

Focused Flexible & Resilient



Contents

Christie Group provides an extensive portfolio of professional services for the hospitality, leisure, healthcare, medical, childcare and education and retail sectors.

These include surveying, valuation, agency, consultancy, finance, insurance, stock control and business software solutions.

Our focus on a limited number of sectors gives us an unrivalled market awareness in each of these areas.

The results: a greater understanding of our clients' operations and a heightened ability to help them improve efficiency, enhance trading profits and increase the value of their businesses. In these ways, and through our innovative use of technology, we have built a reputation for making a significant contribution to our clients' commercial success.

Professional & Financial Services (PFS)

The expertise offered by Christie & Co, Christie Finance and Christie Insurance, covers all aspects of valuing, buying, selling, developing, financing and insuring a wide variety of businesses. Their scope is complemented by the comprehensive appraisal and project management services available from Pinders.

Stock & Inventory Systems & Services (SISS)

Orridge and Venners are the leading specialists in stock control and inventory management services. Orridge specialises in all fields of retail, Venners focuses on the hospitality sector and Vennersys provides software and systems to the leisure and hospitality sectors.

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Our brands

Professional & Financial Services

CHRISTIE & CO

Christie & Co is the leading specialist firm providing business intelligence in the hospitality, leisure, healthcare, medical, childcare and education and retail sectors. A market leader in its sectors, it employs the largest teams of sector specialists in the UK providing professional agency, valuation and consultancy services. Internationally, it operates from offices in the UK, Austria, Finland, France, Germany and Spain.

www.christie.com

CHRISTIE FINANCE

Christie Finance has over 40 years' experience in financing businesses in the hospitality, leisure, healthcare, medical, childcare and education and retail sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers. Christie Finance is authorised and regulated by the Financial Conduct Authority.

www.christiefinance.com

CHRISTIE INSURANCE

Christie Insurance, with over 40 years' experience arranging business insurance in the hospitality, leisure, healthcare, medical, childcare and education and retail sectors, is a leading company in its markets. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breadth of its cover.

www.christieinsurance.com

PINDERS

Pinders is the UK's leading specialist business appraisal, valuation and consultancy company, providing professional services to the licensed, leisure, retail and care sectors, and also the commercial and corporate business sectors. Its Building Consultancy Division offers a full range of project management, building monitoring and building surveying services. Pinders staff use business analysis and surveying skills to look at the detail of businesses to arrive at accurate assessments of their trading potential and value.

www.pinders.co.uk

Stock & Inventory Systems & Services

venners Maximised Profits. Optimised Controls.

Venners is the leading supplier of stocktaking, inventory, consultancy services and related stock management systems to the hospitality sector. Consultancy services include control audits, 'live' event stocktaking and Health & Safety implementation and control. Bespoke software and systems enable real-time management reporting to customers using the best available technologies. Venners is the largest and longest established stock audit company in the sector in the UK.

www.venners.com

ORRIDGE the Company that Counts

Orridge is Europe's longest established stocktaking business specialising in all fields of retail stocktaking including high street, warehousing and factory operations, pharmacy and supply chain services. It also has a specialised pharmacy division providing valuation and stocktaking services. Orridge prides itself on its speed in supplying high-quality management information to its clients.

www.orridge.eu

VENNERSYS

Vennersys operates in the UK and North America and delivers online Cloud-based ticketing sales and admission Systems to visitor attractions such as historic houses and estates, museums, zoos, safari parks, aquaria and cinemas. It has over 20 years' experience delivering purpose-designed solutions for clients' ticketing, admissions, EPoS and food and beverage sales requirements.

www.vennersys.co.uk www.vennersys.ca

Where we operate



The area we cover

Offices

43 offices across the UK,
Continental Europe and Canada.

Highlights

- First half revenues broadly flat at £38.1m (H1 2018: £38.4m)
- First half operating profit in line with expectation at £1.5m (H1 2018: £2.0m)
- Interim dividend maintained at 1.25p per share (H1 2018: 1.25p per share)
- An increased pipeline of current and ongoing projects
- We anticipate a stronger second half

“Increased investment opportunities in our mid-market ‘alternatives’ business sectors is fuelling demand for our portfolio of services.”

