

CHRISTIE GROUP PLC

6 SEPTEMBER 2007

Interim Results for the six months ended 30 June 2007

Christie Group, a leading business services and software group, today announces its interim results for the six months ended 30 June 2007.

Highlights

- Strong growth in Professional Business Services
- Group Operating profit up 37.7% to £4.2 million (2006: £3.1 million)
- Revenue up 2.4% to £46.1 million (2006: £45.0 million)
- Basic EPS increased by 41.9% to 10.64p (2006: 7.50p)
- New Christie + Co office opened in Hamburg
- New Orridge operation launched in Holland
- Interim dividend increased by 20% to 1.50p (2006: 1.25p)

Philip Gwyn, Chairman, commented:

"This is another solid result. We have increased the interim dividend and the Board believes there are real prospects for growth in the years ahead."

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Note to Editors

Christie Group plc (CTG.L) is quoted on AIM. It is a leading business services and software group with three business divisions: *Professional Business Services*, *Software Solutions* and *Stock & Inventory Services*. The three complementary businesses focus on the leisure, retail and care markets. Christie Group has 35 offices across Europe – located in the UK as well as in Belgium, France, Germany, Italy and Spain, and 1 office in Canada.

For more information, please go to: www.christiegroup.com

The 2007 interim statement will be posted to shareholders by the end of September 2007.

CHAIRMAN'S STATEMENT

HALF YEAR TO 30 JUNE 2007

Christie Group's operating profit for the half year to June 2007 increased 37.7% to £4.2 million (2006: £3.1 million) on revenue ahead by 2.4%. We achieved an operating profit margin of 9.2% up from 6.8% in the comparable period. These results reflect a strong period for corporate M & A and advisory work.

Our interim dividend is increased to 1.5p (2006: 1.25p).

Professional Business Services

Revenue increased by 5.7% to £26.3 million (2006: £24.9 million), converting to an increased operating profit of £4.8 million (2006: £4.1 million). Individual business sales in the UK were flat, whilst sales volumes in continental Europe increased. Corporate transactions remained strong and the demand for our valuation and advisory services grew. We opened a new Christie + Co office in Hamburg as planned. We now have a network of five such offices in Germany and overall nine in Europe.

Our activity included the acquisition of Ma Potters for Tragus in just 16 days, the acquisition for Moorfield Group of 24 hotels from Macdonald Hotels for circa £400 million, the sale of Anglian Convenience Stores to the Co-op, portfolio valuations of Alpha Hospitals and Asquith Nurseries, amongst others, and multiple pub lettings for Marston's, Mitchells & Butler, Greene King and others.

Internationally our sales included Le Meridien Phoenicia Malta, Maritim Hamburg, Sofitel Nice and Hotel Misiana in Cadiz.

We moved our insurance brokerage base to the City to bring us close to the main market for placing business and therefore recruiting staff.

Christie Finance gained authorisation to arrange regulated mortgages.

Software Solutions

Revenue was reduced to £7.3 million (2006: £8.0 million). However, our margin on sales improved by 9% as we concentrated the business mix on selling our own software rather than re-selling third party software. This produced an operating loss reduced by £1.0 million to £0.4 million (2006: £1.4million).

Our major development project, Colombus.next, continues. We invested in new processes, test automisation and a benchmarking department which measures the performance and scalability of new modules, a key market differentiator.

A dozen new customers in Spain, the UK and France included Gant, Jon Richard, Salsa, Coronel Tapiocca and Galerias Wehbe.

Stock & Inventory Services

Revenue increased to £12.5 million (2006: £12.1 million). Profit marked time at £0.6 million (2006: £0.8 million). New business wins in the retail sector initially impaired profitability, but these contracts are now performing in line with margin expectation. Our supply chain optimisation service grew.

Orridge also incurred the initial costs of establishing a permanent base in Holland. We believe this will enable growth in Holland and free resources in our Brussels office to concentrate on expanding stocktaking in other regions.

On the hospitality side, clients added included Loch Fyne Restaurants and Yesteryear Pub Company. Customer and compliance audits included Elixir, Shearings and First Great Western. We completed inventories in Germany, France, Luxembourg and Spain. In June we launched a new Food Safety Division.

