

16 June 2010

JELF GROUP PLC

Interim Results for the six months ended 31 March 2010

JELF INCREASES MARGIN

Jelf Group plc, a leading independent corporate consultancy providing advice on insurance, employee benefits and wealth management, today announces its interim results for the six months ended 31 March 2010.

FINANCIAL HIGHLIGHTS

- Revenue in line with last year at £34.9m (2009: £35.0m) but EBITDAE increased by 20% to £4.1m (2009: £3.5m)
- EBITDAE margin increased by 20% to 12% (2009: 10%)
- Net debt reduced to £13.6m (31 March 2009: £38.8m; 30 September 2009: £30.7m)

OPERATING HIGHLIGHTS

- Integration of the acquisitions continues:
 - Wealth management integrated
 - Employee benefits fully integrated by 30 September 2010
 - Insurance integration in advanced stages
- Focus on costs has achieved results and increased margins but there is more to be done as economic forecasts remain uncertain
- Award of 2* for outstanding customer service from Investors In Customers from (IIC)

Alex Alway, Group Chief Executive, said:

“The wider economic climate remains challenging but Jelf has maintained its revenue levels and, thanks to actions taken last year, both profits and margins have increased. This, coupled with the strengthening of the balance sheet puts the Group in an excellent position to take advantage of future opportunities.”

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.

Chairman's statement

Despite the continuing economic uncertainties, we have performed well in the first half of this year, in terms of both our improving operating profitability and the continuing strengthening of our capital structure.

Revenues remained essentially flat in the first half, with some organic growth in Wealth Management and Employee Benefits offsetting a small decline in Insurance. Insurance lapses remained above trend, largely due to the effects of the weak economy on our client base but were offset by strong new business growth which was up 38% year on year. Operating profitability improved, in part due to the cost management measures taken last year and to continuing efforts to control costs and improve operating efficiency. EBITDAE increased 20% year on year, and our EBITDAE margin improved from 10% to 12%.

In March 2010 we successfully executed a £19m share placement, and 3i sold its shareholding to CapZ, removing the uncertainty which has existed since 3i closed the 3i QPE fund. We have also reduced the amount and extended the maturities of our term debt; the covenants underlying this new loan provide considerable operational scope to continue the organic development of the business. Our overall gearing has again been substantially reduced, with net debt (gross debt plus deferred consideration less office cash) declining from £30.7m at 30 September 2009 to £13.6m at 31 March 2010. We are now in a strong position to benefit from the economic recovery as it unfolds, with the financial flexibility to invest in the business and take advantage of any opportunities to enhance shareholder value.

I would also like to welcome CapZ as a substantial shareholder to the Group, and Jonathan Kelly, partner at CapZ, as a non-executive director to the Board. The Jelf board and management view this as a positive development, and I am confident that CapZ as an institution, and Jon as an individual, will make a strong contribution to the success of the Group in the years ahead.

I would also like to add here that, after six years as a non executive Director and in my third year as Chairman, I have decided to retire from the Board at some time in the second half of this year. I have thoroughly enjoyed the last six years, and have been honoured to be associated with the Jelf Group. Given that our operating businesses are all performing well, and our capital structure is now very strong, I believe this is a good time for me to make way for some new blood. We will be announcing succession plans in due course.

Finally, on behalf of the Board I would like to thank our staff for their excellent efforts, and our provider partners, our shareholders and, most importantly, our clients for their continued support.

David Walker
Chairman

Group Chief Executive's statement

Following the re-financing that was completed in February of this year I am pleased to be in a position to report another set of trading results for the Group, the highlight of which is the sharp rise in new business year on year if not overall revenues. The wider economic climate remains extremely challenging and the effect it has on our clients is reflected in our results. However the management actions taken over the last 18 months will provide a platform for margin and profit growth this year.

No trend in increased insurance rating has been detected to date.

This year has also seen us continuing with our programme of business integration and investment in people and the infrastructure to support them.

