

Interim Report for 2012



Orchestrating our strategy

About us

Christie Group offers a portfolio of 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.

Our divisions

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

1	Highlights	7	Consolidated interim statement of cash flows	15	Notes to the consolidated interim financial statements 12 - 15
2	Chairman's statement	8	Notes to the consolidated interim financial statements 1 - 4	17	Company information
4	Consolidated interim statement of comprehensive income	11	Notes to the consolidated interim financial statements 5 - 9	18	Shareholder information
5	Consolidated interim statement of changes in shareholders' equity	14	Notes to the consolidated interim financial statements 10 - 11	19	Directory
6	Consolidated interim statement of financial position				

Highlights

- 11% growth in first half revenue to £30.2m (2011: £27.3m)
- 67% increase in first half operating profit to £1.0m (2011: £0.6m)
- 68% increase in first half profit before tax to £0.9m (2011: £0.6m)
- 98% increase in earnings per share to 2.57p per share (2011: 1.30p)
- Acquisition of Orridge Business Sales creates the UK's largest pharmacy agency
- 20% growth in Professional Business Services revenue drives £0.9m improvement in first half operating profit for the division
- Continued growth in Stock & Inventory Systems & Services revenues to £14.2m (2011: £13.9m)
- Interim dividend reintroduced at 0.5p per share

“Christie Group has delivered a very encouraging first half result which is testament to our ability to provide our clients with a first-class quality of service based upon our in-depth specialist knowledge of our sectors. We continue to strengthen our leading position across our markets.”

David Rugg, Chief Executive

Chairman's statement



I am pleased to report Interim Results which reflect the good start to the year referred to in my AGM statement and which show growth over the comparable period in 2011. Revenue for the period was £30.2m (2011: £27.3m) representing an increase of 11%, with operating profit of £1.0m (2011: £0.6m) up 67%.

The Group companies are trading well in markets which have, if anything, shown some signs of diminished competition.

Christie Group boasts within its collection of subsidiary businesses the largest transaction and advisory teams in Europe in the specialist fields of hotels, pubs, healthcare, nursery and pharmacy. This is a considerable accolade and a vindication of our growth strategy that we find ourselves in such a strong position while others have either contracted or exited our markets.

Professional Business Services Division (PBS)

Revenue for the PBS division was £16.0m (2011: £13.4m), producing an operating profit of £0.5m (2011: £0.3m operating loss).

As banks move to unwind many of their distressed debt portfolios resulting from overextended loans or ailing businesses, either independently or through the sale of debt books to wholesale debt traders, the resulting advisory and valuation assignments won by the PBS division have accounted for much of the activity in the period. We are confident that these consultancy services will, in turn, lead to requirements for our transactional expertise as lenders identify their disposal targets and continue to release their assets to the market.

During the period we have advised Terra Firma on its acquisition of Four Seasons Healthcare, been instructed by Travelodge to market 48 former Little Chef sites and received instructions from NHP and Priority to name but a few. In the hotel and leisure sectors, notable achievements include the sale of one of the UK's premier golf driving ranges, the World of Golf in New Malden, Surrey, and the sale of St Olave's at One Tower Bridge, a Grade II Listed former grammar school, to India's leading hotel company, Bharat Hotels, for conversion into a 70-room en suite development. Activity levels are strong with a healthy spread across industry sectors and regions.

Internationally, Christie + Co has boosted the Berlin team and sold the Hotel Lancaster in Paris, a 5-Star boutique hotel with an asking price of €60m, on behalf of a Spanish client. This demonstrates our increasingly international client base and our ability to service our clients' cross border disposal and acquisition strategies.

Our acquisition and successful integration of Orridge Business Sales (OBS) creates the UK's largest pharmacy agency. OBS is increasingly working with sister companies in the Group to market specialised products which increase the cross selling of Group products to a wider customer base.

Christie Finance and Christie Insurance are employing their knowledge of our client base to design sector specialist products and innovative services to achieve greater market share. This informed business development has resulted in a 27% increase in completed deals for Christie Finance through the use of unique access to funding lines for specialist sectors, whilst Christie Insurance will shortly be launching a bespoke product for the pharmacy market.