Future Prospects

Building on these strong interims our results for the year should prove satisfactory. Investment in our Software Solutions division will increase, and whilst the second half's loss will be greater than that of the first half, we expect the division to achieve an improvement over the prior year. Our Stock & Inventory Services business, whilst continuing to expand, historically enjoys its optimal workload in the first half. Our recent continental openings both last year and this will contribute to profits in future periods.

Christie Group continues to hold out real prospects for growth in the years ahead.

Philip Gwyn

Chairman

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Consolidated interim income statement

		Half year to 30 June 2007 £'000 (Unaudited)	Half year to 30 June 2006 £'000 (Unaudited)	Year ended 31 December 2006 £'000
	Note			
Revenue	4	46,103	45,018	87,096
Employee benefit expenses		(27,551)	(27,446)	(50,949)
		18,552	17,572	36,147
Depreciation and amortisation		(643)	(639)	(1,298)
Other operating expenses		(13,690)	(13,870)	(28,770)
Operating profit	4	4,219	3,063	6,079
Finance costs		(72)	(133)	(274)
Finance income		179	143	347
Total finance credit		107	10	73
Profit before tax		4,326	3,073	6,152
Taxation	5	(1,744)	(1,189)	(2,019)
Profit for the period after tax		2,582	1,884	4,133
Attributable to:				
Equity shareholders of the parent		2,582	1,881	4,131
Minority interest		-	3	2
		2,582	1,884	4,133
Earnings per share (pence)				
- Basic	6	10.64p	7.50p	16.90p
- Fully diluted	6	10.24p	7.48p	16.41p

All amounts derive from continuing activities

Consolidated interim statement of changes in shareholders' equity

	Attributable to the equity holders of the Company					
	Share capital	Fair value and other reserves	Cumulative translation adjustments	Retained earnings	Minority interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2006	500	4,722	(229)	4,802	19	9,814
Currency translation adjustments	-	-	27	-	-	27
Net income recognised directly in equity	-	-	27	-	-	27
Profit for the period	-	-	-	1,881	3	1,884
Total recognised income for the period	-	-	27	1,881	3	1,911
Issue of share capital	2	59	-	-	-	61
Movement in respect of employee share scheme	-	(314)	-	-	-	(314)
Employee share option scheme:						
-value of services provided	-	40	-	-	-	40
Dividends paid	-	-	-	(612)	-	(612)
Balance at 1 July 2006	502	4,507	(202)	6,071	22	10,900
Currency translation adjustments	-	-	(180)	-	-	(180)
Net expense recognised directly in equity	-	-	(180)	-	-	(180)
Profit / (loss) for the period	-	-	-	2,250	(1)	2,249
Total recognised income / (expenses) for the period	-	-	(180)	2,250	(1)	2,069
Issue of share capital	2	46	-	-	-	48
Movement in respect of employee share scheme	-	(209)	-	-	-	(209)
Employee share option scheme:						
-value of services provided	-	66	-	-	-	66
Purchase of minority interest	-	-	-	(15)	(21)	(36)
Dividends paid	-	-	-	(305)	-	(305)
Balance at 1 January 2007	504	4,410	(382)	8,001	-	12,533
Currency translation adjustments	-	-	213	-	-	213
Net income recognised directly in equity	-	-	213	-	-	213
Profit for the period	-	-	-	2,582	-	2,582
Total recognised income for the period	-	-	213	2,582	-	2,795
Issue of share capital	1	33	-	-	-	34
Movement in respect of employee share scheme	-	(1,425)	-	467	-	(958)
Employee share option scheme:						
- value of services provided	-	66	-	-	-	66
Balance at 30 June 2007	505	3,084	(169)	11,050	-	14,470

