

29 April 2024

## Christie Group plc

### Preliminary results for the 12 months ended 31 December 2023

#### *A challenging 2023 but a more encouraging outlook for 2024*

Christie Group plc ('Christie Group' or the 'Group'), the leading provider of Professional & Financial Services (PFS) and Stock & Inventory Systems & Services (SISS) to the hospitality, leisure, healthcare, medical, childcare & education and retail sectors, is pleased to announce its audited preliminary results for the 12 months ended 31 December 2023.

#### **FY23 Headlines:**

- Revenue down 4.8% to £65.9m (2022: £69.2m)
- Operating loss before non-recurring costs of £0.6m (2022: profit £5.4m)
- Non-recurring costs attributable to board changes and restructuring of £2.7m (2022: £nil)
- PFS revenues down £5.1m to £42.2m (2022: £47.4m) as transactional brokerage incomes were impacted by rising interest rate rises and inflation
- UK transactional pipelines have recovered and ended the year 27% higher than the prior year
- SISS revenues up by 8.4% to £23.6m (2022: £21.8m) but division remained loss-making
- The Group ended 2023 with net funds of £0.6m (2022: £7.2m)
- CLBILS loan was fully repaid in June 2023
- Elimination of pension deficits on both defined pension schemes which both remain in surplus
- Final dividend reduced to 0.50p (2022: 2.50p) to give total in year of 1.00p (2022: 3.75p) reflecting the challenging year but also the more positive outlook for the business

#### **2024 Outlook:**

- The Group is well positioned for an improved performance in 2024 with opportunities for growth across all business sectors, in the UK and internationally.
- Current activity levels are encouraging, with our UK transactional brokerage pipelines strongly ahead of this time last year and our finance brokerage business experiencing strong demand

#### **Commenting on the results, Dan Prickett, Chief Executive of Christie Group said:**

“2023 was a challenging and extremely disappointing year for the Group as the effects of continual increases in interest rates and high inflation led to a significant reduction in the volume of business sales. However, our recovery is in progress and activity levels are encouraging, with our UK transactional brokerage pipelines now strongly ahead of this time last year and our finance brokerage business experiencing strong demand. Nonetheless, the expected timing of many of those transactions points to a second-half weighting to our 2024 performance.”

**Enquiries:****Christie Group plc**

Daniel Prickett 07885 813101  
Chief Executive

Simon Hawkins 07767 354366  
Chief Financial Officer

**Shore Capital**

Patrick Castle 020 7408 4090  
Nominated Adviser & Broker

**Notes to Editors:**

Christie Group plc (CTG.L), quoted on AIM, is a leading professional business services group with 37 offices across the UK and Europe, catering to its specialist markets in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors.

Christie Group operates in two complementary business divisions: Professional & Financial Services (PFS) and Stock & Inventory Systems & Services (SISS). These divisions trade under the brand names: PFS - Christie & Co, Pinders, Christie Finance and Christie Insurance; SISS - Orridge, Venners and Vennersys.

Tracing its origins back to 1846, the Group has a long-established reputation for offering valued services to client companies in agency, valuation services, investment, consultancy, project management, multi-functional trading systems and online ticketing services, stock audit and inventory management. The diversity of these services provides a natural balance to the Group's core agency business.

The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of the UK Market Abuse Regulation (EU) No. 596/2014 which is part of the UK law by virtue of the European Union (Withdrawal) Act 2018.

For more information, please go to [www.christiegroup.com](http://www.christiegroup.com).

## CHAIRMAN'S REVIEW OF THE YEAR

Having recovered strongly in 2022 from the effects of Covid in 2020 and 2021, the Group's performance in 2023 was both disappointing and frustrating. The 2023 result was shaped by a sharp decline in transaction volumes in our main agency business, as a result of rising interest rates and widespread decline in business confidence in the UK economy following the mini budget of autumn 2022. The impact persisted until the end of the summer period before we saw signs of a return to more normal conditions in the latter part of the year. Consequently, we ended the year with far stronger forward-looking pipelines than those at the beginning of the year.

In our stocktaking division, the departure from the high street of the Wilko retail chain had a major impact on our Orridge business, although we made encouraging progress in the continuing post-Covid recovery of our hospitality stocktaking business.

