THE DIGITAL RENAISSANCE

Creating business service opportunities

Interim Report 2014

...with the digital revolution

Christie Group provides a portfolio of over 40 professional business services for the leisure, retail and care 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 Business Services

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. Its scope is complemented by the comprehensive appraisal and project management services available from Pinders.

Stock & Inventory Systems & Services

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.

Contents

Our brands

Professional Business Services

Christie + Co
Christie + Co is a leading specialist firm providing business intelligence in the hospitality, leisure, care and retail sectors. A market leader in its sectors, it employs the largest teams of sector specialists in the UK providing professional agency and advisory services.

www.christie.com www.christiecorporate.com

Christie Finance
Christie Finance has over 30 years' experience in financing businesses in the hospitality, leisure, care and retail sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers.

www.christiefinance.com

Christie Insurance
With over 30 years' experience arranging business insurance in the hospitality, leisure, care and retail sectors, Christie Insurance is a leading company in its markets. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breath 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. 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 www.pinderpack.com

Stock & Inventory Systems & Services

Orridge
Orridge is Europe's longest established stocktaking business and specialises in all fields of retail stocktaking including high street, warehousing and factory operations. Orridge prides itself on the speed with which it supplies high-quality management information to its clients.

www.orridge.co.uk www.orridge.eu

Venners
The leading supplier of stocktaking, inventory, consultancy services and related stock management systems to the hospitality industry. Venners is the largest and longest established stock audit company in the sector in the UK and is growing in mainland Europe.

www.venners.co.uk

Vennersys
Vennersys operates in the UK and North America and delivers turnkey EPoS and ticketing 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