David Rugg, Chairman and Chief Executive

Chairman and Chief Executive's review



REVENUE

£38.1m

OPERATING PROFIT

£1.5m

EPS

2.68p

INTERIM DIVIDEND

1.25p

Revenue for our first half of £38.1m was broadly flat against the corresponding period (H1 2018: £38.4m). Our operating profit, whilst reduced at £1.5m (H1 2018: £2.0m), was in line with our expectation and is related to success fees on a number of transactions being weighted to the second half.

Whilst overall business activity has proved encouraging, we have adopted a cautious approach to UK hiring whilst we await some certainty as to the political outcome.

“We help our clients efficiently run their businesses. Overall these produce attractive returns in an investment market otherwise deprived of yield. Our international agency and advisory business is coming of age. We view the future with confidence.”

“We supply a complementary range of business services providing balanced revenues. More cautious domestic funding of larger M&A deals may slow the market, pending the resolution of Brexit. Thereafter we anticipate an increase in activity.”

Professional & Financial Services

Since the 2018 period end the comparatively lower value of sterling has awakened international investment interest for our sectors in the UK. More positively, our core sectors are now recognised as a mainstream area for investors in operational real estate. Colloquially known as “alternative investments”, yields have continued to compress and buyer appetite increase. This bodes well for the remainder of the year and into 2020.

Our Care, Childcare and Medical team were awarded the prestigious Property Consultants of the Year, an industry recognition amongst 1,200 participants. The citation highlighted our breadth of reach and our commitment to ground-breaking research and market studies.

Christie & Co recently sold the London based group of the highly rated Little Garden Day Nurseries, founded 30 years ago by Lady Woodford-Hollick and her partner Ms. De-Zoysa. We sold Rainbow Day Nurseries, providing provision for 263 children, to Kids Planet, now a group of 41 settings.

We are currently marketing 475 homes for 344 Care providers. Our due diligence work is significant, leaning on our market leading proprietary data set which now features over 81 million data points.

In Dentistry we sold Metamorphosis Dental in London’s Fulham, one of the UK’s largest and most successful private orthodontic practices, to BUPA Dental Care. Already this year we have agreed the sale of over 135 pharmacies. Ahead of the sale of Papworth Pharmacy, Cambridgeshire, 16 offers were negotiated, resulting in a sale consideration in excess of the required price.

Greene King has recently announced that it has agreed to a recommended bid from a wholly owned subsidiary of Hong Kong based CK Asset Holdings Ltd. Christie & Co has previously provided valuation advice to Greene King. We also achieved the sale of 18 pubs for Wadworth to Red Oak Taverns.

Through the competitive process mentioned in my AGM statement for the sale of the Days Hotel, Waterloo, we generated significant investor interest from a guide price of “Offers in excess of £50m”, resulting in a successful sale. We have sold hostels in Newcastle and Liverpool to the Youth Hostel Association. In Liverpool we have now been mandated to sell the freehold investment of the National Horseracing College.

We have recently been instructed by Louvre Hotels to market a portfolio of eight hotels spread across the UK, Germany, Spain, the Netherlands and Italy. In France, we have advised on the ongoing acquisition of Hotel ibis Nice Palais des Congres Vieux Nice, for Easyhotels, as well as completing the sale of the Grand Tonic Hotel of Marseille.

Our advisory work has included advising Bain Capital and a number of other investment funds, including DK Partners, Deka, Hapimag and Blackrock, in their interest on varying NPL portfolios as well as in relation to individual assets in Spain, Portugal and Italy.

Pinders continued its half century of operation with a bank review of a new build pool and functions facility to operate under a ‘Water Babies’ franchise. Pinders also advised Allcures Plc, an existing operator, in the acquisition of a group of ten pharmacies. Pinders identified a number of issues of which the purchaser was unaware, as a result

of which the agreed asking price of £7.75m was substantially reduced, with a sale agreed in line with the valuation undertaken by Pinders and the purchase completed.

At Christie Finance 15% of our core business mortgage borrowers now also take an advance or tandem unsecured loan facility. Additionally, 14% of core borrowers took Life Assurance through Christie Insurance. Christie Insurance has seen an increased flood risk awareness of late and some clients requiring to cover higher stock holding levels, in case of any supply chain disruption. This is consistent with our Financial Services strategy of broadening the range of products we provide to each client.

Stock & Inventory Systems & Services

At Vennersys, our online ticketing and enterprise system supplier, recent new wins have been in Visitor Attractions and Family Entertainment Centres. Our market leading solutions are being repeatedly selected against our competitors. Planned installation already run to April 2020. Meanwhile our multi-site operators continue to expand their use of our system Venpos Cloud.