As a result of this extremely challenging trading environment, our first half performance was acutely affected. H1 revenue fell versus the previous year which, combined with an increased operating cost base, meant that we reported an operating loss over the first six months of £1.4m. This H1 loss was partially mitigated by a better H2 performance, generating a £0.8m operating profit pre non-recurring board changes and restructuring costs, reducing our full-year loss to £0.6m.

The table below sets out a summary of the year's results. The Chief Executive's Review provides a comprehensive commentary, but the headline figures show that we achieved revenues of £65.9m, against £69.2m in the prior year, delivering an operating loss pre non-recurring board changes and restructuring costs of £0.6m, versus an operating profit of £5.5m in 2022. Our loss before tax was £4.3m, in comparison to a profit before tax of £4.4m last year.

	2023	2022
	£'000	£'000
Revenue	65,873	69,192
Operating (loss)/profit pre non-recurring board changes & restructuring costs	(632)	5,452
Non-recurring board changes and restructuring costs	(2,723)	-
Operating (loss)/profit post non-recurring board changes & restructuring costs	(3,355)	5,452
Finance costs	(928)	(1,028)
(Loss)/profit before tax	(4,283)	4,424
Net assets	3,301	8,396
Cash and cash equivalents	1,336	8,839
(Losses)/earnings per share - Basic	(14.79)	12.32
Final dividend (pence per share)	0.50	2.50
Full year dividend (pence per share)	1.00	3.75

Despite the volatility of 2023, we chose to keep our businesses well-resourced based on the expectation that transaction volumes would recover to more normalised levels in 2024. Early indications are proving this to have been the right strategic decision. We ended the year with positive net cash funds, without any term debt, having fully repaid the CLBILS loan taken out during Covid and with our two defined benefit pension schemes in surplus.

We are confident that the Group and its businesses are well prepared to deliver on our goals in the year ahead. Our fundamentals are sound, with a robust balance sheet and proven track record of resilience in our businesses. Our markets and clients need our services, with our Professional & Financial Services ("PFS") clients requiring the best possible advice on areas including property, finance, insurance, valuation and business management. Likewise, as technological and geo-political factors transform and disrupt our clients' supply chains and their own consumers' habits evolve further, we anticipate growing demand for the dependability, speed, accuracy and reliability of our Stock & Inventory Systems & Services ("SISS") professionals and software.

## **Environmental, Social & Governance**

The Board recognises the importance of strong corporate governance, and we comply with the Quoted Companies Alliance (QCA) Governance Code. We agree with the common listed company convention that governance is enhanced by the separation of the roles of Chair and Chief Executive. The Board has therefore taken the opportunity through the board changes in July to comply with listed company market norms and is now committed to maintaining an independent Non-Executive Chair and a Chief Executive as two separate roles in the future.

On the wider subject of ESG, notably the Environment and Social aspects, we are at an early stage of a process across our Group to assess our plans to address our ESG issues in the context of what is meaningful to us, our stakeholders and our business aspirations. As a collection of service businesses, our environmental impact is relatively limited, but there are undoubtedly improvements we can make to reduce our carbon footprint of our teams during the years ahead by, for example changing the way we work and travel. Socially, we are keen to further enhance our status as an employer of the most talented individuals from diverse, international backgrounds. We already support a wide range of sectors which are themselves vital to the economy and wider society. Our businesses also increasingly recognise the benefits of supporting employee wellbeing initiatives that are vital to ensuring our teams can continue to provide our clients with the service and skill levels that they have come to expect. Our Group and its businesses have a long-standing track record of supporting a variety of charitable endeavours, and we intend for this to continue.

I would personally like to thank the Board for their confidence in appointing me as Interim Non-Executive Chair while the search to recruit a permanent successor continues. My gratitude also goes to every member of the Christie Group team for their continued commitment to the business during what has been a difficult year, and I look forward to seeing them raise their game again to deliver their plans and navigate the inevitable challenges ahead. The extraordinary competence and commitment of our people and the strength of our long-term client relationships are regularly endorsed by positive feedback and the repeat use of our services.

On behalf of the Board, I would also like to congratulate Dan Prickett on his promotion to Chief Executive of the Christie Group and we wish him every success in his new role.

## **Looking ahead**

We believe that the Group and our businesses are well positioned to improve their performance during the coming year. We see opportunities for growth across all business sectors, in the UK and internationally.