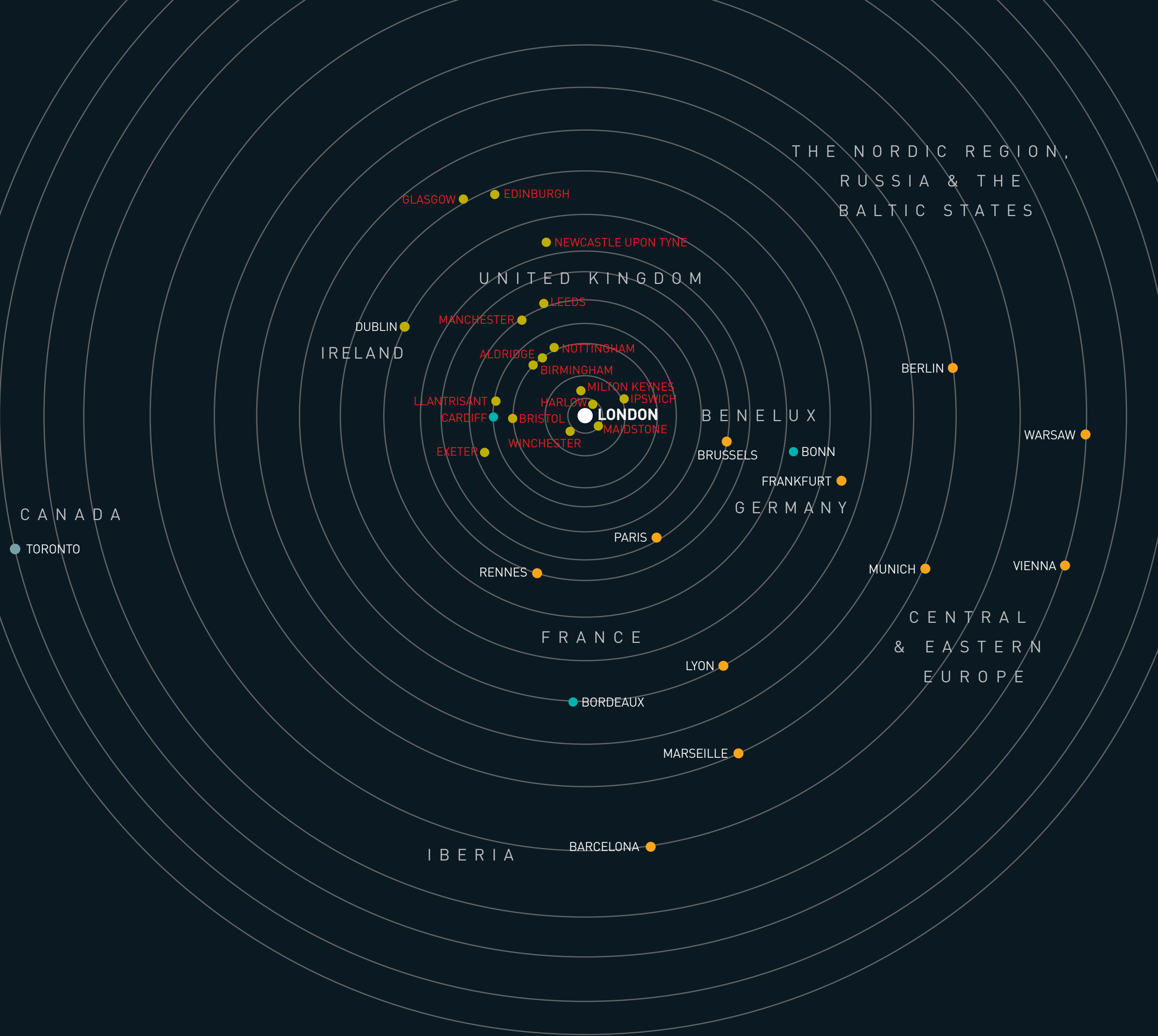
Where we are

Offices

43 offices across the UK and Continental Europe, and in Canada.

Employees

Employing over 2,800 professional and specialist staff.



Highlights

- Revenue for the first half up 14.4% to £29.4m (2013: £25.7m)
- £1.1m increase in operating profit before exceptional items to £0.8m (2013: £0.3m loss)
- Basic earnings per share up 5p per share to 1.74p (2013: 3.26p negative eps)
- Interim dividend increased by 50% to 0.75p per share (2013: 0.5p per share)
- Corporate M&A instructions provide basis for expectation of a strong full year result

"Our first half performance and the activity we continue to see provides us with confidence that we will deliver a much improved result for the year as a whole, driven by a resurgent UK M&A market."

David Rugg, Chief Executive

Chairman's statement

"I am pleased to report a first-half operating profit before exceptional items of £0.8m (2013: £0.3m loss) which is in line with the positive outlook presented in my AGM statement in June."

This £1.1m improvement in the H1 operating result before exceptional items follows a 14.4% increase in revenue to £29.4m (2013: £25.7m).

Professional Business Services

Our corporate Mergers & Acquisitions activity has been both intense and successful, with our UK operations leading the recovery in what has been an encouraging six months. The rewards of this activity have continued to accrue across the summer and, with our pipelines fully charged, we anticipate the delivery of a strong second-half result.

M&A activity has continued apace. Owners of companies trading in our sectors increasingly appreciate how a detailed knowledge of industry demands and focus coupled with the long term trust of the national, regional and local players allows us a "rifle shot" approach when desired to deliver both a quick and timely transaction at the best available terms.

First half instructions in the hotel sector included the recently completed sale of QMH Hotels for the owning consortium as well as LRG's disposal of 19 Holiday Inn hotels for a price significantly above the £70 million guide price. Christie + Co have also been instructed to market De Vere Group's Golf & Resort Hotels, with a value of over £160m.

Our consultants carried out advisory work on a number of non-performing loan portfolios, including a circa €4bn NPL portfolio in Spain which includes a significant number of hotels.

In the Care arena, we sold Caring Daycare Nurseries, a group of 12 children's day nurseries, to Busy Bees Ltd. We also acted for Mencap in the sale of 3 Educational Colleges to GI Partners' backed Cambian Group.