Within Orridge, our UK retail stocktaking business has continued the implementation of its return to profit plan. However, almost full employment in the UK has exacerbated the difficulty of attracting and deploying casual workers and compliance with the evolving interpretation of casual worker regulation. A key focus has been the development of a systemised ability to advertise and target recruits by location. In the process we have rewritten our applicant capture systems to maximise reusable applicant information and drive an improvement in resourcing and productivity.

New client wins in the UK included warehouse counts for Manning Impex, while we have won additional work with Paydens in the Pharmacy sector. We continue to focus on the growth of our Supply Chain work and in mainland Europe we carried out stocktaking assignments in 14 countries.

Following a record 2018, Venners continued its profit growth. Regional gains continued. New wins included The New World Trading Company and Michels & Taylor. We began work with another international hotel chain and should see a substantial amount of their estate on board by the end of this year.

Venners till data risk analysis service enables us to highlight suspicious trading at our clients' premises. Our brand compliance consultancy surveys both franchised and managed operations. Whilst our on-line Health and Safety management central system creates a growing partnership.

Summary and Outlook

As already mentioned, we have a strong pipeline of activity. A more benign immigration regime could produce a fillip to our Hospitality and Healthcare sectors. We supply a complementary range of business services providing balanced revenues. More cautious domestic funding of larger M&A deals may slow the market, pending the resolution of Brexit. Thereafter we anticipate an increase in activity.

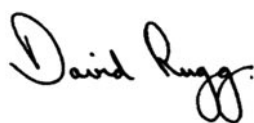
We help our clients efficiently run their businesses. Overall these produce attractive returns in an investment market otherwise deprived of yield. Our international agency and advisory business is coming of age. We view the future with confidence.

Away from day to day trading matters, following a review, we have decided to have realised the freehold value of Pinder House in Milton Keynes. The recommended reserve exceeds book value by approximately £2.8 million. We will continue to operate from these offices under an occupational lease.

As we announced in late June, our new Nominated Advisors are Shore Capital and Corporate Limited, following the acquisition of Stockdale Securities Limited by Shore Capital Markets Limited. We say goodbye to Grant Thornton UK LLP as auditors and have appointed Mazars LLP in their place.

My particular thanks to our management teams and staff for the extra thought that has been required, due to the moving political timetable and continued option of outcomes.

The Board has maintained an interim dividend of 1.25p (H1 2018: 1.25p per share) which will be paid on 1 November 2019 to shareholders on the register on 11 October 2019.



David Rugg
Chairman and Chief Executive

Consolidated interim income statement

	Note	Half year to 30 June 2019 (Unaudited) £'000	Half year to 30 June 2018 (Unaudited) £'000	Year ended 31 December 2018 (Audited) £'000
Revenue	4	38,140	38,404	76,090
Employee benefit expenses		(27,179)	(26,224)	(51,884)
Depreciation and amortisation		10,961	12,180	24,206
Impairment charge		(1,115)	(509)	(1,018)
Other operating expenses		–	–	(22)
		(8,331)	(9,661)	(19,083)
Operating profit		1,515	2,010	4,083
Finance costs		(449)	(64)	(169)
Finance income		–	2	1
Pension scheme finance costs		(175)	(158)	(316)
Total finance charge		(624)	(220)	(484)
Profit before tax		891	1,790	3,599
Taxation		(187)	(442)	(661)
Profit for the period after tax		704	1,348	2,938
Profit for the period after tax attributable to:				
– Equity shareholders of the parent		704	1,366	2,956
– Non-controlling interest		–	(18)	(18)
		704	1,348	2,938
Earnings per share attributable to equity holders – pence				
– Basic	6	2.68	5.18	11.23
– Fully diluted	6	2.63	5.12	10.73

All amounts derive from continuing operations.