The Board is of course cognisant of the uncertainties resulting from external factors such as inflation, interest rates, potential political changes and heightened global geopolitical risk, particularly during 2024. These will provide challenges for many companies, and Christie is not immune. However, we believe that the diversified nature of services provided by the Christie Group provide a defensive, resilient structure, which will better enable us to manage and weather the macroeconomic challenges ahead. Broadening and enhancing our strengths and capabilities across our international network will also further assist us in this respect.

The Board believes that opportunities for stronger performance do lay ahead. We have seen indications of improvement towards last year's end, a more encouraging economic situation taking shape and positive indicators in several of our target markets. We are therefore recommending a final dividend of 0.50p, to be approved at our AGM on Thursday 13 June 2024. Subject to that approval, the dividend is set for payment on 12 July 2024 to those shareholders on the register on 14 June 2024.

**Simon Herrick**  
**Non-executive Interim Chairman**  
**26 April 2024**

## CHIEF EXECUTIVE'S REVIEW

2023 was clearly a very challenging year for the Group, with the final outcome far below the aspirations we began the year with. The acutest impact was on our transactional brokerage revenues within our Professional & Financial Services ("PFS") division, where the effects of continual and rapid increases in interest rates - combined with an uncomfortable inflationary environment for vendors and prospective purchasers - meant that we saw the volume of business sales significantly reduced from the previous year and the expectations for 2023 curtailed accordingly.

Deals being delayed, repriced, paused or elongated on a scale not experienced before - but in many cases without resulting in withdrawn instructions on which we could form definitive views - made forecasting deal timing and outcomes extremely challenging, arguably more so than at any time since the global financial crisis. Similar challenges were reported by a number of competitors during the year.

Encouragingly, we saw a much improved level of brokerage invoicing from September onwards, while at the same time new instruction levels also improved. As such, we ended 2023 with a UK transactional pipeline 27% above the same point a year earlier, indicating cause for optimism as we began 2024. Based upon management's view that 2023 was likely to be a transient period of market adjustment, we retained and invested in our PFS division workforce, so that we were positioned to take advantage of the opportunities we see in our sectors and services moving forwards.

### Financial performance summary

The result was full year total revenue of £65.9m, which represented a 4.7% reduction from the prior year (2022: £69.2m), and an operating loss pre non-recurring board changes and restructuring costs of £0.6m (2022: £5.5m operating profit).

Within this, the £5.1m fall in PFS revenues to £42.3m (2022: £47.4m) combined with a continuing investment to both retain and strengthen our teams and capabilities for the medium and longer term, meant that PFS operating profit fell from £7.6m in 2023 to £1.3m pre non-recurring board changes and restructuring costs.

Stock & Inventory Systems & Services ("SISS") revenues grow by 8.4% to £23.6m (2022: £21.8m). This growth was driven by a strong and continued recovery by our hospitality stock audit business, which grew its own revenues by nearly 15%. Unfortunately, this positive performance was offset by further challenges in our retail stocktaking operations and the delayed revenue impact of new business wins otherwise achieved in a more positive year for our SaaS business, Vennersys. As such SISS operating losses pre non-recurring board changes and restructuring costs were only reduced slightly to £2.0m (2022: £2.1m), but with an expectation that the division will perform far more strongly in 2024, operating from a more efficient cost base.

In addition to the costs associated with the Board changes previously reported in July, we have incurred further non-recurring board changes and restructuring costs in H2. In our PFS division, we have exited from our Finland operation where the changed political environment and reduced Baltic investment opportunities meant that we could not see potential for scalable agency or advisory operations in the region. In our UK retail stocktaking business, we reacted to the administration of one larger client, Wilkos, by streamlining our operating cost base, and we also completed the exit from the legacy office of our now-ceased Canadian ticketing software activities. Total non-recurring board changes and restructuring costs in the period therefore amounted to £2.7m (2022: £nil).

### Cash and balance sheet

We ended the year with net funds and free of any term-debt, having completed the full repayment in June 2023 of the £6.0m CLBILS loan we borrowed in mid-2020. Our working capital management remains robust, both in terms of our own collection of amounts due to us and timely payment of our own suppliers.

We are pleased to have followed the elimination of both defined benefit schemes' deficits with decisive changes in investment strategy adopted by the two sets of trustees. These changes, implemented across the year end, are intended to ensure the Group is protected from being required to make deficit repair payments in future through a greater level of investment in high grade bonds and gilts, whose own value measurement should more closely correspond to any change in scheme liabilities. We are optimistic this will avoid any future funding shortfall while we continue to explore further de-risking options.