Financial performance

In the six-month period ending 31 March 2010, the Group revenue remained largely flat at £34.9m (2009: £35.0m); Operating profits are £1.0m compared to a £0.4m loss for the same time period last year. EBITDAE increased by 20% to £4.1m (2009: £3.5m).

Underlying EBITDAE margin was increased to 12% (2009: 10%).

Total debt is now £16.0m (2009: £24.3m). This is in line with expectation following the re-financing. Net debt has fallen from £30.7m at 30 September 2009 to £13.6m at 31 March 2010 and the earn-out liabilities relating to previous acquisitions will be largely paid by the end of the financial year.

Part of the refinancing deal involved cancelling the hedging instrument that was in place and writing off previous arrangement fees. This resulted in a one off cost of £1.4m. Any interest rate risk will be mitigated by the natural hedge provided by interest earned on cash balances.

Organisational development

Following the re-structuring and completion of the integration of the Wealth Management business and also separately the Employee Benefits business we have looked to both invest and grow these two areas organically.

During the last period we launched a number of people development programmes to promote excellence in client work and management. These investments are complemented by regular surveys of staff and management to enable the Group to effectively develop this key resource. This will remain in focus for 2010.

We have also invested in new leased offices in Ringwood and Manchester which has enabled us to pull together individuals from other sites and provide an improved working environment for staff.

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, which makes up a substantial element of Jelf clients, has felt the effect of the wider economic climate and these pressures have meant that only marginal growth in client revenues resulted in flat rating coverage for us. We anticipate that the challenging trading environment for our Insurance business will continue through 2010 into 2011.

We have focused on tightly managing the cost base whilst looking to build our organic growth capability. The Group has invested in 17 new account executives over the last 12 months which will improve revenues over time.

The new business for this area has improved sharply, by 38% from the six month period to 31 March 2009. However, this has been offset by lapses as our client base has suffered due to the wider economic climate. The revenues for the insurance business declined by 3% year on year. The insurance business revenues represent 64% of Jelf total income for the six months ended 31 March 2010.

This insurance business remains positively geared to an improvement in the rating environment.

Group Chief Executive's statement

Employee Benefits

The market for advice on Employee Benefits still continues to remain resilient and the Group continues to enjoy a strong competitive position in this area. We have seen a desire amongst our clients to invest in this area and seek good advice, having made structural changes to their businesses last year. The decision making process that slowed last year has become more pro-active.

The rates for private medical insurance continue to harden and we are pleased to be able to report 1% organic growth on the previous year. The Group places approximately £140m GWP annually in the private medical insurance market.

The results of the healthcare business continue to be weighted towards the second half of the financial year, particularly in the 3rd quarter.

During this period we have introduced a number of healthcare corporate clients to the wider suite of employee benefits services and products and this campaign has bolstered the pipeline of future prospects.

Overall the employee benefits business has achieved a 3% growth in revenues year on year and represents 24% of Jelf revenues for the six months ended 31 March 2010.

Wealth Management

The market for advice to connected individual business clients has improved as they have sought independent support and financial planning. In the current economic environment individuals are looking to improve returns and seeking sound financial planning advice. Revenues have risen by 8% which is a strong performance considering the number of advisors was reduced by circa 25% year on year.

During the last period we reduced our cost base resulting in the release of a number of advisors and associated support staff. We have completed the programme of integration and with the focus on a smaller number of talented individuals we are now looking forward to the changing regulatory environment that will be brought about by the retail distribution review (RDR). All of our advisors will be suitably qualified to required level and we have retained our chartered status as a business.

The Group now has currently circa £446m (2009: £270m) in third-party funds on wrap and discretionary management programmes producing fund-based income. In addition we continue to advise on over £1 billion of client funds under advice in old style product structures.

The market for investment in equities has been strong but the current uncertainty makes it impossible to predict that this sentiment will remain throughout 2010.