We have sold pubs to Wetherspoons since their inception and were pleased to add Browns Hotel in Tavistock to their portfolio. We were pleased to advise a mainstream fast food franchise in releasing equity – an illustration of our knowledge in the fast food sector.This is complemented by Venners Food Services Consultancy.

Our Pharmacy agency division was pleased to report the sale of 11 community pharmacies to AMG Healthcare, the major shareholder of which is buying group Avicenna plc.

Pinders' building division has been newly appointed to work on behalf of British Telecom. Building inspection reports were also prepared for Majestic Bingo on the Top Ten Bingo portfolio.

Christie Finance has established a specialist Medical Sector team to assist the funding of pharmacies, GPs' and dental surgeries and veterinary practices.

The regulation of consumer credit introductions has moved from the OFT to the FCA. Our belief is that a number of competitors will not choose to seek full authorisation, affording increased opportunity for those which remain.

The purpose of insurance is to meet losses. Christie Insurance were pleased to assist our client in being able to re-open the Cambridge Arms Hotel in the space of four days, following a fire.

"Business values are rising, volumes are increasing and we are well placed to benefit from a European recovery."

Stock & Inventory Systems & Services

Three planned events have enabled us to continue to grow revenue in our Stock & Inventory Systems & Services division at the expense of a short term impact on operating profit. These moves will facilitate the further growth of the businesses concerned and allow us to safeguard continuing underlying profitability.

When we acquired our German based retail stocktaking business in September 2013, we knew that its revenues were heavily biased towards the second half of the year. This continues to be the case. Moving forward, we are pursuing further new work for H1 2015 to better balance our German trade.

We have just finished writing a new stocktaking system for our hospitality stocktaking business Venners, appropriately called Next Generation. We will introduce this to clients progressively through to April 2015. This system is designed to deliver real-time reporting and online access, delivery and consumption of data and margin and revenue analysis to our clients. We believe it is a marked improvement over our existing system and ahead of any commercially scaleable solution we know of.

In Vennersys we have finished an online merchandising system which operates as a stand-alone module of our new visitor attraction software encompassing online ticketing, event control, point of sale and customer relationship management.

Recent new clients included Carphone Warehouse, Swarovski in Belgium, Holland and Germany and Molton Brown, Harveys of Lewes, St. Austell Brewery and Novus Leisure.

From October this year we will accommodate the knock-on effect of an increase in minimum wage.

Whilst we await any legislation relating to zero hour contracts, it is noteworthy that our day rate staff each currently work approximately 96% of the hours of their full time equivalents.

Outlook

UK trading is set fair for our second half. We continue carefully to expand whilst our business continues to grow organically. The sectors we operate in are buoyant, too. We expect to report a strong outcome for the year with the potential for further improvement once the recovery in mainland Europe materialises.

On your behalf, I thank our management and staff for some truly excellent achievements.

The Board have declared an increased interim dividend of 0.75p per share (2013: 0.50p per share) which will be paid on 17 October 2014 to shareholders on the register on 26 September 2014.

Philip Gwyn
Chairman

Consolidated interim income statement

	Note	Half year to 30 June 2014 (Unaudited) £'000	Half year to 30 June 2013 (Unaudited) £'000	Year ended 31 December 2013 £'000
Continuing operations:				
Revenue	4	29,406	25,702	54,154
Employee benefit expenses		(19,839)	(18,580)	(36,121)
		9,567	7,122	18,033
Depreciation and amortisation		(273)	(308)	(564)
Impairment credit/(charge)		–	77	(53)
Other operating expenses		(8,479)	(7,164)	(15,849)
Operating profit/(loss) before exceptional items	4	815	(273)	1,567
Exceptional items*		–	(396)	(442)
Operating profit/(loss) after exceptional items		815	(669)	1,125
Finance costs		(53)	(52)	(120)
Finance income		–	–	4
Pension scheme finance costs		(124)	(8)	(468)
Total finance charge		(177)	(60)	(584)
Profit/(loss) before tax from continuing operations		638	(729)	541
Taxation	5	(311)	(67)	(351)
Profit/(loss) for the period after tax from continuing operations		327	(796)	190
Discontinued operations:				
Profit/(loss) for the period from discontinued operations	6	–	(29)	(29)
Profit/(loss) for the period after tax		327	(825)	161
Profit/(loss) for the period after tax attributable to:				
Equity shareholders of the parent		458	(824)	212
Non-Controlling interest		(131)	(1)	(51)
		327	(825)	161
Earnings per share – pence				
Profit/(loss) attributable to the equity holders of the Company				
– Basic	7	1.74	(3.26)	0.82
– Fully diluted	7	1.66	(3.26)	0.80
Profit/(loss) from continuing operations attributable to the equity holders of the Company				
– Basic	7	1.74	(3.15)	0.93
– Fully diluted	7	1.66	(3.15)	0.91

