.7	-	-
Netherlands and Belgium	24.9	21.0	2.5	2.3
Germany, Switzerland and Austria	5.8	3.5	0.2	0.2
France	45.7	56.1	8.3	9.6
Italy	10.6	10.8	2.7	3.2
Spain	5.0	5.8	1.4	1.7
Other	0.9	1.1	-	0.2
	451.7	436.3	32.2	31.7

3. Other gains and losses

	2009 £m	2008 £m
Fair value losses on interest rate derivatives	(8.5)	(0.5)
Fair value gains on forward currency exchange derivatives	0.2	0.3
	(8.3)	(0.2)

4. Tax

	2009 £m	2008 £m
UK corporation tax		
- charge for the year	1.6	4.0
- adjustment in respect of prior years	(0.9)	(1.1)
Foreign taxation		
- charge for the year	3.7	3.3
- adjustment in respect of prior years	(0.1)	(0.5)
Deferred tax		
- (credit) charge for the year	(1.8)	0.1
- adjustment in respect of prior years	0.1	(0.4)
Tax expense for the year	2.6	5.4

UK corporation tax is calculated at 28% (2008: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The adjustment in respect of prior years includes £0.4m (2008: £0.5m) in respect of the release of amounts provided on overseas earnings.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2009 £m	2008 £m
Profit before tax	5.4	23.4
Tax at the UK corporation tax rate of 28% (2008: 28%)	1.5	6.5
Tax effect of expenses not deductible in determining taxable profit	0.2	0.6
Effect of goodwill impairment	2.7	0.7
Effect of reduction in UK corporation tax rate	-	0.2
Effect of different tax rates of subsidiaries operating in other jurisdictions	(0.5)	(1.1)
Adjustments in respect of prior years	(0.9)	(1.5)
Release of amounts provided on overseas earnings	(0.4)	(0.5)
Overseas dividends eliminated on consolidation	-	0.5
Tax expense for the year	2.6	5.4

5. Dividends

	Restated* pence per share	Actual pence per share	2009 £m	2008 £m
Ordinary dividends paid				
For the year ended 30 September 2007				
Final dividend	19.64	23.30	-	11.2
For the year ended 30 September 2008				
Interim dividend	7.80	9.25	-	4.5
Final dividend	5.73	6.80	3.3	-
For the year ended 30 September 2009				
Interim dividend	3.90	4.625	2.2	-
			5.5	15.7

* The restated dividend per share represents the theoretical dividend per share that would have been paid had the bonus shares inherent in the Rights Issue been in existence at the relevant dividend dates.

	Restated* per share Pence	Actual per share pence	2010 £m	2009 £m
Ordinary dividends proposed				
For the year ended 30 September 2009				
Final dividend	-	7.90	5.6	-
For the year ended 30 September 2008				
Final dividend	5.73	6.80	-	3.3

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

6. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2009 £m	2008 £m
Earnings		
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	2.8	18.0
	2009 Number	Restated* 2008 Number
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	59,797,571	57,366,139
Effect of dilutive potential ordinary shares:		
Share options and awards	6,652	24,731
Weighted average number of ordinary shares for the purposes of diluted earnings per share	59,804,223	57,390,870
	2009 Pence	2008 Pence
Earnings per share		
Basic	4.7	31.3
Diluted	4.7	31.3
	2009 £m	Restated** 2008 £m
Headline earnings		
Net profit attributable to equity holders of the parent	2.8	18.0
Add back:		
Amortisation of other intangible assets acquired via business combinations	3.5	4.2
Impairment of goodwill	9.6	2.5
Exceptional restructuring costs	1.6	2.3
IAS 39 mark-to-market adjustment on financial derivatives	8.3	0.2
Tax effect of the above	(3.6)	(1.6)
Headline earnings	22.2	25.6
	2009 Pence	2008 Pence
Headline earnings per share		
Basic	37.0	44.7
Diluted	37.0	44.7

* The weighted average number of ordinary shares for the year ended 30 September 2008 has been adjusted for the bonus element inherent in the Rights Issue that was approved on 3 July 2009 in compliance with IAS 33 'Earnings per Share'

6. Earnings per share (continued)

** The Directors changed the definition of headline earnings per share in the year ended 30 September 2009 due to the increasing importance on the Group's performance of IAS 39 mark-to-market revaluations of interest rate derivatives and forward currency exchange derivatives. In the opinion of the Directors the revised definition of headline earnings per share provides shareholders with a more meaningful representation of the earnings derived from the Group's operations.