The Wealth Management business represented 12% of our revenues in the period ended 31 March 2010.

IIC – Investors in Customers award

We were delighted to retain the prestigious 2* award again this year and that some of the subsidiaries actually attained the highest level of 3*. Group management has distilled the findings of the related surveys and have action plans in place to improve our client service levels.

Acquisitions

The focus throughout 2010 will be on completing the investment in people and infrastructure with an anticipated return to M&A in the next financial year.

The Insurance and Healthcare elements of the acquisitions made in 2008 continue to trade in line with expectations.

Group Chief Executive's statement

People

David Walker has indicated that he will be retiring from the Board at some point during the second half of this year. Although this is not the time to formally thank him for all his efforts over the last six years, he will be missed and has played a key role in the development of the Group.

Finally, I would like to thank all our staff and business partners for their support and efforts over the last six months and I look forward to working with them in the future.

Alex Alway
Group Chief Executive

Consolidated balance sheet

As at 31 March 2010

	Note	Unaudited 31 Mar 2010 £'000	Unaudited 31 Mar 2009 £'000	Audited 30 Sep 2009 £'000
Non-current assets				
Goodwill		58,854	69,786	57,088
Intangible assets		49,258	53,890	51,593
Property, plant and equipment		2,866	3,173	2,889
Available for sale investments		86	83	86
		111,064	126,932	111,656
Current assets				
Trade and other receivables		9,754	15,214	11,358
Cash and cash equivalents *		29,323	24,791	18,747
		39,077	40,005	30,105
Total assets		150,141	166,937	141,761
Current liabilities				
Trade and other payables		(26,476)	(31,384)	(26,238)
Deferred consideration		(8,094)	(13,212)	(5,931)
Borrowings	4	-	(498)	(498)
Income tax liabilities		(111)	(2,515)	(370)
Deferred income tax liabilities		(1,272)	(1,284)	(1,272)
Short-term provisions		(1,171)	(1,353)	(1,504)
		(37,124)	(50,246)	(35,813)
Net current assets / (liabilities)		1,953	(10,241)	(5,708)
Non-current liabilities				
Trade and other payables		(6)	(24)	(6)
Deferred consideration		(749)	(5,330)	(2,712)
Borrowings	4	(15,286)	(23,296)	(23,151)
Deferred income tax liabilities		(12,464)	(12,364)	(12,890)
Long-term provisions		(131)	(223)	(107)
Derivative financial instruments		-	(1,273)	(1,036)
		(28,636)	(42,510)	(39,902)
Total liabilities		(65,760)	(92,756)	(75,715)
Net assets		84,381	74,181	66,046
Equity				
Share capital	5,6	1,026	498	498
Share premium	5,6	72,077	54,850	54,852
Merger reserve	6	10,742	10,742	10,742
Other reserves	6	3,102	448	1,844
Retained earnings	6	(2,566)	7,643	(1,890)
Total equity		84,381	74,181	66,046

* Included within cash and cash equivalents is fiduciary cash of £18,067,000 (31 March 2009 £18,951,000; 30 September 2009: £16,490,000).

The notes on pages 8 to 13 form an integral part of these condensed interim financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 16 June 2010. They were signed on its behalf by:

Alex Alway
Group Chief Executive

John Harding
Group Finance and Operations Director

Consolidated income statement

For the 6 months ended 31 March 2010

	Note	Unaudited 6 months to 31 Mar 2010 £'000	Unaudited 6 months to 31 Mar 2009 £'000	Audited year to 30 Sep 2009 £'000
Revenue	3	34,934	35,019	70,287
Cost of sales		(3,862)	(2,195)	(4,839)
Gross profit		31,072	32,824	65,448
Administrative expenses		(30,095)	(33,253)	(75,151)
Operating profit / (loss)		977	(429)	(9,703)
<i>Operating profit / (loss) consists of:</i>				
Earnings before interest, taxation, depreciation, amortisation and exceptional costs (EBITDAE)	3	4,140	3,450	8,065
Depreciation of property, plant and equipment		(434)	(432)	(865)
Amortisation of intangible fixed assets		(2,355)	(2,348)	(4,698)
Group reorganisation and rationalisation costs	7	(374)	(1,099)	(4,753)
Impairment charges	7	-	-	(7,452)
Investment revenues		12	30	80
Finance costs		(2,215)	(965)	(1,704)
<i>Finance costs consist of:</i>				
Interest payable		(799)	(965)	(1,704)
Fees relating to cancellation of debt facility:				
Interest rate swap exit		(1,076)	-	-
Loan arrangement fees previously capitalised		(340)	-	-
Loss before income tax		(1,226)	(1,364)	(11,327)
Income tax credit		610	370	1,479
Loss for the period attributable to equity holders of the Company		(616)	(994)	(9,848)
Loss per share attributable to equity holders of the Company				
Basic (pence)	8	(1.1)	(2.0)	(20.0)
Diluted (pence)	8	(1.1)	(2.0)	(20.0)

All results are derived from continuing operations

Consolidated statement of comprehensive income

For the 6 months ended 31 March 2010

	Note	Unaudited 6 months to 31 Mar 2010 £'000	Unaudited 6 months to 31 Mar 2009 £'000	Audited year to 30 Sep 2009 £'000
Loss for the period	6	(616)	(994)	(9,848)
Other comprehensive income:				
Vesting of Employee Benefits Trust shares	6	(60)	-	(679)
Cash flow hedges	6	746	(903)	(732)
Other comprehensive income, net of tax		686	(903)	(1,411)
Total comprehensive income for the period attributable to equity holders of the Company		70	(1,897)	(11,259)

Consolidated cash flow statement

For the 6 months ended 31 March 2010

	Note	Unaudited 6 months to 31 Mar 2010 £'000	Unaudited 6 months to 31 Mar 2009 £'000	Audited year to 30 Sep 2009 £'000
Cash flows from operating activities				
Cash generated from operations	9	5,845	8,345	8,683
Interest paid		(508)	(1,003)	(1,710)
Taxation paid		(300)	(778)	(1,892)
Net cash flow from operating activities		5,037	6,564	5,081
Cash flows from investing activities				
Interest received		12	29	80
Proceeds on disposal of property, plant and equipment		3	14	32
Purchase of property, plant and equipment		(415)	(458)	(650)
Purchase of intangible assets		(20)	(57)	(109)
Purchase of own shares		(202)	(91)	(167)
Acquisition of subsidiaries and businesses ¹		-	25	25
Deferred consideration paid		(1,316)	(3,609)	(7,899)
Net cash flow used in investing activities		(1,938)	(4,147)	(8,688)
Cash flows from financing activities				
Repayments of borrowings		(32,298)	-	-
Repayments of obligations under finance leases		(11)	(31)	(51)
Repayment of interest rate swap		(1,076)	-	-
Proceeds on issue of shares (net of expenses)		17,753	-	-
New borrowings raised (net of expenses)		23,109	573	573
Net cash flow from financing activities		7,477	542	522
Net increase / (decrease) in cash and cash equivalents		10,576	2,959	(3,085)
Cash and cash equivalents at beginning of year		18,747	21,832	21,832
Cash and cash equivalents at end of year ²		29,323	24,791	18,747

¹ Cash inflow from the acquisition of subsidiaries and businesses for 2009 has been shown net of a £63,000 receipt relating to a net asset settlement on a previous acquisition.

² Included within cash and cash equivalents is fiduciary cash of £18,067,000 (31 March 2009: £18,951,000; 30 September 2009: £16,490,000)

Notes to the consolidated financial statements

1. General information

Jelf Group plc is an AIM listed company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given in note 10.

