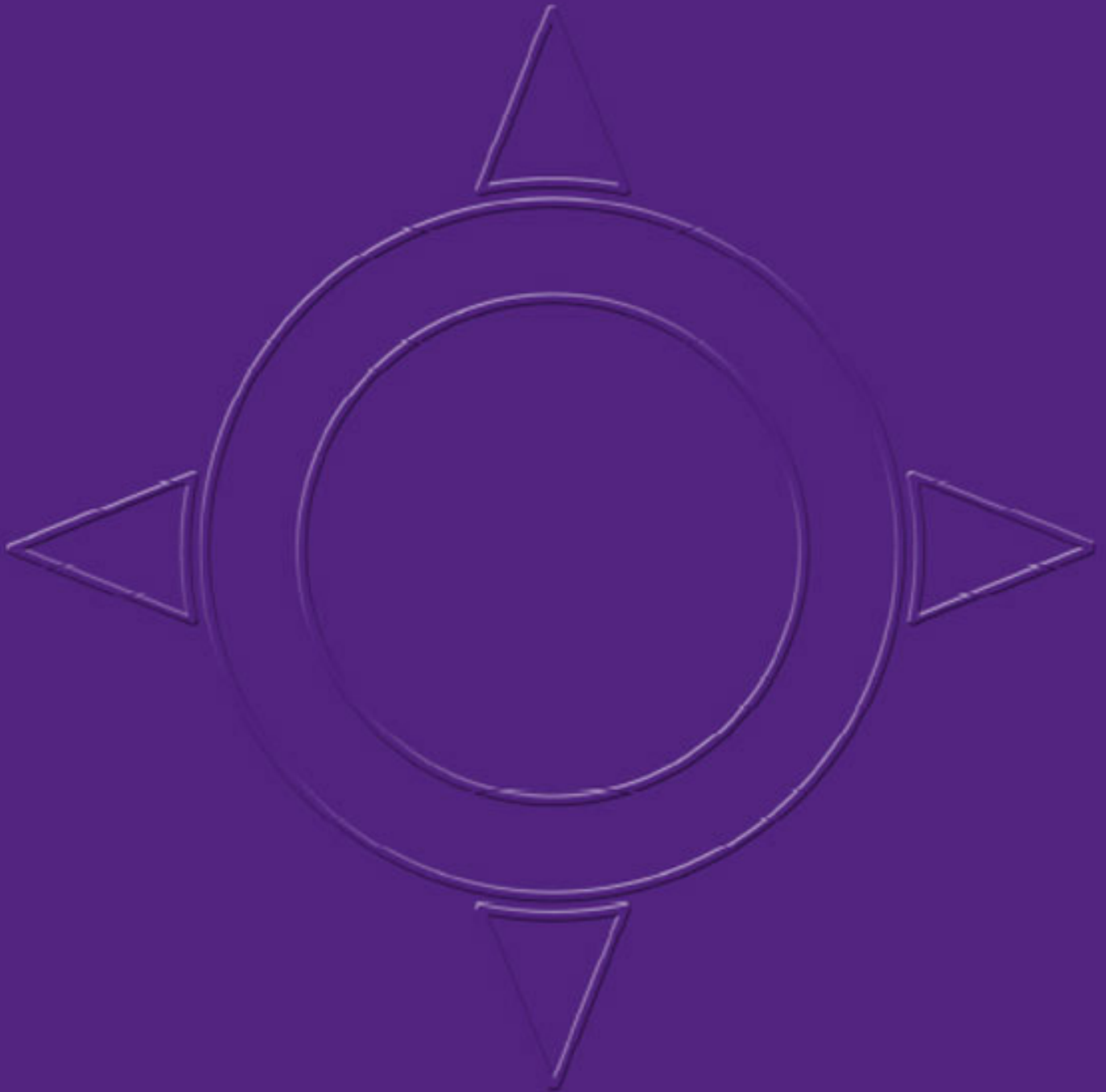


# Jelf



Interim Report and Accounts for the six months ended 31 March 2009

18<sup>th</sup> June 2009

## **JELF GROUP PLC**

**('Jelf' or 'Jelf Group' or 'The Group')**

**Interim Results for the six months ended 31 March 2009**

### **JELF CONTINUED GROWTH**

Jelf Group plc, a leading independent corporate consultancy providing advice on insurance, employee benefits including healthcare, commercial finance and wealth management, today announces its interim results for the six months ended 31 March 2009.