We have seen new entrants into the banking market for lending to the SME sector, with some evidence of the Government's incentives to lend manifesting themselves in the products on offer.

Pinders, our valuation division, is benefiting from its field-based surveyor model which delivers a consistent country-wide service from a predominantly senior team of surveyors. The broadening of services offered by Pinders to include Building Services and Project Consultancy has led to revenue growth and significant cross-selling opportunities for these aligned skills.

Stock & Inventory Systems & Services Division (SISS)

Revenue for the division grew 2% on the first half of 2011 to £14.2m (2011: £13.9m), resulting in an operating profit of £0.5m (2011: £0.9m).

Our SISS division contains the UK's two leading and most readily-recognised brands in the licensed trade, retail and pharmacy markets for stocktaking and stock audit services. In 2011, Venners completed over 24,000 jobs in the licensed trade while Orridge undertook over 33,000 retail stock assignments.

We entered the year having won a significant amount of new business in H2 2011. This new business carries a lead time in respect of staff training and cash flow demands in achieving profitability. Whilst this is part and parcel of the industry and a short-term challenge, it also acts as a significant barrier to entry for our competitors.

The dynamics of today's retail, leisure and hospitality industries benefit operators who are able to tender for larger contracts and who are able to spread the cost of greater investment in technology and rigorous staff training across a scale operation. Christie Group is one such operator and our sustained investment has resulted in leading client service and superior management information for Orridge and Venners' clients, which have been rewarded with long-term contracts for the Group with a predominantly blue chip client base.

This enviable market reputation has helped secure a significant contract to deliver Event Profit Control and Stocktaking services to the majority of the Olympic Park outlets in addition to other Olympic venues. This is an endorsement of Venners' service quality and its ability to deliver services in scale.

In addition, excellent service levels have seen Orridge increase its engagement with Poundland by 50%, extend its contract with Arcadia, secure Jack Wills and Jacques Vert as new clients in the UK, whilst also adding VF Europe to its international client base. Venners similarly has extended its client list adding, amongst others, the Youth Hostel Association and Weston Castle.

The Group is looking at strategic options for expansion of its SISS operations in international territories where it is not already established. Many of these markets are served by a fragmented competition unable to offer international operators a consistent quality service both in scale and across multiple territories.

Vennersys, our visitor attraction solutions business, has continued its progress both in the UK and internationally.

The SISS division has a strong sales pipeline and continues to invest in technology and staff training to exploit the expected opportunities in both product development and territorial expansion.

Outlook

A very good first half result reflects the comments I made in my statement to shareholders at our Annual General Meeting in June, and gives us confidence in the prospects for the year. Our cost base is controlled and corresponds with our strategy of being market-ready and open for business across all our chosen areas of specialism.

The business is well staffed and retains skill and capacity to meet market demand. Our staff retention ensures we have senior and experienced staff and a consistency of service quality, which is a key criterion for our customers.

We continue to attract business with household names who take comfort in our pedigree and long standing in the market. The quality of our services contributes directly to our clients' success, promoting a business relationship which becomes integral to their operation.

Christie Group is well diversified and, after working capital funding requirements, debt free. Access to international markets, and more specifically European markets, presents significant opportunities for the Group where we are benefiting from an increased market reputation and a revival in activity levels.

New briefs have continued to flow in throughout the summer and, despite some disruption to normal trading patterns during the Olympics, we remain optimistic about the outcome for the year as a whole. We announce the reintroduction of an interim dividend of 0.5p per share.