These Group condensed interim financial statements do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006 and should be read in conjunction with the statutory accounts for the year ended 30 September 2009. These were prepared under International Financial Reporting Standards (IFRSs) and were authorised for issue by the Board of Directors on 24 February 2010 and delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by the way of emphasis without qualifying the report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

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

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (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 2009. 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.

3. Segmental Reporting

The Directors have determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

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

Unaudited 6 months ended 31 March 2010	Insurance £'000	Employee benefits £'000	Wealth management £'000	Total £'000
Revenue	22,332	8,242	4,360	34,934
Operating profit	192	734	51	977
<i>Operating profit consists of:</i>				
EBITDAE	2,719	1,310	111	4,140
Group reorganisation and rationalisation costs	(180)	(179)	(15)	(374)
Depreciation of property, plant and equipment	(338)	(63)	(33)	(434)
Amortisation of intangible fixed assets	(2,009)	(334)	(12)	(2,355)
Impairment charges	-	-	-	-
Investment revenues				12
Finance costs				(2,215)
Loss before income tax				(1,226)
Income tax credit				610
Loss for the year				(616)

Notes to the consolidated financial statements

Unaudited six months ended 31 March 2009	Insurance £'000	Employee benefits £'000	Wealth management £'000	Total £'000
Revenue	22,958	8,017	4,044	35,019
Operating profit / (loss)	476	(197)	(708)	(429)
<i>Operating profit / (loss) consists of:</i>				
EBITDAE	3,368	495	(413)	3,450
Group reorganisation and rationalisation costs	(621)	(248)	(230)	(1,099)
Depreciation of property, plant and equipment	(268)	(111)	(53)	(432)
Amortisation of intangible fixed assets	(2,003)	(333)	(12)	(2,348)
Impairment charges	-	-	-	-
Investment revenues				30
Finance costs				(965)
Profit before income tax				(1,364)
Income tax credit				370
Profit for the year				(994)

Audited year-ended 30 September 2009	Insurance £'000	Employee benefits £'000	Wealth management £'000	Total £'000
Revenue	43,722	18,266	8,299	70,287
Operating (loss) / profit	(1,299)	573	(8,977)	(9,703)
<i>Operating (loss) / profit consists of:</i>				
EBITDAE	5,173	3,077	(185)	8,065
Group reorganisation and rationalisation costs	(1,729)	(1,618)	(1,406)	(4,753)
Depreciation of property, plant and equipment	(538)	(221)	(106)	(865)
Amortisation of intangible fixed assets	(4,011)	(665)	(22)	(4,698)
Impairment charges	(194)	-	(7,258)	(7,452)
Investment revenues				80
Finance costs				(1,704)
Loss before income tax				(11,327)
Income tax credit				1,479
Loss for the year				(9,848)

It is not practicable to separately identify the investment revenues, finance costs and income tax credit or expense for each of the segments. Accordingly, consolidated figures have been presented.

Notes to the consolidated financial statements

<i>Balance sheet</i>	Unaudited 31 Mar 2010 £'000	Unaudited 31 Mar 2009 £'000	Audited 30 Sep 2009 £'000
Segment assets			
Insurance	109,384	115,584	108,509
Employee benefits	25,724	32,489	25,684
Wealth management	6,430	15,236	6,543
Unallocated	8,603	3,628	1,025
	150,141	166,937	141,761
Segment liabilities			
Insurance	(46,911)	(65,531)	(60,218)
Employee benefits	(15,678)	(24,809)	(12,286)
Wealth management	(3,171)	(2,416)	(3,211)
	(65,760)	(92,756)	(75,715)
Other information			
Capital additions			
Insurance	383	107	414
Employee benefits	45	193	167
Wealth management	19	237	78
	447	537	659

4. Borrowings

	Unaudited 31 Mar 2010 £'000	Unaudited 31 Mar 2009 £'000	Audited 30 Sep 2009 £'000
Term loans			
Non-current	15,286	-	-
Bank loans			
Current	-	498	498
Non-current	-	23,296	23,151
	15,286	23,794	23,649

In February 2010, having completed a review of its borrowing facilities, the Group entered into a £24m five year commercial loan arrangement with a small group of lenders and repaid the bank loans in full. Following the successful equity fund raising in March 2010 of £19m (before expenses), the Group repaid £8m of this loan.