Consolidated interim statement of comprehensive income

	Half year to 30 June 2019 (Unaudited) £'000	Half year to 30 June 2018 (Unaudited) £'000	Year ended 31 December 2018 (Audited) £'000
Profit for the period after tax	704	1,348	2,938
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	(6)	21	106
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(6)	21	106
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement gains/(losses) on defined benefit plans	1,105	1,800	(694)
Income tax effect	(187)	(306)	118
Net other comprehensive income/(losses) not being reclassified to profit or loss in subsequent periods	918	1,494	(576)
Other comprehensive income/(losses) for the period	912	1,515	(470)
Total comprehensive income for the period	1,616	2,863	2,468
Total comprehensive income attributable to:			
Equity shareholders of the parent	1,616	2,881	2,486
Non-controlling interest	–	(18)	(18)
	1,616	2,863	2,468

Consolidated interim statement of changes in shareholders' equity

	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Half year to 30 June 2019 (Unaudited)						
Balance at 1 January 2019	531	5,357	765	(9,032)	–	(2,379)
Impact of IFRS 16	–	–	–	(1,061)	–	(1,061)
Restated balance at 1 January 2019	531	5,357	765	(10,093)	–	(3,440)
Profit for the period after tax	–	–	–	704	–	704
Items that will not be reclassified subsequently to profit or loss	–	–	–	918	–	918
Items that may be reclassified subsequently to profit or loss	–	–	(6)	–	–	(6)
Total comprehensive income/(losses) for the period	–	–	(6)	1,622	–	1,616
Movement in respect of employee share scheme	–	29	–	–	–	29
Employee share option scheme:						
– value of services provided	–	(45)	–	–	–	(45)
Dividends payable	–	–	–	(462)	–	(462)
Balance at 30 June 2019	531	5,341	759	(8,933)	–	(2,302)

	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Half year to 30 June 2018 (Unaudited)						
Balance at 1 January 2018	531	5,612	659	(10,226)	(378)	(3,802)
Profit/(loss) for the period after tax	–	–	–	1,366	(18)	1,348
Items that will not be reclassified subsequently to profit or loss	–	–	–	1,494	–	1,494
Items that may be reclassified subsequently to profit or loss	–	–	21	–	–	21
Total comprehensive income/(losses) for the period	–	–	21	2,860	(18)	2,863
Movement in respect of employee share scheme	–	32	–	–	–	32
Employee share option scheme:						
– value of services provided	–	(127)	–	–	–	(127)
Acquisition of non-controlling interest	–	–	–	(396)	396	–
Dividends payable	–	–	–	(462)	–	(462)
Balance at 30 June 2018	531	5,517	680	(8,224)	–	(1,496)

	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Year ended 31 December 2018 (Audited)						
Balance at 1 January 2018	531	5,612	659	(10,226)	(378)	(3,802)
Profit/(loss) for the year after tax	–	–	–	2,956	(18)	2,938
Items that will not be reclassified subsequently to profit or loss	–	–	–	(576)	–	(576)
Items that may be reclassified subsequently to profit or loss	–	–	106	–	–	106
Total comprehensive income/(losses) for the year	–	–	106	2,380	(18)	2,468
Movement in respect of employee share scheme	–	(278)	–	–	–	(278)
Employee share option scheme:						
– value of services provided	–	23	–	–	–	23
Acquisition of non-controlling interest	–	–	–	(396)	396	–
Dividends paid	–	–	–	(790)	–	(790)
Balance at 31 December 2018	531	5,357	765	(9,032)	–	(2,379)

Consolidated interim statement of financial position

	Note	At 30 June 2019 (Unaudited) £'000	Restated At 30 June 2018 (Unaudited) £'000	At 31 December 2018 (Audited) £'000
Assets				
Non-current assets				
Intangible assets – Goodwill		1,856	1,843	1,856
Intangible assets – Other		1,320	1,370	1,387
Property, plant and equipment		3,639	3,687	3,664
Right of use assets		6,017	–	–
Deferred tax assets		2,822	2,681	3,009
Other receivables		1,913	1,913	1,913
		17,567	11,494	11,829
Current assets				
Inventories		15	30	29
Trade and other receivables		16,585	14,756	14,848
Current tax assets		158	1	156
Cash and cash equivalents	11	2,394	3,977	4,668
		19,152	18,764	19,701
Total assets		36,719	30,258	31,530
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	8	531	531	531
Fair value and other reserves		5,341	5,517	5,357
Cumulative translation reserve		759	680	765
Retained earnings		(8,933)	(8,224)	(9,032)
Total equity		(2,302)	(1,496)	(2,379)
Liabilities				
Non-current liabilities				
Trade and other payables		134	134	134
Retirement benefit obligations	9	12,641	12,000	14,119
Borrowings		546	692	602
Right of use asset liability		6,137	–	–
Provisions		399	464	469
		19,857	13,290	15,324
Current liabilities				
Trade and other payables		10,367	10,984	11,292
Current tax liabilities		67	275	79
Borrowings		6,895	6,365	6,354
Right of use asset liability		966	–	–
Provisions		869	840	860
		19,164	18,464	18,585
Total liabilities		39,019	31,754	33,909
Total equity and liabilities		36,719	30,258	31,530