#### **FINANCIAL HIGHLIGHTS**

- 40% growth in Revenue to £35.0m (2008: £25.0m)
- 11% growth in EBITDAE to £3.5m (2008: £3.1m)
- 5% organic revenue growth in Employee Benefits
- Cash generated from operations of £8.3m (2008: £6.5m)
- 10% EBITDAE margin (2008: 12%)

#### **OPERATING HIGHLIGHTS**

- Growth continues,
  - Good cross sales through existing client relationships and major acquisitions
  - Integration of major acquisitions made in 2008 going to plan
  - Investment in people and systems continues
- Focus on costs has achieved results but there is more to be done as the economic downturn continues
- Award of 2\* (Outstanding) Investors In Customers from (IIC)

Alex Alway, Group Chief Executive, said:

“Market conditions remain extremely difficult and I do not expect that to change this year. Furthermore we have yet to see the benefits of a hardening of insurance rates in the market. Despite these external factors, the overall growth in our revenues and profits highlights the resilience of the business. However, I do expect the economic downturn to continue into next year and this will present fresh challenges to both our clients and the Group which will have to be addressed.”

## **Enquiries:**

### **Jelf Group plc**

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## **Notes to Editors:**

Jelf Group was founded by Chris Jelf in 1989. Today, the Jelf Group operates from a number of premises in England & Wales and offers an extensive range of corporate and private client services;

The Group advises in excess of 40,000 corporate clients across a range of disciplines. These clients cover the spectrum from significant public companies to small owner-managed businesses. Core Jelf clients are medium-sized owner-managed businesses.

The Group has continued to strengthen its corporate support infrastructure and integrate the acquisitions made.

Further information is available on Jelf Group at the Group's website: [www.jelfgroup.com](http://www.jelfgroup.com).

## Chairman's statement

Our strategy continues to be one of expanding the business through offering a broad range of services to new and existing clients. The range of services which we offer to owner-managed businesses, in particular, has enabled the Group to maintain its resilience even within a challenging economic environment.

We continue to successfully integrate key acquisitions, and we are pleased with the performance of these businesses given the wider economic climate. The contribution of these acquisitions to our insurance and employee benefits businesses continues to be in line with forecasts.

Our organic growth (ex-acquisitions) has declined in the first half as a result of the economic downturn, which has affected all our businesses in varying degrees. We achieved positive organic growth in Employee Benefits and Commercial Finance, but Insurance and in particular Wealth Management experienced negative organic growth due to the difficult economic and investment climate. Our overall organic growth was negative (-6%), but remained largely flat excluding Wealth Management.

Given the economic climate, we have continued to focus on reducing our cost base and improving operating efficiencies during this period; these efforts will continue.

Our operating cash flow remains strong, which has helped us to reduce our total debt (bank plus deferred consideration) in the first half from £49.3m to £42.3m (-£7.0m or -14%).

The results of the Group are biased to the key months of the third quarter of our financial year due to the start of the tax year in April, when a significant amount of business is conducted. The interim results reflect this bias.

We would like to put on record our thanks for the continued support, dedication and professionalism of our staff. They continue to face considerable change within the business and constantly rise to the challenge.

I would also like to record our thanks to Bruce Carnegie-Brown, who retired from the Board in April 2009 following the acquisition of 3i QPE by the wider 3i Group. Bruce has made a valuable contribution to the Group in the last year, and we wish him well for the future.