Philip Gwyn
Chairman

Consolidated interim statement of comprehensive income

	Note	Half year to 30 June 2012 (Unaudited) £'000	Half year to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 £'000
Revenue	4	30,214	27,266	53,290
Employee benefit expenses		(20,653)	(19,469)	(37,776)
Depreciation and amortisation		9,561	7,797	15,514
Other operating expenses		(218)	(225)	(437)
		(8,338)	(6,969)	(14,737)
Operating profit	4	1,005	603	340
Finance costs		(65)	(45)	(104)
Finance income		1	1	1
Total finance charge		(64)	(44)	(103)
Profit before tax		941	559	237
Taxation	5	(322)	(251)	(386)
Profit/(loss) for the period after tax		619	308	(149)
Other comprehensive income/(losses):				
Exchange differences on translating foreign operations		27	80	(57)
Other comprehensive income/(losses) for the period, net of tax		27	80	(57)
Total comprehensive income for the period		646	388	(206)
Profit/(loss) for the period after tax attributable to:				
Equity shareholders of the parent		638	320	(114)
Non-Controlling interest	12b	(19)	(12)	(35)
		619	308	(149)
Total comprehensive income/(losses) attributable to:				
Equity shareholders of the parent		665	400	(171)
Non-Controlling interest	12b	(19)	(12)	(35)
		646	388	(206)
Earnings per share – pence				
Profit/(loss) attributable to the equity holders of the Company				
- Basic	6	2.57	1.30	(0.46)
- Fully diluted	6	2.54	1.30	(0.46)

Included within the results for the year ended 31 December 2011 are exceptional revenue and costs relating to the commencement of a new operation. The amounts included were revenue of £60,000 (period ended 30 June 2011: £6,000) and total operating expenses of £465,000 (period ended 30 June 2011: £168,000), resulting in an exceptional operating loss of £405,000 (period ended 30 June 2011: £162,000). There are no exceptional items within the results for the period ended 30 June 2012.

All results stated above are attributable to continuing operations.

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 2011 (Unaudited)						
Balance at 1 January 2011	505	3,575	511	(2,135)	–	2,456
Profit/(loss) for the period after tax	–	–	320	(12)	308	–
Exchange differences on translating foreign operations	–	–	80	–	–	80
Total comprehensive income/(losses) for the period	–	–	80	320	(12)	388
Movement in respect of employee share scheme	–	(82)	–	–	–	(82)
Employee share option scheme: – value of services provided	–	46	–	–	–	46
Balance at 30 June 2011	505	3,539	591	(1,815)	(12)	2,808
Year ended 31 December 2011 (Audited)						
Balance at 1 January 2011	505	3,575	511	(2,135)	–	2,456
Loss for the year after tax	–	–	–	(114)	(35)	(149)
Exchange differences on translating foreign operations	–	–	(57)	–	–	(57)
Total comprehensive losses for the year	–	–	(57)	(114)	(35)	(206)
Movement in respect of employee share scheme	–	38	–	–	–	38
Employee share option scheme: – value of services provided	–	72	–	–	–	72
Dividends paid	–	–	–	(244)	–	(244)
Balance at 31 December 2011	505	3,685	454	(2,493)	(35)	2,116
Half year to 30 June 2012 (Unaudited)						
Balance at 1 January 2012	505	3,685	454	(2,493)	(35)	2,116
Profit/(loss) for the period after tax	–	–	–	638	(19)	619
Exchange differences on translating foreign operations	–	–	27	–	–	27
Total comprehensive income/(losses) for the period	–	–	27	638	(19)	646
Movement in respect of employee share scheme	–	1,022	–	(1,022)	–	–
Employee share option scheme: – value of services provided	–	37	–	–	–	37
Dividends paid	–	–	–	(126)	–	(126)
Balance at 30 June 2012	505	4,744	481	(3,003)	(54)	2,673

Consolidated interim statement of financial position

	Note	At 30 June 2012 (Unaudited) £'000	At 30 June 2011 (Unaudited) £'000	At 31 December 2011 £'000
Assets				
Non-current assets				
Intangible assets – Goodwill		1,011	1,011	1,011
Intangible assets – Other		423	161	145
Property, plant and equipment		1,240	632	606
Deferred tax assets		2,717	3,174	3,039
Available-for-sale financial assets		300	300	300
Other receivables		869	904	904
		6,560	6,182	6,005
Current assets				
Inventories		1	1	1
Trade and other receivables		14,610	13,763	11,225
Current tax assets		–	72	72
Cash and cash equivalents	11	963	1,500	1,059
		15,574	15,336	12,357
Total assets		22,134	21,518	18,362
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	8	505	505	505
Fair value and other reserves		4,744	3,539	3,685
Cumulative translation reserve		481	591	454
Retained earnings		(3,003)	(1,815)	(2,493)
		2,727	2,820	2,151
Non-Controlling interest	12b	(54)	(12)	(35)
Total equity		2,673	2,808	2,116
Liabilities				
Non-current liabilities				
Retirement benefit obligations	9	2,002	2,885	2,376
Provisions		667	2,286	554
		2,669	5,171	2,930
Current liabilities				
Trade and other payables		10,414	9,167	8,265
Borrowings		4,127	4,248	3,091
Provisions		2,251	124	1,960
		16,792	13,539	13,316
Total liabilities		19,461	18,710	16,246
Total equity and liabilities		22,134	21,518	18,362