Consolidated interim statement of cash flows

	Note	Half year to 30 June 2019 (Unaudited) £'000	Restated Half year to 30 June 2018 (Unaudited) £'000	Year ended 31 December 2018 (Audited) £'000
Cash flow from operating activities				
Cash (used in)/generated from operations	10	(1,103)	455	2,948
Interest paid		(115)	(64)	(169)
Tax paid		(230)	(261)	(570)
Net cash (used in)/generated from operating activities		(1,448)	130	2,209
Cash flow from investing activities				
Purchase of property, plant and equipment		(322)	(437)	(720)
Proceeds from sale of property, plant and equipment		–	10	14
Interest received		–	2	1
Intangible assets expenditure		(155)	(196)	(442)
Net cash used in investing activities		(477)	(621)	(1,147)
Cash flow from financing activities				
Repayment of bank borrowings		(56)	(41)	(144)
Proceeds from invoice discounting		705	(1)	(110)
Payment of finance lease liabilities		(829)	(1)	(1)
Dividends paid		–	–	(790)
Net cash used in financing activities		(180)	(43)	(1,045)
Net (decrease)/increase in cash and cash equivalents		(2,105)	(534)	17
Cash and cash equivalents at beginning of period		201	176	176
Exchange (losses)/gain on Euro bank accounts		(6)	(21)	8
Cash and cash equivalents at end of period	11	(1,910)	(379)	201

Notes to the consolidated interim financial statements

1. General information

Christie Group plc is a company incorporated in and operating from England. Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional & Financial Services and Stock & Inventory Systems & Services. Professional & Financial Services principally covers business valuation, consultancy & agency, business mortgages & insurance services and business appraisal. Stock & Inventory Systems & Services covers stock audit & counting, compliance, food & safety audits, inventory preparation & valuation and hospitality & cinema software.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 December 2019.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2018, except for those noted below and except for the adoption of new standards and interpretations effective as of 1 January 2019. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

IFRS16 replaced IAS17 Leases, with the key change being that lessee accounting will eliminate the IAS17 distinction between operating leases and finance leases, treating most leases in the same manner as finance leases under IAS17. Where an arrangement meets the IFRS16 definition of a lease and we act as a lessee, at commencement a loan obligation for future lease payables will be recognised together with an equal value non-current asset representing the right to use the leased item. Due to the different methods of unwinding the asset and liability, over time, a difference will arise between the value of the lease liability and the corresponding lease asset.

Lease costs are now recognised in the form of depreciation of the right-of-use asset and interest on the lease liability, which may impact the phasing of operating profit and profit before tax, compared to the cost profiles and presentation in the income statement under IAS17. This has also impacted the classification of associated cash flows in the consolidated cash flow statement.

We have applied the modified retrospective 2 basis when adopting the standard. The carrying amount of the initial right-of-use assets was £5,744,000 and the respective lease liabilities for all leases entered into before 1 January 2019 was £6,780,000. No restatement of prior years was required. The overall impact on equity, was a charge of £1,061,000 as shown in the consolidated interim statement of changes in shareholders' equity. Additionally, included in the consolidated interim income statement, is an interest charge of £334,000 in relation to IFRS16 interest cost.

Non-statutory accounts

These consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The financial information for the year ended 31 December 2018 set out in this interim report does not constitute the Group's statutory accounts for that period. The statutory accounts for the year ended 31 December 2018 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis. The financial information for the periods ended 30 June 2019 and 30 June 2018 is unaudited.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are consistent with those applied to the consolidated financial statements for the year ended 31 December 2018.

4. Segment information

The Group is organised into two main business segments: Professional & Financial Services and Stock & Inventory Systems & Services.