The Board remains committed to providing excellent service to our clients, and to achieving strong returns for our shareholders.

David Walker  
Group Chairman

18th June 2009

## Group Chief Executive's Statement

I am pleased to be in a position to report another set of solid results for the Group helped particularly by the successful integration of the three large acquisitions made last year. The economic climate is extremely challenging and the Group is taking appropriate action to reduce its cost base to reflect this situation.

We continue to make investments in people and infrastructure, to enable the business to execute our declared growth strategy.

### Financial performance

In the six-month period ending 31 March 2009, the Group increased its turnover by 40% to £35.0m (2008: £25.0m); Operating profit has decreased from £1.6m to a loss of £0.4m due to the impact of restructuring costs and increased amortisation; EBITDAE increased by 11% to £3.5m (2008: £3.1m).

Underlying EBITDAE margin was down 17% to 10% (2008: 12%).

Cash generated from operations was £8.3m. Performance-based deferred consideration payments on previous acquisitions amounted to £3.6m for the period. Our deferred consideration liabilities have been reduced during the period from £26.1m as at 30 September 2008 to an estimated £18.5m, due to payments and the impact of earn-out formulae.

Total bank debt, gross of capitalised loan fees, is now £24.3m. This increased from £23.5m as at 30 September 2008, with additional borrowings being used to help fund the payment of the deferred consideration. This is in line with expectations.

### Organisational development

We have selectively invested in the Group's infrastructure in this period to enable integration whilst reducing back office costs. Infrastructure investment in technology and front-line support will always be a priority.

We have largely completed the process of migration of the core Healthcare business onto one system.

### Business Development

#### *Insurance*

Despite rating increases in some elements of the market, the mid-to-large corporate market continues to be competitive due to a mixture of competition and the wider economic climate. The smaller owner-managed sector, where Jelf specialises, is less sensitive to incremental market rate movements and we have seen some rate increases here, but these have been offset by the difficulties faced by many of our corporate clients and the resulting reduction of overall insurance covers. We anticipate that the challenging trading environment for our Insurance businesses will continue through 2009 and into the first half of 2010.

We have focused on reducing the cost base and the integration of acquisitions during this period.

Despite these mixed market conditions, our client-focused approach has enabled us to maintain strong retention rates and to add value for clients.

## ***Employee Benefits***

The market for advice on Employee Benefits remains resilient and the Group continues to enjoy a strong competitive position in this area. Clients continue to seek good advice, however the conversion of pipeline prospects for corporate pensions is taking longer to materialise as the decision making process is slowed due to focus on other areas such as redundancies.

The rates for private medical insurance continue to harden and we are pleased to be able to report 13% organic growth on the previous year. The Group now places approximately £140m GWP annually in the private medical insurance market.

The results of the Healthcare business are weighted towards the second half of the financial year.

During this period we have worked hard at getting closer to our Healthcare corporate clients to introduce the wider suite of employee benefits services and products and this campaign is beginning to bolster the pipeline of future prospects.

## ***Wealth Management***

The market for independent advice to individuals has been extremely difficult in the current economic environment. Revenues have fallen by just 5%, due to the addition of the three acquisitions made last year, all of which had small elements of financial services business. All areas of advice are down as client confidence in this market has ebbed.

During this period we have reduced our cost base resulting in the release of a number of advisors and associated support staff. It is our intention to continue with the programme of integration and to focus on a smaller number of talented individuals whilst reducing costs further.

The business assurance campaign launched in 2008 has provided significant organic sales into the Group's existing corporate clients that have underpinned these results. This will continue to be a primary focus throughout 2009.

The Group now has currently circa £270m (2008: £200m) in third-party funds on Wrap programmes producing fund-based income. Despite a strong inflow of funds, the overall amount under advice has reduced in line with equity price movements and remains market sensitive. In addition we continue to advise on over £1 billion of client funds under advice in old style product structures.