Notes to the consolidated financial statements

5. Share capital and share premium

At 31 March 2010, the Company had authorised share capital of 100,000,000 (31 March and 30 September 2009: 100,000,000) ordinary shares of 1p each, of which 77,529,257 (31 March 2009: 49,802,687; 30 September 2009: 49,815,318) ordinary shares have been allotted, called up and fully paid.

On 24 February 2010, the Company issued 27,713,939 ordinary shares of 1p each at a price of 36p. This issue resulted in an increase of £277,139 to share capital and £9,699,879 to share premium. At the same time, the Company issued 25,063,838 non-voting convertible shares (the “non-voting shares”) of 1p each at a price of 36p. This resulted in an increase of £250,638 to share capital and £8,772,343 to share premium. The related transaction costs of £1,247,000 have been netted off the share premium.

The non-voting shares entitle the holders thereof to receive notice of, attend, but not vote at general meetings and annual general meetings of the Company. Conversion is at the option of the holder and is permitted at any time provided it will not result in the holder having an interest in 30% or more of the ordinary shares of the Company, which would require the making of a mandatory offer for the remaining ordinary shares pursuant to Rule 9 of the Takeover Code. Conversion in full is permitted on the unconditional declaration of an offer for the Company. In all other respects the non-voting shares shall rank pari passu with the ordinary shares.

6. Reconciliation of movement in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Hedging reserve ^{1,2} £'000	Share based payment reserve ¹ £'000	Own shares held ¹ £'000	Other reserves ¹ £'000	Profit and loss account £'000	Total £'000
At 30 September 2008 (audited)	498	54,850	10,742	(14)	2,288	(1,576)	14	8,637	75,439
Share based payments	-	-	-	-	730	-	-	-	730
Purchase of own shares by EBT	-	-	-	-	-	(91)	-	-	(91)
Loss on cash flow hedges	-	-	-	(903)	-	-	-	-	(903)
Retained loss for the period	-	-	-	-	-	-	-	(994)	(994)
At 31 March 2009 (unaudited)	498	54,850	10,742	(917)	3,018	(1,667)	14	7,643	74,181
Share based payments	-	-	-	-	632	-	-	-	632
Share issue (net of issue costs)	-	2	-	-	-	-	-	-	2
Purchase of own shares by EBT	-	-	-	-	-	(76)	-	-	(76)
Loss on cash flow hedges (net of tax)	-	-	-	171	-	-	-	-	171
Vesting of Employee Benefits Trust shares	-	-	-	-	-	669	-	(679)	(10)
Retained loss for the year	-	-	-	-	-	-	-	(8,854)	(8,854)
At 30 September 2009 (audited)	498	54,852	10,742	(746)	3,650	(1,074)	14	(1,890)	66,046
Share based payments	-	-	-	-	654	-	-	-	654
Share issue (net of issue costs)	528	17,225	-	-	-	-	-	-	17,753
Purchase of own shares by EBT	-	-	-	-	-	(202)	-	-	(202)
Settlement of cash flow hedges (net of tax)	-	-	-	746	-	-	-	-	746
Vesting of Employee Benefits Trust shares	-	-	-	-	-	60	-	(60)	-
Retained loss for the period	-	-	-	-	-	-	-	(616)	(616)
At 31 March 2010	1,026	72,077	10,742	-	4,304	(1,216)	14	(2,566)	84,381

¹ Shown within other reserves on the balance sheet

² Shown net of tax

The Group has applied s611 of the Companies Act 2006 in respect of Merger Relief.