Consolidated interim balance sheet

		At 30 June 2007 £'000 (Unaudited)	At 30 June 2006 £'000 (Unaudited)	At 31 December 2006 £'000
	Note			
Assets				
Non-current assets				
Intangible assets - Goodwill		4,096	3,939	4,096
Intangible assets - Other		3,904	2,307	3,166
Property, plant and equipment		1,985	2,346	2,214
Deferred tax assets		1,894	1,917	2,176
Available-for-sale financial assets		300	300	300
Other receivables	8	969	-	-
		13,148	10,809	11,952
Current assets				
Inventories		307	427	332
Trade and other receivables		17,426	19,863	14,279
Current tax assets		-	-	282
Cash and cash equivalents		9,009	5,638	11,414
		26,742	25,928	26,307
Total assets		39,890	36,737	38,259
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	9	505	502	504
Fair value and other reserves		3,084	4,507	4,410
Cumulative translation reserve		(169)	(202)	(382)
Retained earnings		11,050	6,071	8,001
		14,470	10,878	12,533
Minority interest		-	22	-
Total equity		14,470	10,900	12,533
Liabilities				
Non-current liabilities				
Borrowings		1,620	2,191	1,735
Retirement benefit obligations	10	5,807	6,593	6,300
		7,427	8,784	8,035
Current liabilities				
Trade and other payables		16,793	15,710	16,954
Current tax liabilities		740	1,021	-
Borrowings		460	322	737
		17,993	17,053	17,691
Total liabilities		25,420	25,837	25,726
Total equity and liabilities		39,890	36,737	38,259

These consolidated interim financial statements have been approved for issue by the Board of Directors on 5 September 2007.

Consolidated interim cash flow statement

		Half year to 30 June 2007 £'000 (Unaudited)	Half year to 30 June 2006 £'000 (Unaudited)	Year to 31 December 2006 £'000
	Note			
Cash flow from operating activities				
Cash generated from operations	11	1,465	1,748	10,578
Interest paid		(72)	(133)	(274)
Tax paid		(440)	(841)	(3,233)
Net cash generated from operating activities		953	774	7,071
Cash flow from investing activities				
Purchase of minority interest in subsidiary		-	-	(36)
Purchase of property, plant and equipment (PPE)		(290)	(938)	(1,407)
Proceeds from sale of PPE		5	64	156
Intangible assets expenditure		(876)	(715)	(1,503)
Proceeds from disposal of intangibles		-	210	1,193
Interest received		179	143	347
Net cash used in investing activities		(982)	(1,236)	(1,250)
Cash flow from financing activities				
Proceeds from issue of share capital		34	61	109
Payments to the ESOP		(1,049)	(314)	(523)
Repayments of borrowings		(123)	(41)	(82)
Payments of finance lease liabilities		(15)	(23)	(59)
Increase in non – current other receivables		(969)	-	-
Dividends paid		-	(612)	(917)
Net cash used in financing activities		(2,122)	(929)	(1,472)
Net (decrease) / increase in net cash (including bank overdrafts)		(2,151)	(1,391)	4,349
Cash and bank overdrafts at beginning of period		11,160	6,811	6,811
Cash and bank overdrafts at end of period		9,009	5,420	11,160

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 three divisions – Professional Business Services, Software Solutions and Stock and Inventory Services. Professional Business Services principally covers business valuation, consultancy and agency, mortgage and insurance services, and business appraisal. Software Solutions covers EPoS, head office systems and supply chain management. Stock and Inventory Services covers stock audit and inventory preparation and valuation.

2. Basis of preparation

These interim consolidated financial statements of Christie Group plc are for the six months ended 30 June 2007. The interim financial statements have been prepared using accounting policies set out in the Annual Report and Financial Statements for the year ended 31 December 2006 and in accordance with those IFRS and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (September 2007). The IFRS and IFRIC interpretations that will be applicable at 31 December 2007, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements. These consolidated interim financial statements have been prepared under the historical cost convention.

These consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2006.

The financial information included in this interim report for the six months ended 30 June 2007 does not constitute statutory financial statements as defined by Section 240 of the Companies Act 1985 and is unaudited. The comparative information for the six months ended 30 June 2006 is also unaudited. The comparative figures for the year ended 31 December 2006 have been extracted from the Group's financial statements as filed with the Registrar of Companies, on which the auditors gave an unqualified opinion and did not make a statement under Section 237 (2) or (3) of the Companies Act 1985.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements, are disclosed in Note 3.

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 2006.

4. Segment information

a. Primary reporting format – business segments

The Group is organised into three main business segments: Professional Business Services, Software Solutions and Stock and Inventory Services.