It is unlikely that we will see any return of confidence to this market during 2009 and the first half of 2010.

## ***Acquisitions***

Whilst the Group has a healthy pipeline of potential acquisitions it has chosen not to invest during this period due to a lack of value. The consolidation of the intermediary market whilst slowing in pace has continued despite the wider economic difficulties.

The Insurance and Healthcare elements of the acquisitions made in 2008 are trading in line with expectations. These businesses did contain some Wealth Management businesses which although small in size are trading below expectations.

## People

I am particularly pleased at the progress made this year in the way the management and employees of the businesses acquired in 2008 have embraced the opportunities within the wider Group and are making a real contribution.

Whilst we have not made any acquisitions during this period and will have a strong focus on operating efficiencies, we have continued to recruit and motivate key talent whilst strengthening the senior management team with appointments and promotions.

Our employees and management continue to deliver excellent value to our clients, shareholders and our strategic partners in the market. They remain our key asset.

## Future

The Group will continue with its strategy of strengthening its position within its chosen sectors and providing a wider range of enhanced services to our clients.

The Jelf Group will continue to place great emphasis on superior customer service to our clients.

Alex Alway  
Group Chief Executive

18th June 2009

## Consolidated Balance Sheet

	Note	31 Mar 2009 (unaudited) £'000	31 Mar 2008 (unaudited) £'000	30 Sept 2008 (audited) £'000
<b>Non-current assets</b>				
Goodwill		69,786	46,086	73,972
Intangible assets		53,890	37,171	56,180
Property, plant and equipment		3,173	2,471	3,160
Available for sale investments		83	143	76
		<b>126,932</b>	85,871	133,388
<b>Current assets</b>				
Trade and other receivables		15,214	10,014	14,289
Cash and cash equivalents <sup>1</sup>		24,791	32,538	21,832
Derivative financial instruments		-	61	-
		<b>40,005</b>	42,613	36,121
<b>Total assets</b>		<b>166,937</b>	128,484	169,509
<b>Current liabilities</b>				
Short-term provisions		(1,353)	(152)	(775)
Deferred income tax liability		(1,284)	(838)	(1,272)
Trade and other payables		(31,384)	(16,577)	(26,101)
Deferred consideration		(13,212)	(10,354)	(13,578)
Income tax liabilities		(2,515)	(972)	(2,670)
Derivative financial liabilities		(1,273)	-	(14)
Bank loans		(498)	-	(498)
		<b>(51,519)</b>	(28,893)	(44,908)
<b>Net current (liabilities) / assets</b>		<b>(11,514)</b>	13,720	(8,787)
<b>Non-current liabilities</b>				
Long-term provisions		(223)	(109)	(254)
Deferred income tax liability		(12,364)	(10,461)	(13,686)
Trade and other payables		(24)	(181)	(46)
Deferred consideration		(5,330)	(6,144)	(12,513)
Bank loans		(23,296)	(10,144)	(22,663)
		<b>(41,237)</b>	(27,039)	(49,162)
<b>Total liabilities</b>		<b>(92,756)</b>	(55,932)	(94,070)
<b>Net assets</b>		<b>74,181</b>	72,552	75,439
<b>Equity</b>				
Share capital	5,6	498	498	498
Share premium	6	54,850	54,875	54,850
Merger reserve		10,742	10,742	10,742
Other reserves	6	448	(387)	712
Retained earnings	6	7,643	6,824	8,637
<b>Total equity</b>		<b>74,181</b>	72,552	75,439

<sup>1</sup> Included within cash and cash equivalents is fiduciary cash of £18,951,000 (31 March 2008: £12,837,000; 30 September 2008: £18,161,000).

The notes on pages 10 to 14 form an integral part of these condensed interim financial statements.