*Exceptional costs for the half year to 30 June 2013 and year to 31 December 2013 relate to the restructuring of operations. There are no such costs in the half year to 30 June 2014.

Consolidated interim statement of comprehensive income

	Half year to 30 June 2014 (Unaudited) £'000	Half year to 30 June 2013 (Unaudited) £'000	Year ended 31 December 2013 £'000
Profit/(loss) for the period after tax	327	(825)	161
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	17	(4)	46
Net other comprehensive income/(losses) to be reclassified to profit or loss in subsequent periods	17	(4)	46
Items that will not be reclassified to profit or loss:			
Actuarial (losses)/gains on defined benefit plans	(2,393)	1,499	4,839
Income tax effect	443	(315)	(1,183)
Net other comprehensive (losses)/income not being reclassified to profit or loss in subsequent periods	(1,950)	1,184	3,656
Other comprehensive (losses)/income for the period, net of tax	(1,933)	1,180	3,702
Total comprehensive (losses)/income for the period	(1,606)	355	3,863
Total comprehensive (losses)/income attributable to:			
Equity shareholders of the parent	(1,475)	356	3,914
Non-controlling interest	(131)	(1)	(51)
	(1,606)	355	3,863

Consolidated interim statement of changes in shareholders' equity

Half year to 30 June 2013 (Unaudited)	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2013	505	4,688	457	(10,113)	(75)	(4,538)
(Loss)/profit for the period after tax	–	–	–	(824)	(1)	(825)
Other comprehensive income	–	–	(4)	1,184	–	1,180
Total comprehensive (losses)/income for the period	–	–	(4)	360	(1)	355
Movement in respect of employee share scheme	–	53	–	(23)	–	30
Employee share option scheme:						
– value of services provided	–	43	–	–	–	43
Proceeds from shares issued	26	758	–	–	–	784
Balance at 30 June 2013	531	5,542	453	(9,776)	(76)	(3,326)

Year ended 31 December 2013 (Audited)	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2013	505	4,688	457	(10,113)	(75)	(4,538)
Profit/(loss) for the year after tax	–	–	–	212	(51)	161
Other comprehensive income	–	–	–	3,656	–	3,656
Exchange differences on translating foreign operations	–	–	46	–	–	46
Total comprehensive income/(losses) for the year	–	–	46	3,868	(51)	3,863
Transfer of non-controlling interest on liquidation	–	–	–	(75)	75	–
Movement in respect of employee share scheme	–	19	–	(23)	–	(4)
Employee share option scheme:						
– value of services provided	–	61	–	–	–	61
Proceeds from shares issued	26	758	–	–	–	784
Dividends paid	–	–	–	(257)	–	(257)
Balance at 31 December 2013	531	5,526	503	(6,600)	(51)	(91)