The segment results for the period ended 30 June 2007 are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
Continuing Operations					
Total gross segment sales	26,308	7,316	12,479	1,875	47,978
Inter-segment sales	-	-	-	(1,875)	(1,875)
Revenue	26,308	7,316	12,479	-	46,103
Operating profit	4,791	(413)	646	(805)	4,219
Net finance credit					107
Profit before tax					4,326
Taxation					(1,744)
Profit for the period after tax					2,582

The segment results for the period ended 30 June 2006 are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
Continuing Operations					
Total gross segment sales	24,919	8,039	12,093	1,437	46,488
Inter-segment sales	(33)	-	-	(1,437)	(1,470)
Revenue	24,886	8,039	12,093	-	45,018
Operating profit	4,083	(1,425)	793	(388)	3,063
Net finance credit					10
Profit before tax					3,073
Taxation					(1,189)
Profit for the period after tax					1,884

The segment results for the year ended 31 December 2006 are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
Continuing operations					
Total gross segment sales	49,739	15,053	22,337	2,777	89,906
Inter-segment sales	(33)	-	-	(2,777)	(2,810)
Revenue	49,706	15,053	22,337	-	87,096
Operating profit	8,386	(2,400)	555	(462)	6,079
Net finance credit					73
Profit before tax					6,152
Taxation					(2,019)
Profit for the period after tax					4,133

Other segment items included in the income statement are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
For the period ended 30 June 2007					
Depreciation and amortisation	209	141	276	17	643
Impairment of trade receivables	95	(231)	(4)	-	(140)
For the period ended 30 June 2006					
Depreciation and amortisation	293	166	161	19	639
Impairment of trade receivables	732	152	25	-	909
For the year ended 31 December 2006					
Depreciation and amortisation	557	333	379	29	1,298
Impairment of trade receivables	701	382	55	-	1,138

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

Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

The segment assets and liabilities at 30 June 2007 and capital expenditure for the period then ended are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
Assets	20,083	11,475	6,153	285	37,996
Deferred tax assets					1,894
					39,890
Liabilities	13,229	3,951	4,278	1,151	22,609
Current tax liabilities					740
Borrowings (excluding finance leases)					2,071
					25,420
Capital expenditure	90	889	187	-	1,166

The segment assets and liabilities at 30 June 2006 and capital expenditure for the period then ended are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
Assets	17,137	11,114	5,270	1,299	34,820
Deferred tax assets					1,917
					36,737
Liabilities	11,886	4,625	4,020	1,813	22,344
Current tax liabilities					1,021
Borrowings (excluding finance leases)					2,472
					25,837
Capital expenditure	135	820	694	4	1,653

The segment assets and liabilities at 31 December 2006 and capital expenditure for the period then ended are as follows:

	Professional Business Services £'000	Software Solutions £'000	Stock and Inventory Services £'000	Other £'000	Group £'000
Assets	10,433	11,953	5,329	8,086	35,801
Deferred tax assets					2,176
Current tax assets					282
					38,259
Liabilities	12,959	4,268	4,056	1,977	23,260
Borrowings (excluding finance leases)					2,466
					25,726
Capital expenditure	191	1,776	997	94	3,058

b. Secondary format – geographical segments

The Group manages its business segments on a global basis. The UK is the home country of the parent. The operations are based in two main geographical areas. The main operations in the principal territories are as follows:

- Europe
- Rest of the World (primarily North America).

The Group's sales are mainly in Europe. Sales are allocated based on the country in which the customer is located.

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Sales			
Europe	45,836	44,564	86,435
Rest of the World	267	454	661
	46,103	45,018	87,096

Total segment assets are allocated based on where the assets are located.

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Total assets			
Europe	37,842	34,485	35,666
Rest of the World	154	335	135
	37,996	34,820	35,801

Capital expenditure is allocated based on where the assets are located.

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Capital expenditure			
Europe	1,166	1,653	3,058

5. Taxation

The tax charge for the six months ending 30 June 2007 has been based on a forecasted underlying tax rate (current year corporation and deferred tax as a percentage of pre tax profit) for the year to 31 December 2007 of 37.2% (Half year to 30 June 2006: 38.7%; Year ended 31 December 2006: 37.2%), which includes the movement in deferred tax asset relating to Retirement Benefit obligations. In addition the deferred tax asset has been adjusted to reflect the forthcoming reduction in the rate of UK corporation tax to 28% in 2008 (previously 30%) resulting in a charge to the Income Statement and reducing the deferred tax asset by £135,000 in the period.

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.