## Consolidated income statement

	Note	Six months ended 31 Mar 2009 (unaudited) £'000	Six months ended 31 Mar 2008 (unaudited) £'000	Year ended 30 Sept 2008 (audited) £'000
<b>Revenue</b>		<b>35,019</b>	25,024	63,147
Cost of Sales		<b>(2,195)</b>	(2,036)	(4,758)
<b>Gross Profit</b>		<b>32,824</b>	22,988	58,389
Administrative expenses		<b>(33,253)</b>	(21,399)	(53,308)
<b>Operating (loss) / profit</b>		<b>(429)</b>	1,589	5,081
Operating (loss) / profit consists of:				
<b>Earnings before interest, taxation, depreciation, amortisation and exceptional (EBITDAE)</b>		<b>3,450</b>	3,110	10,066
Group reorganisation and rationalisation costs	8	<b>(1,099)</b>	-	(666)
Depreciation of property, plant and equipment		<b>(432)</b>	(317)	(738)
Amortisation of intangible assets		<b>(2,348)</b>	(1,204)	(3,581)
Investment revenues		<b>30</b>	153	308
Finance costs		<b>(965)</b>	(1,004)	(1,875)
<b>(Loss) / Profit before income tax</b>		<b>(1,364)</b>	738	3,514
Income tax credit / (expense)		<b>370</b>	(118)	(1,081)
<b>(Loss) / profit for the period</b>		<b>(994)</b>	620	2,433
<b>(Loss) / earnings per share</b> attributable to equity holders of the Company				
Basic (pence)	4	<b>(2.0)</b>	2.0	6.1
Diluted (pence)	4	<b>(2.0)</b>	1.9	6.0

All results are derived from continuing operations

## Consolidated statement of recognised income and expense

	Six months ended 31 Mar 2009 (unaudited) £'000	Six months ended 31 Mar 2008 (unaudited) £'000	Year ended 30 Sept 2008 (audited) £'000
(Loss) / gain on cash flow hedges (net of tax)	(903)	61	(14)
<b>Net (loss) / income recognised directly in equity</b>	<b>(903)</b>	61	(14)
(Loss) / profit for the period	(994)	620	2,433
<b>Total recognised income and expense for the period</b>	<b>(1,897)</b>	681	2,419

## Consolidated cash flow statement

	Note	Six months ended 31 Mar 2009 (unaudited) £'000	Six months ended 31 Mar 2008 (restated and unaudited) £'000	Year ended 30 Sept 2008 (audited) £'000
<b>Cash flows from operating activities</b>				
Cash generated from operations	7	8,345	6,471	10,538
Interest paid		(1,003)	(872)	(1,642)
Taxation paid		(778)	(3,146)	(2,817)
<b>Net cash flow from operating activities</b>		<b>6,564</b>	<b>2,453</b>	<b>6,079</b>
<b>Cash flows from investing activities</b>				
Interest received		29	193	276
Proceeds on disposal of property, plant and equipment		14	-	-
Purchase of property, plant and equipment		(458)	(467)	(892)
Purchase of intangible assets		(57)	(174)	(279)
Purchase of own shares		(91)	(695)	(725)
Acquisition of subsidiaries and businesses <sup>1</sup>		25	(12,135)	(35,354)
Deferred consideration paid <sup>2</sup>		(3,609)	(985)	(4,724)
<b>Net cash flow used in investing activities</b>		<b>(4,147)</b>	<b>(14,263)</b>	<b>(41,698)</b>
<b>Cash flows from financing activities</b>				
Repayments of bank loans		-	(23,870)	(23,870)
Repayments of obligations under finance leases		(31)	-	(43)
Proceeds on issue of shares (net of expenses)		-	44,994	44,994
Additional bank loans raised (net of expenses)		573	13,954	27,100
<b>Net cash flow from financing activities</b>		<b>542</b>	<b>35,078</b>	<b>48,181</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,959</b>	<b>23,268</b>	<b>12,562</b>
Cash and cash equivalents at beginning of period		21,832	9,270	9,270
<b>Cash and cash equivalents at end of period <sup>3</sup></b>		<b>24,791</b>	<b>32,538</b>	<b>21,832</b>

<sup>1</sup> Cash inflow from the acquisition of subsidiaries and businesses for the six months ended 31 Mar 2009 has been shown net of a £63,000 receipt relating to a net asset settlement on a previous acquisition.