Half year to 30 June 2014 (Unaudited)	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2014	531	5,526	503	(6,600)	(51)	(91)
Profit/(loss) for the period after tax	–	–	–	458	(131)	327
Other comprehensive (losses)	–	–	–	(1,950)	–	(1,950)
Exchange differences on translating foreign operations	–	–	17	–	–	17
Total comprehensive income/(losses) for the period	–	–	17	(1,492)	(131)	(1,606)
Movement in respect of employee share scheme	–	(132)	–	(2)	–	(134)
Employee share option scheme:						
– value of services provided	–	60	–	–	–	60
Dividends paid	–	–	–	(262)	–	(262)
Balance at 30 June 2014	531	5,454	520	(8,356)	(182)	(2,033)

Consolidated interim statement of financial position

	Note	At 30 June 2014 (Unaudited) £'000	At 30 June 2013 (Unaudited) £'000	At 31 December 2013 £'000
Assets				
Non-current assets				
Intangible assets – Goodwill		1,763	1,011	1,793
Intangible assets – Other		570	408	507
Property, plant and equipment		970	1,080	1,088
Deferred tax assets		2,768	4,019	2,628
Available-for-sale financial assets		635	300	485
Other receivables		466	316	500
		7,172	7,134	7,001
Current assets				
Inventories		–	–	–
Trade and other receivables		12,472	11,840	10,819
Current tax assets		190	177	190
Cash and cash equivalents	12	421	334	1,747
		13,083	12,351	12,756
Total assets		20,255	19,485	19,757
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	9	531	531	531
Fair value and other reserves		5,454	5,542	5,526
Cumulative translation reserve		520	453	503
Retained earnings		(8,356)	(9,776)	(6,600)
		(1,851)	(3,250)	(40)
Non-controlling interest		(182)	(76)	(51)
Total equity		(2,033)	(3,326)	(91)
Liabilities				
Non-current liabilities				
Retirement benefit obligations	10	6,857	8,131	4,796
Provisions		313	644	561
		7,170	8,775	5,357
Current liabilities				
Trade and other payables		8,592	8,447	8,365
Borrowings		4,568	3,796	4,483
Provisions		1,958	1,793	1,643
		15,118	14,036	14,491
Total liabilities		22,288	22,811	19,848
Total equity and liabilities		20,255	19,485	19,757

These consolidated interim financial statements have been approved for issue by the Board of Directors on 15 September 2014.

Consolidated interim statement of cash flows

	Note	At 30 June 2014 (Unaudited) £'000	At 30 June 2013 (Unaudited) £'000	At 31 December 2013 £'000
Cash flow from operating activities				
Cash used in operations	11	(745)	(1,908)	(355)
Interest paid		(53)	(60)	(120)
Tax received		–	–	225
Net cash used in operating activities		(798)	(1,968)	(250)
Cash flow from investing activities				
Acquisition of Subsidiary		–	–	(140)
Purchase of property, plant and equipment (PPE)		(134)	(81)	(297)
Proceeds from sale of PPE		6	8	13
Intangible assets expenditure		(61)	(93)	(267)
Investment in available-for-sale asset		(150)	–	(185)
Interest received		–	–	4
Net cash used in investing activities		(339)	(166)	(872)
Cash flow from financing activities				
Proceeds from issuance of ordinary shares		–	784	784
Proceeds from/(repayment of) invoice discounting		969	(150)	18
Dividends paid		(262)	–	(257)
Net cash generated from financing activities		707	634	545
Net decrease in cash and cash equivalents		(430)	(1,500)	(577)
Cash and cash equivalents at beginning of period		(2,130)	(1,538)	(1,538)
Exchange (losses)/gains on Euro bank accounts		(12)	14	(15)
Cash and cash equivalents at end of period	12	(2,572)	(3,024)	(2,130)

Notes to the consolidated interim financial statements

1. General information

Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional Business Services and Stock & Inventory Systems & Services. Professional Business Services principally covers business valuation, consultancy and agency, mortgage and insurance services, and business appraisal. Stock & Inventory Systems & Services covers stock audit and counting, compliance and food safety audits and inventory preparation and valuation, hospitality and 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 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2013, except for those noted below and except for the adoption of new standards and interpretations effective as of 1 January 2014. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Several new standards and amendments apply for the first time in 2014. However, they do not materially impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

Non-statutory accounts

These consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The financial information for the period ended 30 June 2014 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 2013 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 2014 and 30 June 2013 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 2013.

