

Directors' Report

Business Review

The Group's principal subsidiaries and operating units are shown on pages 39 and 40. The Group's business review is set out in the Chief Executive's Review on pages 4 to 9, which forms part of this Directors' Report.

Directorate

The Directors of the Company are named on the inside front cover. At the forthcoming Annual General Meeting, Dr H Stodieck will retire and, being eligible, will offer himself for re-election at the Annual General Meeting. At no time during the year has any Director been materially interested in any significant contract in relation to the Company's business.

Results and dividends

The profit for the financial year attributable to shareholders amounted to £45,948,000 (2007: £55,175,000). Dividends in the year were:

| | 2008 £'000 | 2007 £'000 |
|---------------------------------------|---------------|---------------|
| Preference dividends paid and accrued | 130 | 130 |
| Ordinary dividends: | | |
| Interim paid | 11,007 | 33,005 |
| | 11,137 | 33,135 |

Properties

The Directors are satisfied that, following the revaluations carried out during 2006, the market value of freehold property assets is in line with the amount at which they are included in the balance sheet.

Financial instruments:

Risk and risk management

The Group's risk and risk management policies and procedures are dealt with in note 25 to the financial statements.

Employee involvement

Briefings of senior managers by the Chief Executive supplemented by internal announcements are used to promote communications and to disseminate information relating to the performance of the Group.

Employment of disabled persons

Group companies give full and fair consideration to applications for employment from disabled persons. Depending on their skills and abilities, the disabled have the same opportunities for promotion and career prospects as other employees.

Creditor payment policy

The Company's policy in respect of suppliers is to settle the terms of payment when agreeing each transaction, to ensure suppliers are aware of the terms of payment, and to abide by those terms. At the year end, the Company had 11 days' purchases outstanding in trade creditors (2007: 5 days').

Charitable donations

Charitable donations paid or provided in the year to UK organisations amounted to £7,140 (2007: £6,619).

Auditors

The Directors have taken all reasonable steps to acquaint themselves with relevant audit information and have ensured that the auditors have received such information. The Directors are not aware of any relevant audit information that has not been passed to the auditors.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board.

A H Heywood

Company Secretary
31 March 2009