In 2008 headline earnings per share were defined as net profit attributable to equity holders of the parent, after adding back amounts charged to the income statement in respect of amortisation of other intangible assets acquired via business combinations, impairment of goodwill, exceptional restructuring costs and the combined tax effect thereof.

The change in the basis of the calculation has had no net effect on headline earnings for the year ended 30 September 2008.

7. Analysis of cash and cash equivalents and reconciliation to net debt

Group	1 October 2008 £m	Cash flow £m	Foreign exchange £m	Non-cash movements £m	30 September 2009 £m
Cash at bank and in hand	44.7	4.1	3.1	-	51.9
Overdrafts	(3.0)	2.9	-	-	(0.1)
Cash and cash equivalents	41.7	7.0	3.1	-	51.8
Debt due within one year	(10.0)	10.0	-	(10.0)	(10.0)
Debt due after one year	(171.8)	9.2	(7.6)	8.8	(161.4)
Finance leases less than one year	(6.0)	5.2	-	(3.8)	(4.6)
Finance leases more than one year	(15.2)	(2.5)	-	3.8	(13.9)
Net debt	(161.3)	28.9	(4.5)	(1.2)	(138.1)

The non cash movement in debt due after one year includes £1.2m for the impairment of facility fees relating to the Group's lending facility, and has been charged to finance costs in the year.

8. Share capital

Group and Company	Ordinary shares of 5p each	
	Number	Nominal value £m
Authorised:		
At 1 October 2007 and 1 October 2008	90,000,000	4.5
Increase in authorised new shares	10,000,000	0.5
At 30 September 2009	100,000,000	5.0
Allotted, called up and fully paid:		
At 1 October 2007	48,842,157	2.4
Allotments in the year	15,109	-
At 1 October 2008	48,857,266	2.4
Rights Issue	21,714,340	1.1
At 30 September 2009	70,571,606	3.5

On 3 July 2009 an ordinary resolution was passed at a general meeting of the Company that approved the increase in the authorised ordinary shares of 5p each from 90.0 million to 100.0 million.

On 3 July 2009 a special resolution was passed that allowed the Company to proceed with a Rights Issue which provided shareholders with the right to acquire four additional shares at an issue price of 153p for every nine shares held. The Rights Issue resulted in the issue of an additional 21,714,340 ordinary shares on 21 July 2009 and raised net proceeds of £31.2m, consisting of gross proceeds of £33.2m net of issue costs of £2.0m.

During the year nil (2008: 15,109) ordinary 5p shares were issued, with a nominal value of £nil (2008: £755) in respect of options exercised under the Company's share option schemes.

The Company has one class of ordinary shares, which carry no right to fixed income.

Shareholders' authority for the purchase of up to 4,885,700 of the Company's ordinary shares of 5p each was still valid at the end of the year.

9. Reserves

Group	Share premium account £m	Other reserves £m	Own shares £m	Retained earnings £m	Total £m
At 1 October 2007	38.9	1.3	(2.6)	33.7	71.3
Exchange differences on translation of foreign operations	-	-	-	(1.9)	(1.9)
Actuarial losses on defined benefit pension schemes	-	-	-	(1.0)	(1.0)
Tax effect of items recognised direct in equity	-	(0.1)	-	0.2	0.1
Profit for the year	-	-	-	18.0	18.0
Dividends paid	-	-	-	(15.7)	(15.7)
Debit to equity for share-based payments	-	(0.1)	-	-	(0.1)
At 1 October 2008	38.9	1.1	(2.6)	33.3	70.7
Exchange differences on translation of foreign operations	-	-	-	(2.1)	(2.1)
Actuarial losses on defined benefit pension schemes	-	-	-	(0.3)	(0.3)
Tax effect of items recognised direct in equity	-	(0.1)	-	1.7	1.6
Profit for the year	-	-	-	2.8	2.8
Dividends paid	-	-	-	(5.5)	(5.5)
Rights issue	30.1	-	-	-	30.1
Credit to equity for share-based payments	-	0.3	-	-	0.3
At 30 September 2009	69.0	1.3	(2.6)	29.9	97.6

10. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

There has been no change to the nature of related party transactions in the financial year that has materially affected the financial position or performance of the Group.

11. Non-statutory accounts

The financial information set out above was approved by the Directors on 27 November 2009. It does not constitute the Company's statutory accounts for the years ended 30 September 2009 or 2008, but is derived from these accounts. Statutory accounts for 2008 have been delivered to the Registrar of Companies and those for 2009 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified and did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

Whilst the financial information included in this full year results announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement in itself does not contain sufficient information to comply with IFRS.

This financial information does not represent the Company's dissemination announcement. The Company expects to publish its full financial statements that comply with IFRS in January 2010.