These consolidated interim financial statements have been approved for issue by the Board of Directors on 7 September 2012.

Consolidated interim statement of cash flows

	Note	Half year to 30 June 2012 (Unaudited) £'000	Half year to 30 June 2011 (Unaudited) £'000	Year ended 31 December 2011 £'000
Cash flow from operating activities				
Cash generated/(used in) operations	10	69	(3,058)	(1,907)
Interest paid		(65)	(45)	(104)
Tax received		72	21	–
Net cash generated from/(used in) operating activities		76	(3,082)	(2,011)
Cash flow from investing activities				
Purchase of property, plant and equipment (PPE)		(850)	(288)	(420)
Proceeds from sale of PPE		4	–	–
Intangible assets expenditure		(291)	(2)	(7)
Interest received		1	1	1
Net cash used in investing activities		(1,136)	(289)	(426)
Cash flow from financing activities				
Net proceeds from the ESOP		–	–	38
(Payments)/proceeds from invoice discounting		(378)	696	397
Dividends paid		(126)	–	(244)
Net cash (used in)/generated from financing activities		(504)	696	191
Net decrease in cash and cash equivalents		(1,564)	(2,675)	(2,246)
Cash and cash equivalents at beginning of period		(1,009)	1,232	1,232
Exchange gains on Euro bank accounts		54	17	5
Cash and cash equivalents at end of period	11	(2,519)	(1,426)	(1,009)

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 2012.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

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 2012 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 2011 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 2012 and 30 June 2011 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 2011.

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 the period ended 30 June 2012 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	16,077	14,189	1,131	31,397
Inter-segment revenue	(52)	–	(1,131)	(1,183)
Revenue	16,025	14,189	–	30,214
Operating profit/(loss)	529	532	(56)	1,005
Net finance charge				[64]
Profit before tax				941
Taxation				[322]
Profit for the period after tax				619

The reportable segment results for the period ended 30 June 2011 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	13,446	13,872	1,145	28,463
Inter-segment revenue	(52)	–	(1,145)	(1,197)
Revenue	13,394	13,872	–	27,266
Operating (loss)/profit	[339]	886	56	603
Net finance charge				[44]
Profit before tax				559
Taxation				[251]
Profit for the period after tax				308

Notes to the consolidated interim financial statements

Continued

4. Segment information continued

The reportable segment results for the year ended 31 December 2011 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	27,474	25,920	2,338	55,732
Inter-segment revenue	(104)	–	(2,338)	(2,442)
Revenue	27,370	25,920	–	53,290
Operating (loss)/profit before exceptional items	(57)	647	155	745
Exceptional items	(405)	–	–	(405)
Operating (loss)/profit after exceptional items	(462)	647	155	340
Net finance (costs) /credit	(121)	(34)	52	(103)
Profit/(loss) before tax	(583)	613	207	237
Taxation				(386)
Loss for the year after tax				(149)

The Group is not reliant on any key customers.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude taxation.