4. Segment information

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

The reportable segment results for continuing operations for the period ended 30 June 2014 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	14,562	14,896	1,239	30,697
Inter-segment revenue	(52)	–	(1,239)	(1,291)
Revenue	14,510	14,896	–	29,406
Operating profit	831	264	(280)	815
Net finance charge				(177)
Profit before tax				638
Taxation				(311)
Profit for the period after tax				327

The reportable segment results for continuing operations for the period ended 30 June 2013 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	13,152	12,602	1,163	26,917
Inter-segment revenue	(52)	–	(1,163)	(1,215)
Revenue	13,100	12,602	–	25,702
Operating (loss)/profit before exceptional items	(923)	766	(116)	(273)
Exceptional items	(396)	–	–	(396)
Operating (loss)/profit after exceptional items	(1,319)	766	(116)	(669)
Net finance charges				(60)
Loss before tax				(729)
Taxation				(67)
Loss for the period after tax				(796)

4. Segment information continued

The reportable segment results for continuing operations for the year ended 31 December 2013 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	28,404	25,854	2,473	56,731
Inter-segment revenue	(104)	–	(2,473)	(2,577)
Revenue	28,300	25,854	–	54,154
Operating profit/(loss) before exceptional items	936	1,100	(469)	1,567
Net finance (costs) /credit	(442)	–	–	(442)
Operating profit/(loss) after exceptional items	494	1,100	(469)	1,125
Net finance charge	(455)	(128)	(1)	(584)
Profit before tax				541
Taxation				(351)
Profit for the year after tax				190

The Group is not reliant on any key customers.

5. Taxation

During the period, as a result of the change in the UK corporation tax rate, the opening deferred tax balances have been re-measured. Deferred tax assets recognised at 1 January 2014 which had been measured at 21% at 31 December 2013 have been re-measured using the enacted rate that will apply at 31 December 2014 (20%).

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.

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 21% due to £125,000 arising from the reduction in the value of the brought forward deferred tax asset and a further £15,000 arising from other movements in the deferred tax asset.

6. Discontinued operation

On 31 January 2013, Christie + Co FZ LLC, a 95% owned subsidiary of Christie Group plc, ceased trading following the Board's decision to voluntarily liquidate the operation. The operations of Christie + Co FZ LLC have been classified as a discontinued operation for the period ended 30 June 2013.

The results of Christie + Co FZ LLC are as follows:

	Half year to 30 June 2014 (Unaudited) £'000	Half year to 30 June 2013 (Unaudited) £'000	Year ended 31 December 2013 £'000
Revenue	–	9	9
Employee benefit expenses	–	–	–
	–	9	9
Other operating expenses	–	(38)	(38)
Operating loss	–	(29)	(29)
Finance costs	–	–	–
Loss from discontinued operations	–	(29)	(29)
Total comprehensive (losses) from discontinued operations	–	(29)	(29)

7. 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.

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 2014 £'000	Half year to 30 June 2013 £'000	Year ended 31 December 2013 £'000
Profit/(loss) from continuing operations attributable to equity holders of the Company	458	(796)	241
(Loss) from discontinued operations attributable to equity holders of the Company	–	(28)	(29)
Profit/(loss) from total operations attributable to equity holders of the Company	458	(824)	212

	30 June 2014 Thousands	30 June 2013 Thousands	31 December 2013 Thousands
Weighted average number of ordinary shares in issue	26,379	25,292	25,889
Adjustment for share options	1,133	263	466
Weighted average number of ordinary shares for diluted earnings per share	27,512	25,555	26,355

7. Earnings per share continued

	30 June 2014 Pence	30 June 2013 Pence	31 December 2013 Pence
Basic earnings per share			
Continuing operations	1.74	(3.15)	0.93
Discontinued operations	–	(0.11)	(0.11)
Total operations	1.74	(3.26)	0.82
Fully diluted earnings per share			
Continuing operations	1.66	(3.15)	0.91
Discontinued operations	–	(0.11)	(0.11)
Total operations	1.66	(3.26)	0.80

8. Dividends

A final dividend in respect of the year ended 31 December 2013 of 1.0p per share, amounting to a total dividend of £262,000, was approved and paid to the Christie Group plc registrar on 27 June 2014. The funds were transferred to shareholders on 04 July 2014.