The reportable segment results for continuing operations for the period ended 30 June 2019 are as follows:

	Professional & Financial Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	21,348	16,847	1,638	39,833
Inter-segment revenue	(55)	–	(1,638)	(1,693)
Revenue	21,293	16,847	–	38,140
Operating profit/(loss)	2,284	(769)	–	1,515
Net finance charge				(624)
Profit before tax				891
Taxation				(187)
Profit for the period after tax				704

The reportable segment results for continuing operations for the period ended 30 June 2018 are as follows:

	Professional & Financial Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	21,640	16,819	1,810	40,269
Inter-segment revenue	(55)	–	(1,810)	(1,865)
Revenue	21,585	16,819	–	38,404
Operating profit/(loss)	2,452	(581)	139	2,010
Net finance charge				(220)
Profit before tax				1,790
Taxation				(442)
Profit for the period after tax				1,348

The reportable segment results for continuing operations for the year ended 31 December 2018 are as follows:

	Professional & Financial Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	43,491	32,709	3,502	79,702
Inter-segment revenue	(110)	–	(3,502)	(3,612)
Revenue	43,381	32,709	–	76,090
Operating profit/(loss)	5,635	(720)	(832)	4,083
Net finance charge				(484)
Profit before tax				3,599
Taxation				(661)
Profit for the year after tax				2,938

5. Taxation

Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, which excludes the shares held in the Employee Share Ownership Plan (ESOP) trust.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of potential dilutive ordinary shares: share options. Where a loss for the year has been recognised the share options are considered anti-dilutive and so not included in the calculation of diluted earnings per share.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Half year to 30 June 2019 £'000	Half year to 30 June 2018 £'000	Year ended 31 December 2018 £'000
Profit from total operations attributable to equity holders of the Company	704	1,366	2,956
	30 June 2019 Thousands	30 June 2018 Thousands	31 December 2018 Thousands
Weighted average number of ordinary shares in issue	26,226	26,351	26,321
Adjustment for share options	564	306	1,224
Weighted average number of ordinary shares for diluted earnings per share	26,790	26,657	27,545
	30 June 2019 Pence	30 June 2018 Pence	31 December 2018 Pence
Basic earnings per share	2.68	5.18	11.23
Fully diluted earnings per share	2.63	5.12	10.73

7. Dividends

A final dividend in respect of the year ended 31 December 2018 of 1.75p per share, amounting to a total dividend of £462,000, was approved and paid to the Christie Group plc registrar on 1 July 2019. The funds were transferred to shareholders on 5 July 2019.

An interim dividend in respect of 2019 of 1.25p per share, amounting to a dividend of £332,000, was declared by the directors at their meeting on 10 September 2019. These financial statements do not reflect this dividend payable.

The dividend of 1.25p per share will be payable to shareholders on the record on 11 October 2019. The dividend will be paid on 1 November 2019.

8. Share capital

	30 June 2019		30 June 2018		31 December 2018	
	Number	£'000	Number	£'000	Number	£'000
Ordinary shares of 2p each						
Allotted and fully paid:						
At beginning and end of period	26,526,729	531	26,526,729	531	26,526,729	531

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

Investment in own shares

The Group has established an Employee Share Ownership Plan (ESOP) trust to meet its future contingent obligations under the Group's share option schemes. The ESOP purchases shares in the market for distribution at a later date in accordance with the terms of the Group's share option schemes. The rights to dividend on the shares held have been waived.

9. Retirement benefit obligations

The obligation outstanding of £12,641,000 (30 June 2018: £12,000,000; 31 December 2018: £14,119,000) includes £1,254,000 (30 June 2018: £956,000; 31 December 2018: £1,281,000) payable to David Rugg by Christie Group plc.

The Group operates two defined benefit schemes (closed to new members) providing pensions on final pensionable pay. The contributions are determined by qualified actuaries based on triennial valuations using the projected unit method.

When a member retires, the pension and any spouse's pension is either secured by an annuity contract or paid from the managed fund. Assets of the schemes are reduced by the purchase price of any annuity purchase and the benefits no longer regarded as liabilities of the scheme.

The amounts recognised in the statement of comprehensive income and the movement in the liability recognised in the statement of financial position have been based on the forecast position for the year ended 31 December 2019 after adjusting for the actual contributions to be paid in the period.

In addition, the Group operates a defined contribution scheme for participating employees. Payments to the scheme are charged as an employee benefit as they fall due. The Group has no further payment obligations once the contributions have been paid.