The reportable segment assets at 30 June 2012 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	10,597	5,782	3,038	19,417
Deferred tax assets				2,717
				22,134

The reportable segment assets at 30 June 2011 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	8,160	7,292	2,820	18,272
Deferred tax assets				3,174
Current tax assets				72
				21,518

The reportable segment assets at 31 December 2011 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	6,382	5,519	2,900	15,251
Deferred tax assets				3,039
Current tax assets				72
				18,362

5. Taxation

The tax charge for the period ended 30 June 2012 is based on an underlying tax rate (current year corporation and deferred tax as a percentage of pre tax profits) of 24% which includes the movement in the deferred tax asset relating to retirement benefit obligations. The tax charge of £322,000 comprises of £79,000 being a decrease in the deferred tax asset through the effective taxation of current year profits (i.e. the deferred tax charge arising on the current period's taxable profits) and a further £243,000 arising from the reduction in the value of the brought forward deferred tax asset as a result of the decrease in the enacted tax rate from 26% to 24% at the statement of financial position date.

The tax charge for the period ended 30 June 2011 was based on an underlying tax rate of 26% which included the movement in the deferred tax asset relating to retirement benefit obligations.

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.

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 2012 £'000	Half year to 30 June 2011 £'000	Year ended 31 December 2011 £'000
Profit/(loss) from total operations attributable to equity holders of the Company	638	320	(114)
	30 June 2012 Thousands	30 June 2011 Thousands	31 December 2011 Thousands
Weighted average number of ordinary shares in issue	24,862	24,545	24,677
Adjustment for share options	266	127	189
Weighted average number of ordinary shares for diluted earnings per share	25,128	24,672	24,866
	30 June 2012 Pence	30 June 2011 Pence	31 December 2011 Pence
Basic earnings per share	2.57	1.30	(0.46)
Fully diluted earnings per share	2.54	1.30	(0.46)

Notes to the consolidated interim financial statements

Continued

7. Dividends

A final dividend in respect of the year ended 31 December 2011 of 0.5p per share, amounting to a total dividend of £126,000, was approved and paid to the Christie Group plc registrar during the period. The funds were transferred to shareholders on 2 July 2012.

An interim dividend in respect of 2012 of 0.5p per share, amounting to a dividend of £126,000, was declared by the directors at their meeting on 7 September 2012. These financial statements do not reflect this dividend payable.

The dividend of 0.5p per share will be payable to shareholders on the record on 28 September 2012. The ex-dividend date will be 26 September 2012. The dividend will be paid on 19 October 2012.

8. Share capital

Ordinary shares of 2p each	30 June 2012		30 June 2011		31 December 2011	
	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 and end of period	25,263,551	505	25,263,551	505	25,263,551	505

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 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 2012 advances by the Group to the ESOP to finance the purchase of ordinary shares were £1,868,000 (30 June 2011: £1,988,000; 31 December 2011: £1,868,000). The market value at 30 June 2012 of the ordinary shares held in the ESOP was £16,000 (30 June 2011: £359,000; 31 December 2011: £302,000). The investment in own shares represents 22,000 shares (30 June 2011: 733,000; 31 December 2011: 483,000) with a nominal value of 2p each.

9. 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 2011 after adjusting for the actual contributions to be paid in the period.

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 2012 £'000	Half year to 30 June 2011 £'000	Year ended 31 December 2011 £'000
Beginning of the period	2,376	3,222	3,222
Expenses included in the employee benefit expense	291	386	478
Contributions paid	(665)	(723)	(1,324)
End of the period	2,002	2,885	2,376

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

	Half year to 30 June 2012 £'000	Half year to 30 June 2011 £'000	Year ended 31 December 2011 £'000
Current service cost	339	348	599
Interest cost	1,080	1,029	2,078
Expected return on plan assets	(1,138)	(968)	(2,153)
Payments to crystallise obligations	–	–	–
Net actuarial loss/(gain) recognised in the period	10	(23)	(46)
Total included in employee benefit expenses	291	386	478

The principal actuarial assumptions used were as follows:

	Half year to 30 June 2012 %	Half year to 30 June 2011 %	Year ended 31 December 2011 %
Discount rate	5.8	5.8	5.8
Inflation rate	3.5	3.5	3.5
Expected return on plan assets	6.2 – 7.6	6.2 – 7.3	6.2 – 7.6
Future salary increases	3.5	3.5	3.5
Future pension increases	2.5 – 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 2011.