<sup>2</sup> The condensed interim financial statements for the six months ended 31 March 2008 disclosed deferred consideration paid as a financing activity. This has subsequently been restated to be an investing activity.

<sup>3</sup> Included within cash and cash equivalents is fiduciary cash of £18,951,000 (31 March 2008: £12,837,000; 30 September 2008: £18,161,000).

## 1. General information

Jelf Group plc is an AIM listed company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given in note 9.

These condensed interim financial statements do not comprise statutory accounts under the meaning of Section 240 of the Companies Act 1985 and should be read in conjunction with the statutory accounts for the year ended 30 September 2008. These were prepared under International Financial Reporting Standards (IFRSs), which were approved by the Board of Directors on 2 February 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 237 (2) or (3) of the Companies Act 1985.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

## 2. Basis of preparation

The condensed financial statements have been prepared using accounting policies consistent with IFRSs as adopted for use in the European Union and the AIM rules and as disclosed in the Group's statutory accounts for the year ended 30 September 2008. These condensed financial statements do not comply with all the requirements of IAS 34 'Interim financial reporting' as the Company is not required to adopt this.

The statutory accounts for the year ended 30 September 2008 were the Group's first under IFRS and the reserves at 1 October 2007 have been restated accordingly.

The Group has applied s131 of the Companies Act 1985 in respect of merger relief. An adjustment in respect of this has been made to the equity reserves at 31 March 2008 and the relevant balances restated.

## 3. Segmental Reporting

The Board have determined that the Group has five business sectors: Insurance, Healthcare, Employee Benefits, Commercial Finance and Wealth Management. Business sector data includes an allocation of corporate costs to each sector. There are no sales between business sectors.

All turnover arose within the United Kingdom. No secondary segment information is therefore given. Segment information about these businesses is presented below.

	<b>Six months ended 31 Mar 2009 (unaudited) £'000</b>	<b>Six months ended 31 Mar 2008 (unaudited) £'000</b>	<b>Year ended 30 Sept 2008 (audited) £'000</b>
<b>Revenue</b>			
Insurance	<b>22,641</b>	13,824	35,852
Healthcare	<b>4,905</b>	3,664	9,796
Employee benefits	<b>3,112</b>	3,024	7,842
Commercial finance	<b>317</b>	268	627
Wealth management	<b>4,044</b>	4,244	9,030
	<b>35,019</b>	25,024	63,147

	Six months ended 31 Mar 2009 (unaudited) £'000	Six months ended 31 Mar 2008 (unaudited) £'000	Year ended 30 Sept 2008 (audited) £'000
<b>(Loss) / profit for the period</b>			
Insurance	3,479	2,506	6,173
Healthcare	814	181	2,382
Employee benefits	(319)	152	961
Commercial finance	(111)	(47)	2
Wealth management	(413)	318	548
<b>Earnings before interest, taxation, depreciation, amortisation and exceptional (EBITDAE)</b>	<b>3,450</b>	<b>3,110</b>	<b>10,066</b>
Group reorganisation and rationalisation costs	(1,099)	-	(666)
Depreciation of tangible fixed assets	(432)	(317)	(738)
Amortisation of intangible fixed assets	(2,348)	(1,204)	(3,581)
Investment revenues	30	153	308
Finance costs	(965)	(1,004)	(1,875)
Income tax credit / (expense)	370	(118)	(1,081)
<b>(Loss) / profit for the period</b>	<b>(994)</b>	<b>620</b>	<b>2,433</b>