An interim dividend in respect of 2014 of 0.75p per share, amounting to a dividend of £199,000, was declared by the directors at their meeting on 10 September 2014. These financial statements do not reflect this dividend payable.

The dividend of 0.75p per share will be payable to shareholders on the record on 26 September 2014. The ex-dividend date will be 24 September 2014. The dividend will be paid on 17 October 2014.

9. Share capital

	30 June 2014		30 June 2013		31 December 2013	
Ordinary shares of 2p each	Number	£'000	Number	£'000	Number	£'000
Authorised:						
At 1 January, 30 June and 31 December	30,000,000	600	30,000,000	600	30,000,000	600
Allotted and fully paid:						
At beginning of period	26,526,729	531	25,263,551	505	25,263,551	505
Issue of shares	–	–	1,263,178	26	1,263,178	26
At 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.

During 2013, the Company placed 1,263,178 new 2p Ordinary shares during the period. The shares were placed at 62p per share, raising a total of £784,000.

Investment in own shares

The Group has established an Employee Share Ownership Plan (ESOP) trust in order 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.

At 30 June 2014 advances by the Group to the ESOP to finance the purchase of ordinary shares during the period were £135,000 (30 June 2013: £nil; 31 December 2013: £39,000). The market value at 30 June 2014 of the ordinary shares held in the ESOP was £309,000 (30 June 2013: £57,000; 31 December 2013: £121,000). The investment in own shares represents 238,000 shares (30 June 2013: 91,000; 31 December 2013: 151,000) with a nominal value of 2p each.

10. Retirement benefit obligations

The Group operates two defined benefit schemes (closed to new members) providing pensions on final pensionable pay. The contributions are determined by qualified actuaries on the basis of 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 2014 after adjusting for the actual contributions to be paid in the period.

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

	Half year to 30 June 2014 £'000	Half year to 30 June 2013 £'000	Year ended 31 December 2013 £'000
Beginning of the period	4,796	10,000	10,000
Expenses included in the employee benefit expense	284	348	567
Contributions paid	(740)	(718)	(1,400)
Finance costs	124	8	468
Actuarial losses/(gains) recognised	2,393	(1,499)	(4,839)
End of the period	6,857	8,139	4,796

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

	Half year to 30 June 2014 £'000	Half year to 30 June 2013 £'000	Year ended 31 December 2013 £'000
Current service cost	284	340	567
Total included in employee benefit expenses	284	340	567
Net interest cost	124	8	468
Total included in finance costs	124	8	468
Actuarial (losses)/gains	(2,393)	1,499	4,839
Total included in other comprehensive income/(losses)	(2,393)	1,499	4,839

The principal actuarial assumptions used were as follows:

	Half year to 30 June 2014 %	Half year to 30 June 2013 %	Year ended 31 December 2013 %
Inflation rate	3.2	3.2 – 3.3	3.2 – 3.3
Discount rate/expected return on plan assets	4.75	5.0 – 6.5	5.0
Future salary increases	3.2	3.2 – 3.3	3.2 – 3.3
Future pension increases	2.3 – 3.5	2.5 – 3.5	2.5 – 3.5

Assumptions regarding future mortality experience were consistent with those disclosed in the financial statements for the year ended 31 December 2013.