Notes to the consolidated interim financial statements

Continued

10. Note to the cash flow statement

Cash generated from/(used in) operations

	Half year to 30 June 2012 £'000	Half year to 30 June 2011 £'000	Year ended 31 December 2011 £'000
Continuing operations			
Profit/(loss) for the period	619	308	(149)
Adjustments for:			
– Taxation	322	251	386
– Finance costs	64	44	103
– Depreciation	205	199	398
– Amortisation of intangible assets	13	26	39
– Profit on sale of property, plant and equipment	(3)	–	–
– Loss on sale of intangible assets	–	–	–
– Foreign currency translation	(18)	28	(37)
– Increase in provisions	404	176	280
– Movement in share option charge	37	46	72
– Movement in retirement benefit obligation	(373)	(337)	(846)
– Decrease in non-current other receivables	35	–	–
Changes in working capital (excluding the effects of exchange differences on consolidation):			
– Increase in trade and other receivables	(3,385)	(4,386)	(1,691)
– Increase /(decrease) in trade and other payables	2,149	587	(462)
Cash generated from/(used in) continuing operations	69	(3,058)	(1,907)

11. Cash and cash equivalents

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

	Half year to 30 June 2012 £'000	Half year to 30 June 2011 £'000	Year ended 31 December 2011 £'000
Cash and cash equivalents	963	1,500	1,059
Bank overdrafts	(3,482)	(2,926)	(2,068)
	(2,519)	(1,426)	(1,009)

12. Business combinations

a. Acquisition in 2012

On 30 April 2012, Christie Owen and Davies Limited, a wholly owned subsidiary of Christie Group plc, completed the acquisition of the entire issued share capital of Orridge Business Sales Limited, a company incorporated in England and Wales and trading in the United Kingdom and whose principal activities are agents in the sale of pharmaceutical businesses. As at 30 June 2012 no consideration had been paid pending finalisation of the completion accounts. The following table sets out details of the consideration to be paid in accordance with the share purchase agreement and the fair value of the assets and liabilities acquired.

	£'000
Tangible fixed assets	20
Trade and other receivables	21
Cash and cash equivalents	53
Trade and other payables	(90)
Net assets	4
Intangible assets – instructions received	256
Goodwill	–
Total consideration	260
To be satisfied by:	
Cash consideration	4
Contingent consideration	256
	260

The contingent consideration represents consideration payable which is equivalent to fifty per cent of all commissions received from business sales and fifty per cent of all income received from valuations in relation to instructions received by Orridge Business Sales Limited on or before 30 April 2012. The contingent consideration is to be satisfied in ordinary 2p shares of Christie Group plc, to be purchased for this purpose at arms length terms from the available issued share capital of the company, on the basis of the mid-market share price at the date of exchange (3 April 2012).

b. Acquisition in 2011

On 7 March 2011, Christie & Co (Holdings) Limited, a wholly owned subsidiary of Christie Group plc, acquired a 90% shareholding in the ordinary shares of Christie & Co FZ-LLC, a newly incorporated company registered with The Dubai Technology and Media Free Zone Authority, for a consideration of 54,000 AED.

Notes to the consolidated interim financial statements

Continued

13. Events after the end of the reporting period

On 3 July 2012, Christie & Co (Holdings) Limited acquired a further 5% shareholding, for nil consideration, in the ordinary shares of Christie & Co FZ-LLC, taking its shareholding at 3 July 2012 to 95%.

14. Related-party transactions

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

During the period the company was repaid a non-interest bearing short-term loan of £660,000 from 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.

During the period rentals of £150,000 (2011: £nil) were paid to Carmelite Property Limited by Christie Group plc in accordance with the terms of a long-term lease agreement.

15. Publication of Interim Report

The 2012 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

Registered office

Whitefriars House
6 Carmelite Street
London EC4Y 0BS

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

Public relations

Winningtons

Financial calendar

Announcements

Preliminary full-year results for 2012	April 2013
--	------------

Half-year dividend 2012

Ex-dividend	26 September 2012
Record date	28 September 2012
Payment date	19 October 2012

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 Registrars
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.

shareholder.services@capitaregistrars.com

Shareholders who receive duplicate sets of company mailings because they have multiple accounts should write to Capita Registrars 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 Registrars 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 shareholder.services@capitaregistrars.com

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 FSA before getting involved. You can check at: www.fsa.gov.uk/fsaregister
- Report the matter to the FSA by calling 0845 606 1234.
- 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.