Notes to the consolidated interim financial statements continued

9. Retirement benefit obligations continued

The movement in the liability recognised in the statement of financial position is as follows:

	Half year to 30 June 2019 £'000	Half year to 30 June 2018 £'000	Year ended 31 December 2018 £'000
Beginning of the period	14,119	14,241	14,241
Expenses included in the employee benefit expense	197	207	422
Contributions paid	(717)	(780)	(1,503)
Finance costs	175	158	316
Pension paid	(28)	(26)	(51)
Actuarial (gains)/losses recognised	(1,105)	(1,800)	694
End of the period	12,641	12,000	14,119

The amounts recognised in the income statement and statement of comprehensive income are as follows:

	Half year to 30 June 2019 £'000	Half year to 30 June 2018 £'000	Year ended 31 December 2018 £'000
Current service cost	197	207	422
Past service cost	–	–	60
Total included in employee benefit expenses	197	207	482
Net interest cost	175	158	316
Total included in finance costs	175	158	316
Actuarial (gains)/losses	(1,105)	(1,800)	694
Total included in other comprehensive income	(1,105)	(1,800)	694

The principal actuarial assumptions used were as follows:

	Half year to 30 June 2019 %	Half year to 30 June 2018 %	Year ended 31 December 2018 %
Inflation rate	3.20 – 3.30	3.00 – 3.10	3.20 – 3.30
Discount rate	2.30	2.00 – 2.70	2.80
Future salary increases	1.00 – 2.00	1.00 – 2.00	1.00 – 2.00
Future pension increases	2.20 – 3.50	2.00 – 3.40	2.10 – 3.50

Assumptions regarding future mortality experience were consistent with those disclosed in the financial statements for the year ended 31 December 2018.

10. Note to the cash flow statement

Cash generated from operations

	Half year to 30 June 2019 £'000	Restated Half year to 30 June 2018 £'000	Year ended 31 December 2018 £'000
Continuing operations			
Profit for the period	704	1,348	2,938
Adjustments for:			
– Taxation	187	442	661
– Finance costs	115	62	168
– Past service costs	–	–	(60)
– Depreciation	885	315	603
– Amortisation of intangible assets	230	194	415
– Profit on sale of property, plant and equipment	–	–	(14)
– Foreign currency translation	6	22	1
– Net payment to ESOP	–	(321)	(303)
– Decrease in provisions	(61)	(51)	(157)
– Movement in share option charge	27	(127)	23
– Retirement benefits	(548)	(441)	(756)
– Movement in reserves	–	(79)	–
Changes in working capital (excluding the effects of exchange differences on consolidation):			
– Decrease/(increase) in inventories	14	(5)	(14)
– (Increase)/decrease in trade and other receivables	(1,737)	117	155
– (Decrease) in trade and other payables	(925)	(1,021)	(712)
Cash (used in)/generated from operations	(1,103)	455	2,948

11. Cash and cash equivalents include the following for the purposes of the cash flow statement:

	Half year to 30 June 2019 £'000	Half year to 30 June 2018 £'000	Year ended 31 December 2018 £'000
Cash and cash equivalents	2,394	3,977	4,668
Bank overdrafts	(4,304)	(4,356)	(4,467)
	(1,910)	(379)	201

The Group is operating within its existing banking facilities.

12. Related-party transactions

There is no controlling interest in the Group's shares.

During the period rentals of £233,000 (30 June 2018: £280,000; 31 December 2018: £457,000) were paid to Carmelite Property Limited, a company incorporated in England and Wales, and jointly owned by The Christie Group Pension and Assurance Scheme, The Venners Retirement Benefit Fund and The Fitzroy Square Pension Fund, by Christie Group plc in accordance with the terms of a long-term lease agreement.

For the six months ended 30 June 2019, Christie Group plc incurred expenses of £50,000 (30 June 2018: £50,000; 31 December 2018: £100,000) in relation to the engagement of Philip Gwyn for consultancy work.

13. Prior year restatement

The Board have reviewed their previously adopted accounting treatment in relation to the asset previously classified as 'Available-for-Sale'. Having considered the requirements of IFRS 9, IFRS 10 and IAS 37 the Board have restated the Consolidated Statement of Financial Position as at 30 June 2018 and all other elements of the financial statements so affected. This constitutes an error in the accounting treatment adopted in the prior period financial statements and has accordingly been treated as a prior year adjustment. In doing so, the consolidated financial statements are now prepared recognising non-current restricted access financial assets within Other receivables and Other provisions. The restatement had no impact on previously reported profits or losses.