11. Note to the cash flow statement

Cash (used in)/generated from operations

	Half year to 30 June 2014 £'000	Half year to 30 June 2013 £'000	Year ended 31 December 2013 £'000
Continuing operations			
Profit/(loss) for the period	327	(796)	190
Adjustments for:			
– Taxation	311	67	351
– Finance costs	53	60	116
– Depreciation	213	285	411
– Amortisation of intangible assets	60	23	153
– Profit on sale of property, plant and equipment	(1)	(28)	(42)
– Foreign currency translation	10	20	102
– Increase/(decrease) in provisions	67	(439)	(672)
– Movement in share option charge	60	43	61
– Retirement benefits	(332)	(370)	(365)
– Decrease/ (increase) in non-current other receivables	34	–	(184)
Changes in working capital (excluding the effects of exchange differences on consolidation):			
– Decrease in inventories	–	1	1
– Decrease in trade and other receivables	(1,653)	(1,198)	(9)
– Increase /(decrease) in trade and other payables	106	771	(121)
Cash used in continuing operations	(745)	(1,561)	(8)
Discontinued operations			
(Loss) for the period	–	(29)	(29)
Adjustments for:			
– Finance costs	–	–	–
– Depreciation	–	–	–
– Loss on sale of property, plant and equipment	–	24	24
– Foreign currency translation	–	1	1
Changes in working capital (excluding the effects of exchange differences on consolidation):			
– Decrease in trade and other receivables	–	28	28
– Decrease in trade and other payables	–	(371)	(371)
Cash used in discontinued operations	–	(347)	(347)
Cash used in operations	(745)	(1,908)	(355)

12. Cash and cash equivalents

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

	Half year to 30 June 2014 £'000	Half year to 30 June 2013 £'000	Year ended 31 December 2013 £'000
Cash and cash equivalents	421	334	1,747
Bank overdrafts	(2,993)	(3,358)	(3,877)
	(2,572)	(3,024)	(2,130)

13. Related-party transactions

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

During the period rentals of £159,000 (30 June 2013: £155,000; 31 December 2013: £310,000) 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.

14. Publication of Interim Report

The 2014 Interim Financial Statements are available on the Company's website www.christiegroup.com

Company information

Board of directors

Philip Gwyn	Chairman
David Rugg	Chief Executive
Dan Prickett	Chief Financial Officer
Chris Day	Executive Director
Paul Harding	Executive Director
Tony Chambers	Senior Non-executive Director
Pommy Sarwal	Non-executive Director

Secretary
Dan Prickett ACA

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Registered number
1471939

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

Nominated adviser and broker
Charles Stanley Securities

Principal solicitors
Royds
SNR Denton

Auditors
Nexia Smith & Williamson Audit

Financial calendar

Announcements

Preliminary full-year results for 2014	April 2015

Half-year dividend 2014

Ex-dividend	24 September 2014
Record date	26 September 2014
Payment date	17 October 2014

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:

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

0871 664 0300 (calls cost 10 pence per minute plus network extras. Lines are open from 8:30am to 5:30pm Mon – Fri) from the UK and +44 (0) 20 8639 3399 from overseas.

shareholderenquiries@capitaregistrars.co.uk

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

Shareholder information

Online documents
An electronic copy of this document is available in the Reports section on our website at:
www.christiegroup.com/cgroup/en/investors/reports

Voting online and the shareholder portal – www.capitashareportal.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 communication 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 Capita Asset Services Shareholders Helpline, either:

- by phone on 0871 664 0391 from the UK (calls cost 10p per minute plus network extras. Lines are open between 9am and 5:30pm, Monday – Friday) or from overseas on +44 (0) 20 8639 3367; or
- by e-mail at shareholderenquiries@capitaregistrars.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/donorinformation

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: www.fca.org.uk/register
- 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 Capita in a safe place and destroy any unwanted correspondence by shredding.
- If you change address, inform Capita in writing or update your address online via the shareholder portal. If you receive a letter from Capita 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 Capita 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 Capita asking you to confirm personal details or details of your investment in our shares. Neither we nor Capita will ever ask you to provide information in this way.

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