	30 June 2007	30 June 2006	31 December 2006
Profit attributable to equity holders of the Company (£'000)	2,582	1,881	4,131
Weighted average number of ordinary shares in issue (thousands)	24,277	25,065	24,448
Basic earnings per share (pence)	10.64	7.50	16.90

Diluted earnings per share is calculated 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.

	30 June 2007	30 June 2006	31 December 2006
Profit attributable to equity holders of the Company (£'000)	2,582	1,881	4,131
Weighted average number of ordinary shares in issue (thousands)	24,277	25,065	24,448
Adjustment for share options (thousands)	945	86	728
Weighted average number of ordinary shares for diluted earnings per share (thousands)	25,222	25,151	25,176
Diluted earnings per share (pence)	10.24	7.48	16.41

7. Dividends per share

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Interim			
2006 interim, paid October 2006 (1.25p)	-	-	306
Final			
2005 final, paid June 2006 (2.5p)	-	612	611
	-	612	917

An interim dividend in respect of 2007 of 1.5p per share, amounting to a dividend of £360,000, was declared by the directors at their meeting on 5 September 2007. These financial statements do not reflect this dividend payable.

The dividend of 1.5p per share will be payable to shareholders on the record on 21 September 2007. The ex-dividend date will be 19 September 2007. The dividend will be paid on 19 October 2007.

8. Non – current other receivables

This represents loans in respect of the Group's share schemes repayable after more than one year.

9. Share capital

	30 June 2007		30 June 2006		31 December 2006	
Ordinary shares of 2p each	Number	£'000	Number	£'000	Number	£'000
Authorised:						
At 1 January and 31 December	30,000,000	600	30,000,000	600	30,000,000	600
Allotted and fully paid:						
At 1 January	25,216,384	504	25,003,552	500	25,003,552	500
Issued during the period	47,167	1	139,833	2	212,832	4
End of period	25,263,551	505	25,143,385	502	25,216,384	504

The consideration received for the shares issued in the period was £34,000 (Half year to 30 June 2006: £61,000; Year ended 31 December 2006: £109,000).

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 2007 the total payments by the Group to the ESOP to finance the purchase of ordinary shares was £2,004,000 (30 June 2006: £666,000; 31 December 2006: £916,000). The market value at 30 June 2007 of the ordinary shares held in the ESOP was £2,291,000 (30 June 2006: £1,136,000; 31 December 2006: £1,601,000). The investment in own shares represents 1,058,000 shares (30 June 2006: 668,000; 31 December 2006: 616,000) with a nominal value of 2p each.

10. Retirement benefit obligations

The amounts recognised in the balance sheet in respect of the net pension liability is determined as follows:

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
United Kingdom	5,742	6,533	6,240
Overseas	65	60	60
	5,807	6,593	6,300

United Kingdom

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 income statement and the movement in the liability recognised in the balance sheet have been based on the forecasted position for the year to 31 December 2007 after adjusting for the actual contributions to be paid in the period.

The amounts recognised in the income statement are as follows:

	Half year to 30 June 2007 £'000	Half year to 30 June 2006 £'000	Year ended 31 December 2006 £'000
Current service cost	(471)	(474)	(945)
Interest cost	(797)	(720)	(1,477)
Expected return on plan assets	908	755	1,364
Total included in employee benefit expenses	(360)	(439)	(1,058)

The movement in the liability recognised in the balance sheet is as follows:

	Half year to 30 June 2007 £'000	Half year to 30 June 2006 £'000	Year ended 31 December 2006 £'000
Beginning of the period	6,240	6,732	6,732
Expenses included in employee benefit expenses	360	439	1,058
Contributions paid	(858)	(638)	(1,550)
End of the period	5,742	6,533	6,240

The principal actuarial assumptions used were as follows:

	Half year to 30 June 2007 %	Half year to 30 June 2006 %	Year ended 31 December 2006 %
Discount rate	5.80	4.80 – 5.00	4.80 – 5.00
Inflation rate	3.50	2.75	3.00
Expected return on plan assets	6.20 – 7.60	6.20 – 7.50	6.20 – 6.90
Future salary increases	3.50 – 3.60	2.75 – 3.10	3.00 – 3.25

Assumptions regarding future mortality experience were consistent with those disclosed in the financial statements for the year ended 31 December 2006.

Overseas

In accordance with French law a retirement indemnity provision is held. Rights to these benefits accrue on the condition that the employee will be with the employer at retirement date.