Directory

Christie Group plc

Whitefriars House
6 Carmelite Street
London EC4Y 0BS
T: +44 (0) 20 7227 0707
E: executive@christiegroup.com
W: www.christiegroup.com

Christie + Co

Whitefriars House
6 Carmelite Street
London EC4Y 0BS
T: +44 (0) 20 7227 0700
E: enquiries@christie.com
W: www.christie.com and
www.christiecorporate.com

Austria – Vienna

Stallburggasse 2/3a
1010 Vienna
T: +43 (0) 1 / 8 90 53 57-0
E: vienna@christie.com

Finland – Helsinki

Tammasaarenlaituri 3
00180 Helsinki
T: +358 (0) 9 4137 8500
E: helsinki@christie.com

France – Paris

25 rue d'Artois
75008 Paris
T: +33 (0) 1 53 96 72 72
E: paris@christie.com

France – Lyon

Immeuble Danica B
21 avenue Georges Pompidou
69486 Lyon cedex 03
T: +33 (0) 4 72 91 30 50
E: lyon@christie.com

France – Marseille

35 cours Pierre Puget
13286 Marseille cedex 06
T: +33 (0) 4 91 29 12 40
E: marseille@christie.com

France – Rennes

Immeuble "Artemis"
Parc Monier
167 route de Lorient
35000 Rennes
T: +33 (0) 2 99 59 83 30
E: rennes@christie.com

Germany – Berlin

Markgrafenstraße 32
10117 Berlin
T: +49 (0) 30/20 00 96-0
E: berlin@christie.com

Germany – Frankfurt

Bockenheimer Landstraße 93
60325 Frankfurt am Main
T: +49 (0) 69/90 74 57-0
E: frankfurt@christie.com

Germany – Munich

Pfisterstraße 6
80331 Munich
T: +49 (0) 89 / 2 00 00 07-0
E: munich@christie.com

Ireland – Dublin

T: +353 (0) 1 618 2000
E: dublin@christie.com

Spain – Barcelona

Paseo de Gracia 11
Escalera B, 4º 3ª
08007 Barcelona
T: +34 93 34 361 61
E: barcelona@christie.com

United Arab Emirates – Dubai

Office 213
Building 9
Dubai Media City
Dubai
T: +971 (0) 4 434 8444
E: dubai@christie.com

OTHER UNITED KINGDOM OFFICES

Birmingham

Edgbaston House
3 Duchess Place
Hagley Road
Birmingham B16 8NH
T: +44 (0) 121 456 1222
E: birmingham@christie.com

Bristol

Embassy House
Queens Avenue, Clifton
Bristol BS8 1SB
T: +44 (0) 117 946 8500
E: bristol@christie.com

Edinburgh

5 Logie Mill
Beaverbank Office Park
Logie Green Road
Edinburgh EH7 4HG
T: +44 (0) 131 557 6666
E: edinburgh@christie.com

Enfield

Lough Point
2 Gladbeck Way
Enfield EN2 7JA
T: +44 (0) 20 8370 3100
E: enfield@christie.com

Exeter

Kings Wharf, The Quay
Exeter EX2 4AN
T: +44 (0) 1392 285600
E: exeter@christie.com

Glasgow

120 Bath Street
Glasgow G2 2EN
T: +44 (0) 141 352 7300
E: glasgow@christie.com

Ipswich

Wolsey House
16 – 18 Princes Street
Ipswich IP1 1QT
T: +44 (0) 1473 256588
E: ipswich@christie.com

Leeds

Aquis House
Greek Street
Leeds LS1 5RU
T: +44 (0) 113 389 2700
E: leeds@christie.com

Directory

Continued

London

Whitefriars House
6 Carmelite Street
London EC4Y 0BS
T: +44 (0) 20 7227 0700
E: enquiries@christie.com

Maidstone

Vaughan Chambers
4 Tonbridge Road
Maidstone ME16 8RP
T: +44 (0) 1622 656000
E: maidstone@christie.com