The effect on the Statement of Financial Position as at 30 June 2018 was as follows:

	Previously reported 2018 £'000	Restated 2017 £'000	Impact of restatement £'000
Available-for-sale financial assets	635	–	(635)
Other receivables	182	1,913	1,731
Non-current provisions	(161)	(464)	(303)
Net assets	656	1,449	793

14. Publication of Interim Report

The 2019 Interim Financial Statements are available on the Company's website www.christiegroup.com

Shareholder information

Company information

Investor and shareholder-related information can be found on our website at: www.christiegroup.com

Online copy

An electronic version of this annual report is available on our website in the Investors/Reports section at: www.christiegroup.com/investors/reports/year-2019

Board of directors

David Rugg	Chairman and Chief Executive
Dan Prickett	Chief Operating Officer
Simon Hawkins	Group Finance Director
Chris Day	Executive Director
Paul Harding	Executive Director
Laurie Benson	Non-executive Director
Hwfa Gwyn	Non-executive Director
Victoria Muir	Non-executive Director

Secretary

Charlotte French

Registered office

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6 Carmelite Street
London EC4Y 0BS

Registered number

01471939

Nominated adviser and broker

Shore Capital

Principal solicitors

Royds
Dentons

Auditors

Mazars LLP

Financial calendar Announcements

Preliminary full-year results for 2019 April 2020

Final dividend 2019

Ex-dividend	10 October 2019
Record date	11 October 2019
Payment date	1 November 2019

Dates are correct at the time of printing, but are subject to change.

Registrars

All administrative enquiries relating to shareholdings and requests to receive corporate documents by e-mail should, in the first instance, be directed to:

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

0871 664 0300 from the UK and +44 (0) 371 664 0300 from overseas. (Calls cost 12 pence per minute plus network extras. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9am to 5:30pm Mon – Fri, excluding public holidays in England and Wales).

shareholderenquiries@linkgroup.co.uk

Shareholders who receive duplicate sets of company mailings because they have multiple accounts should write to Link Asset Services to have their accounts amalgamated.

Voting online and the shareholder portal – www.signalshares.com

You will need your investor code, which can be found on your share certificate(s) to register for the shareholder portal.

Once you have registered, you can immediately:

- Cast your proxy vote online.
- Elect to receive shareholder communications electronically.

And, after you have activated your account, you can benefit from a number of other online services:

- View your holding balance and indicative share price and valuation.
- View transactions on your holding and dividend payments you have received.
- Update your address or register a bank mandate instruction to have dividends paid directly to your bank account.
- Access a wide range of shareholder information including downloadable forms.

If you need any help with voting online, please contact the Link Asset Services Shareholders Helpline, either:

- by phone on 0871 664 0300 from the UK and +44 (0) 371 664 0300 from overseas. (Calls cost 12 pence per minute plus network extras. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 9am to 5:30pm Mon – Fri, excluding public holidays in England and Wales) OR
- by e-mail at shareholderenquiries@linkgroup.co.uk

ShareGift

ShareGift is a charity share donation scheme for shareholders who may wish to dispose of a small number of shares where the market value makes it uneconomic to sell them on a commission basis. The scheme is administered by the Orr Mackintosh Foundation. For further information, please contact the foundation: 020 7930 3737.

www.sharegift.org/donate-shares

Unauthorised brokers ('boiler room' scams)

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turns out to be worthless or high risk shares in US or UK investments. These are commonly known as 'boiler rooms'.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA before getting involved. You can check at: <https://register.fca.org.uk>
- Report the matter to the FCA by calling 0800 111 6768.
- If the calls persist, hang up.

Details of any share dealing facilities that Christie Group endorses will only be included in company mailings.

Identity theft

Tips for protecting your shares in the company:

- Ensure all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee.
- Keep correspondence from us and Link in a safe place and destroy any unwanted correspondence by shredding.
- If you change address, inform Link in writing or update your address online via the shareholder portal. If you receive a letter from Link regarding a change of address but have not moved, please contact them immediately.
- Consider having your dividend paid directly into your bank. This will reduce the risk of the cheque being intercepted or lost in the post. If you change your bank account, inform Link of the details of your new account. You can do this by post or online via the shareholder portal.
- If you are buying or selling shares, only deal with brokers registered and authorised to carry out that type of business.
- Be wary of phone calls or e-mails purporting to come from us or Link asking you to confirm personal details or details of your investment in our shares. Neither we nor Link will ever ask you to provide information in this way.

Directory

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Christie Finance

The addresses are the same as Christie & Co with the exception of the Chester office which is only occupied by Christie Finance

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