Notes to the consolidated financial statements

7. Exceptional costs

Exceptional costs are those items the Group considers to be one-off or material in nature that should be brought to the reader's attention in understanding the Group's financial performance. These costs are not associated with the ongoing activities of the Group. Exceptional costs are as follows:

	Unaudited 6 months to 31 Mar 2010 £'000	Unaudited 6 months to 31 Mar 2009 £'000	Audited year to 30 Sep 2009 £'000
Reorganisation and rationalisation costs			
Staff related costs	374	949	1,874
Property, systems integration and related costs	-	150	2,879
	374	1,099	4,753
Impairment charges			
Goodwill impairment	-	-	7,452
	374	1,099	12,205

8. (Loss) / earnings per share

		Unaudited 6 months to 31 Mar 2010	Unaudited 6 months to 31 Mar 2009	Audited year to 30 Sep 2009
Retained loss for the year (£'000)		(616)	(994)	(9,848)
Amortisation and exceptionals (net of tax) (£'000)		2,933	2,212	13,283
Underlying profit for the year (£'000) ¹		2,317	1,218	3,435
Weighted average shares in issue (number)	Basic	53,714,507	49,099,240	49,171,789
	Diluted	53,993,294	49,341,872	49,436,018
Loss per share (pence)	Basic	(1.1)	(2.0)	(20.0)
	Diluted ²	(1.1)	(2.0)	(20.0)
Amortisation and exceptional (net of tax) per share (pence)	Basic	5.4	4.5	27.0
	Diluted	5.4	4.5	26.9
Underlying earnings per share ¹ (pence)	Basic	4.3	2.5	7.0
	Diluted	4.3	2.5	6.9

¹ Before deduction of amortisation of intangible fixed assets and exceptional items

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

Notes to the consolidated financial statements

9. Cash generated from operations

	Unaudited 6 months to 31 Mar 2010 £'000	Unaudited 6 months to 31 Mar 2009 £'000	Audited year to 30 Sep 2009 £'000
Loss for the year	(616)	(994)	(9,848)
<i>Adjustments for:</i>			
Investment revenues	(12)	(30)	(80)
Finance costs	2,215	965	1,704
Income tax	(610)	(370)	(1,479)
Depreciation of property, plant and equipment	434	432	865
Amortisation of intangible assets	2,355	2,348	4,698
Impairment charges	-	-	7,452
Share-based payment expense	654	730	1,362
(Decrease) / increase in provisions	(308)	547	582
Operating cash flows before movement in working capital	4,112	3,628	5,256
Decrease / (increase) in receivables	1,570	(992)	3,295
Increase / (decrease) in payables	163	5,709	132
Cash generated from operations	5,845	8,345	8,683

10. Copies of the Financial Statements

Copies of these Group condensed interim financial statements are available on the Group's website (www.jelfgroup.com) or from the Company Secretary at the Company's registered office: Fromeforde House, Church Road, Yate, Bristol, BS37 5JB.

Company information

Registered Company name	Jelf Group plc	
Directors	David Walker (Non-Executive Chairman) Christopher Jelf (Deputy Chairman) Alex Alway (Group Chief Executive) Phil Barton (Chief Executive Officer - Insurance) John Harding (Group Finance and Operations Director) Jon Manson (Chairman, Manson Insurance Group) Alex Rowe (Non-Executive) Jonathan Kelly (Non-Executive)	
Company secretary	John Harding	
Company number	2975376	
Registered office	Fromeforde House Church Road Yate Bristol BS37 5JB	
Nominated adviser	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Brokers	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 31 Great George Street Bristol BS1 5QD	
Solicitors	Finers Stephens Innocent LLP 179 Great Portland Street London W1W 5LS	BPE Solicitors St James' Square Cheltenham GL50 3PR
Registrars	Capita Registrars Ltd Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA	
Principal bankers	The Royal Bank of Scotland plc PO Box 333 Silbury House 300 Silbury Boulevard Milton Keynes MK9 2ZF	