Manchester

Acresfield
St Ann's Square
Manchester M2 7HA
T: +44 (0) 161 833 3311
E: manchester@christie.com

Newcastle

Shakespeare House
18 Shakespeare Street
Newcastle upon Tyne NE1 6AQ
T: +44 (0) 191 222 1740
E: newcastle@christie.com

Nottingham

Alan House
Clumber Street
Nottingham NG1 3ED
T: +44 (0) 115 948 3100
E: nottingham@christie.com

Winchester

Star Lane House
Staple Gardens
Winchester SO23 8SR
T: +44 (0) 1962 844455
E: winchester@christie.com

Christie Finance

The postal addresses are the same as
Christie + Co in each case:

Birmingham

T: +44 (0) 121 452 3717
E: birmingham@christiefinance.com

Bristol

T: +44 (0) 117 946 8502
E: bristol@christiefinance.com

Edinburgh

T: +44 (0) 131 524 3417
E: edinburgh@christiefinance.com

Enfield

T: +44 (0) 20 8370 3100
E: enfield@christiefinance.com

Exeter

T: +44 (0) 1392 285612
E: exeter@christiefinance.com

Glasgow

T: +44 (0) 141 352 7305
E: glasgow@christiefinance.com

Ipswich

T: +44 (0) 1473 234905
E: ipswich@christiefinance.com

Leeds

T: +44 (0) 113 389 2714
E: leeds@christiefinance.com

London

T: +44 (0) 20 7227 0774
E: london@christiefinance.com

Maidstone

T: +44 (0) 1622 656006
E: maidstone@christiefinance.com

Manchester

T: +44 (0) 161 833 6901
E: manchester@christiefinance.com

Newcastle

T: +44 (0) 191 222 1740
E: newcastle@christiefinance.com

Nottingham

T: +44 (0) 115 945 4712
E: nottingham@christiefinance.com

Winchester

T: +44 (0) 1962 833818
E: winchester@christiefinance.com

Christie Insurance

Whitefriars House
6 Carmelite Street
London EC4Y 0BS
T: +44 (0) 20 7448 8820
E: enquiries@christieinsurance.com
W: www.christieinsurance.com

Ipswich

Wolsey House
16 – 18 Princes Street
Ipswich IP1 1QT
T: +44 (0) 1473 234900
E: ipswich@christieinsurance.com

Orridge

Essex House
Astra Centre
Edinburgh Way
Harlow CM20 2BN
T: +44 (0) 1279 775600
E: contact@orridge.co.uk
W: www.orridge.co.uk

Belgium

100 Avenue du Port
1000 Brussels
T: +32 (0) 26 46 25 47
E: contact@orridge.eu
W: www.orridge.eu

OTHER UNITED KINGDOM OFFICE

Centre House
Court Parade
Aldridge WS9 8LT
T: +44 (0) 1922 472000
E: contact@orridge.co.uk

Pinders

Pinder House
249 Upper Third Street
Milton Keynes MK9 1DS
T: +44 (0) 1908 350500
E: info@pinders.co.uk
W: www.pinders.co.uk and
www.pinderpack.com

Venners

Essex House
Astra Centre
Edinburgh Way
Harlow CM20 2BN
T: +44 (0) 1279 620820
E: enquiries@venners.co.uk
W: www.venners.co.uk

Vennersys

249 Upper Third Street
Milton Keynes MK9 1DS
T: +44 (0) 1908 350650
E: contact@vennersys.com
W: www.vennersys.co.uk

North America

200 – 1920 Yonge Street
Toronto
Ontario
Canada M4S 3E2
T: +1 416 572 7784
E: contact@vennersys.ca
W: www.vennersys.ca



The paper used in this document contains materials sourced from responsibly managed and sustainable commercial forests, certified in accordance with the FSC (Forest Stewardship Council).



Christie Group plc

Whitefriars House
6 Carmelite Street
London EC4Y 0BS
United Kingdom

T: +44 (0) 20 7227 0707
F: +44 (0) 20 7227 0708
E: executive@christiegroup.com

www.christiegroup.com