The movement in the liability recognised in the balance sheet is as follows:

	Half year to 30 June 2007 £'000	Half year to 30 June 2006 £'000	Year ended 31 December 2006 £'000
Beginning of the period	60	58	58
Expenses included in employee benefit expenses	5	2	2
End of the period	65	60	60

The principal actuarial assumptions were consistent with those disclosed in the financial statements for the year ended 31 December 2006.

11. Note to the cash flow statement

Cash generated from operations

	Half year to 30 June 2007 £'000	Half year to 30 June 2006 £'000	Year to 31 December 2006 £'000
Profit for the period	2,582	1,884	4,133
Adjustments for:			
- Taxation	1,744	1,189	2,019
- Finance credits	(107)	(10)	(73)
- Depreciation	505	614	1,249
- Amortisation of intangible assets	138	25	49
- Loss / (profit) on sale of property, plant and equipment	9	(19)	(47)
- Loss on sale of intangible assets	-	-	19
- Foreign currency translation	213	27	(105)
- Movement in share option charge	66	40	106
- Movement in retirement benefit obligation	(493)	(197)	(490)
Changes in working capital (excluding the effects of acquisitions and exchange differences on consolidation):			
- Decrease / (increase) in inventories	25	(117)	(22)
- Increase in trade and other receivables	(3,056)	(4,651)	(318)
- (Decrease) / increase in trade and other payables	(161)	2,963	4,058
Cash generated from operations	1,465	1,748	10,578

Group at a glance

PROFESSIONAL BUSINESS SERVICES

Business sales and valuations, consultancy and financial services

Christie + Co

www.christie.com

www.christiecorporate.com

Christie+ Co is the leading specialist firm providing business intelligence in the hospitality, leisure, retail and care sectors. With 16 offices across the UK, it focuses on agency, valuation services, investment and consultancy activity in its key sectors. Internationally, it operates from the UK and nine offices in France, Germany and Spain.

Christie Corporate Finance

www.christiecf.com

Acting as lead adviser and project manager of a transaction, Christie Corporate Finance specialises in the provision of expert and creative financial advice in the corporate hospitality, leisure, care and retail sectors. Areas of particular expertise are: acquisitions, disposals, management buy-outs, raising development capital for growth, deal structuring and asset-specific funding.

Christie Finance

www.christiefinance.com

Christie Finance has over 25 years' experience in financing businesses in the hospitality, leisure, care and retail sectors. Its relationships with the clearing banks, centralised lenders, finance houses and building societies make it the market leader in providing finance solutions for purchase or re-financing in its specialist sectors.

Christie Insurance

www.christieinsurance.com

With over 25 years' experience arranging business insurance in the hospitality, leisure, care and retail sectors, Christie Insurance is a leading company in its markets. Its contacts with the UK's leading insurers enable it to provide a premier service including tailored insurance schemes.

Pinders

www.pinders.co.uk

www.pinderpack.com

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.

SOFTWARE SOLUTIONS

EPoS and head office systems

VCSTIMELESS
www.vcstimeless.com

Retail

The VCSTIMELESS retail applications address such sectors as fashion, accessories, luggage, leather goods, sports, footwear, home furnishings, perfumery and toys. Solutions include merchandising planning and management, forecasting, supply chain optimisation, EPoS, CRM and business intelligence applications. The Columbus Enterprise suite is a comprehensive retail management software suite, proven to meet the specific needs of single and multi-channel retailers. Columbus.next is a next generation supply chain optimisation and decision support solution.

Leisure and cinemas

VCSTIMELESS' VENPoS and Vista-branded leisure, hospitality and cinema management softwares comprise admissions, head office, back office and online ticketing modules.

STOCK & INVENTORY SERVICES

Stock and inventory control

Orridge

www.orridge.co.uk

Orridge is Europe's longest established stocktaking business specialising in all fields of retail stocktaking including high street, warehousing, food and factory. It also has a specialised pharmacy division providing valuation and stocktaking services. A full range of stocktaking and inventory management solutions is provided for a wide range of clients in the UK and Europe.

Venners

www.venners.com

Venners is the leading supplier of stocktaking, inventory, control audit and related stock management services to the hospitality sector. Bespoke software and systems enable real time management reporting to its customer base using the most up-to-date technology.