#### Balance sheet

##### Total assets

Insurance	114,890	61,559	118,906
Healthcare	28,185	25,999	25,595
Employee benefits	4,304	7,671	6,781
Commercial finance	694	181	661
Wealth management	15,236	15,060	15,843
Unallocated	3,628	18,014	1,723
	<b>166,937</b>	<b>128,484</b>	<b>169,509</b>

##### Total liabilities

Insurance	(65,437)	(32,004)	(58,102)
Healthcare	(23,438)	(12,976)	(22,404)
Employee benefits	(1,371)	(3,476)	(3,253)
Commercial finance	(94)	(532)	(3,021)
Wealth management	(2,416)	(6,944)	(7,290)
	<b>(92,756)</b>	<b>(55,932)</b>	<b>(94,070)</b>

#### Other information

##### Capital additions

Insurance	107	67	517
Healthcare	7	154	161
Employee benefits	186	108	79
Commercial finance	-	-	14
Wealth management	237	204	132
	<b>537</b>	<b>533</b>	<b>903</b>

	Six months ended 31 Mar 2009 (unaudited) £'000	Six months ended 31 Mar 2008 (unaudited) £'000	Year ended 30 Sept 2008 (audited) £'000
<b>Other information</b>			
<b>Depreciation</b>			
Insurance	196	143	380
Healthcare	36	36	75
Employee benefits	84	47	101
Commercial finance	2	3	4
Wealth management	114	88	178
	<b>432</b>	<b>317</b>	<b>738</b>
<b>Amortisation</b>			
Insurance	1,753	829	2,677
Healthcare	356	271	517
Employee benefits	54	6	75
Commercial finance	-	-	1
Wealth management	185	98	311
	<b>2,348</b>	<b>1,204</b>	<b>3,581</b>

#### 4. (Loss) / earnings per share

(Loss) / earnings per share attributable to the equity holders of the Company are as follows:-

	Six months ended 31 Mar 2009 (unaudited)	Six months ended 31 Mar 2008 (unaudited)	Year ended 30 Sept 2008 (audited)
(Loss) / profit for the period (£'000)	(994)	620	2,433
Amortisation and exceptionals (net of tax) (£'000)	2,212	1,204	3,088
Underlying profit for the period (£'000) <sup>1</sup>	1,218	1,824	5,521
Weighted average shares in issue			
(number)			
Basic	49,099,240	30,580,433	39,608,301
Diluted	49,341,872	32,688,794	40,385,502
(Loss) / earnings per share			
(pence)			
Basic	(2.0)	2.0	6.1
Diluted <sup>2</sup>	(2.0)	1.9	6.0
Amortisation and exceptional per share			
(pence)			
Basic	4.5	4.0	7.8
Diluted	4.5	3.7	7.6
Underlying earnings per share <sup>1</sup>			
(pence)			
Basic	2.5	6.0	13.9
Diluted	2.5	5.6	13.7

1 before deduction of amortisation of intangible fixed assets and exceptional

2 in accordance with IAS33 Earnings per Share, the basic weighted average shares in issue has been used to calculate the 2009 loss per share due to the antidilutive nature of losses

## 5. Share capital

As at 31 March 2009 the Company had authorised share capital of 100,000,000 (31 March and 30 September 2008: 100,000,000) ordinary shares of 1p each, of which 49,802,687 (31 March 2008: 49,787,906, 30 September 2008: 49,802,687) ordinary shares have been allotted, called up and fully paid.

At 31 March 2009, of the called up share capital, 780,968 (31 March 2008: 423,809, 30 September 2008: 785,609) ordinary shares were held by the Jelf Group plc Employee Benefit Trust and are shown within other reserves.

On 25 February 2008 22,117,648 new ordinary shares of 1p each were issued for £45.0m, net of share issue costs, and admitted to AIM. The new ordinary shares will rank pari passu with the existing ordinary shares of the Company.

## 6. Statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Hedging reserve <sup>1,2</sup> £'000	Share based payment reserve <sup>1</sup> £'000	Own shares held <sup>1</sup> £'000	Other reserves <sup>1</sup> £'000	Profit and loss account £'000	Total Equity £'000
<b>At 1 October 2007 (restated and audited)</b>	257	10,103	6,144	-	757	(851)	14	6,204	<b>22,628</b>
Share based payments	-	-	-	-	327	-	-	-	<b>327</b>
Share issue (net of issue costs)	241	44,772	4,598	-	-	-	-	-	<b>49,611</b>
Purchase of own shares by EBT	-	-	-	-	-	(695)	-	-	<b>(695)</b>
Unrealised gain on cash flow hedges	-	-	-	61	-	-	-	-	<b>61</b>
Profit for the period	-	-	-	-	-	-	-	620	<b>620</b>
<b>At 31 March 2008 (unaudited)</b>	498	54,875	10,742	61	1,084	(1,546)	14	6,824	<b>72,552</b>
Share based payments	-	-	-	-	1,204	-	-	-	<b>1,204</b>
Share issue costs	-	(25)	-	-	-	-	-	-	<b>(25)</b>
Purchase of own shares by EBT	-	-	-	-	-	(30)	-	-	<b>(30)</b>
Unrealised loss on cash flow hedges	-	-	-	(75)	-	-	-	-	<b>(75)</b>
Profit for the period	-	-	-	-	-	-	-	1,813	<b>1,813</b>
<b>At 30 September 2008 (audited)</b>	498	54,850	10,742	(14)	2,288	(1,576)	14	8,637	<b>75,439</b>
Share based payments	-	-	-	-	730	-	-	-	<b>730</b>
Purchase of own shares by EBT	-	-	-	-	-	(91)	-	-	<b>(91)</b>
Unrealised loss on cash flow hedges	-	-	-	(903)	-	-	-	-	<b>(903)</b>
Loss for the period	-	-	-	-	-	-	-	(994)	<b>(994)</b>
<b>At 31 March 2009 (unaudited)</b>	498	54,850	10,742	(917)	3,018	(1,667)	14	7,643	<b>74,181</b>

<sup>1</sup> shown within other reserves on the balance sheet

<sup>2</sup> shown net of tax

## 7. Cash generated from operations

	Six months ended 31 Mar 2009 (unaudited) £'000	Six months ended 31 Mar 2008 (unaudited) £'000	Year ended 30 Sept 2008 (audited) £'000
<b>(Loss) / profit for the period</b>	<b>(994)</b>	620	2,433
<i>Adjustments for:</i>			
Investment revenues	<b>(30)</b>	(153)	(308)
Finance costs	<b>965</b>	1,004	1,875
Income tax (credit) / expense	<b>(370)</b>	118	1,081
Depreciation of property, plant and equipment	<b>432</b>	317	738
Amortisation of intangible assets	<b>2,348</b>	1,204	3,581
Share-based payment expense	<b>730</b>	327	1,069
Capitalised share-based payments	-	-	461
Increase in provisions	<b>547</b>	12	862
<b>Operating cash flows before movement in working capital</b>	<b>3,628</b>	3,449	11,792
Increase in receivables	<b>(992)</b>	(6,641)	(172)
Increase / (decrease) in payables	<b>5,709</b>	9,663	(1,082)
<b>Cash generated from operations</b>	<b>8,345</b>	6,471	10,538

## 8. Exceptional costs

£1,099,000 (31 March 2008: £nil, 30 September 2008: £666,000) of Group reorganisation and rationalisation costs are a result of combining and restructuring operations. These costs are not associated with the ongoing activities of the Group.

## 9. Copies of the Interim Financial Statements

Copies of this Interim Report and Accounts announcement are available on the Group's website ([www.jelfgroup.com](http://www.jelfgroup.com)) or from the Company Secretary at the Company's registered office: Fromeforde House, Church Road, Yate, Bristol, BS37 5JB.