### Professional & Financial Services Division

As the effects of fourteen consecutive increases in the UK base rate took effect, our agency and advisory business, Christie & Co, saw transactional volumes reduce by 22% on the previous year. Those same economic

conditions also served to subdue the value of businesses in our sectors and therefore created downward pressure on the related agency fees for our brokerage services.

The business carried some momentum into the early part of the year from a pipeline of work largely created prior to the October 2022 mini-budget, but after those deals were brought to exchange in the first quarter, we experienced a fallow second and third quarters before activity levels began to normalise post-summer. We are optimistic that period is now behind us, with transactional pipelines restored to far healthier levels by the end of 2023. Work remains ongoing on a number of significant multi-asset disposal campaigns, selling packages of between 30 and 100 properties on a break-up basis, at which Christie & Co excels. We also made further progress in the development of our newer sector specialisms, notably our Garden Centres and Caravan & Holiday Park teams.

Distressed instructions began to return as a more prominent feature of our assignments. Approximately 10% of all agency instructions received in 2023 by our UK business had some form of distress and we expect to see that continue into 2024.

Our international network benefitted from an excellent year by our French team, who completed 23 hotel transactions in the year as our standout performer. We established a Healthcare transactional team in Frankfurt and we aim to expand this outside of Germany, as we seek to evolve our European operations into operations of applicable multi-sector capability where for over 20 years we have been Hotels focused on the continent.

Our Business Appraisal operation, Pinders, delivered an excellent full year outcome after a slow start to the year. Activity picked up sharply in the spring, with demand for valuations in the white coat sector particularly strong, aided by instructions connected to the disposal by LloydsPharmacy of its retail arm. The number of pharmacies valued by Pinders in 2023 was 77% higher than the previous year, but the increased concentration on White Coat sector assignments had the effect of subduing average fee growth. Pinders also had an encouraging and progressive year in terms of recruitment and graduate training, and it continues to focus on growing its Building Services and Dispute Resolution fee income.

In aggregate, Christie & Co and Pinders valued assets worth £9.4bn in the year (2022: £10.1bn). Both businesses' reputations among lenders remain very strong, sustaining all of their lender panel positions and achieving service delivery times that most competitors cannot rival.

Our finance brokerage business, Christie Finance, delivered increased deal volume and turnover, but itself suffered from similar conditions to Christie & Co where commercial mortgage lending was subdued at the start of the year and gathered momentum gradually amidst the continual changes in lending conditions, before a frustrating end to the year saw some expected offers of finance - the trigger point at which we recognise brokerage commission - being delayed into 2024 in both our Core and Corporate divisions. This more subdued activity level at the start of 2023 was illustrated by a 13% reduction in the number of loan offers secured, but this was offset by a higher ratio of secured offers being converted into drawn-down borrowing by clients.

Nonetheless, the total value of debt secured for clients across the Christie Finance business increased by 20% to over £183m, with the strongest growth coming in its Unsecured lending team who increased completed deal volumes by 48% on 2022 levels. Christie Finance also established a specialist Real Estate division to offer finance for bridging, property investment and development funding and we are encouraged by the initial levels of activity achieved with plans to further expand that team in 2024.

Recognising the potential for growth in our finance brokerage operation, we grew fee earning headcount in the business by 24% in the year and will seek to continue that trend in the year ahead.

As part of our commitment to the further development and growth of our financial services capabilities, we also took the decision to invest in our insurance brokerage business, Christie Insurance, to enable us to fully benefit from the strong levels of cross referral potential which remain inherent in the wider Christie Group companies' client base. We completed the process to achieve full FCA approval for conducting directly regulated insurance brokerage business in June 2023, and that enabled us to move away from the brokerage outsourcing model we had used since 2013 and better align our service and growth culture with those seen elsewhere in our PFS division.

As a result, we commenced our directly regulated insurance activities on 1 October 2023. As part of this strategy, we have invested in expanding our insurance brokerage team in the second half and expect to have completed our initial recruitment program by the end of H1 2024, better enabling us to achieve our ambitions of sustainably growing our book of recurring renewal general insurance clients while also being able to provide customers with a suite of life assurance and other protection products.

PFS divisional KPIs	2023	2022
Total businesses sold	820	1,057
% Increase / (decrease) in average fee per business sold	(2.04)%	14.4%
Total value of businesses sold (£m)	1,037	1,493
Total valuations carried out (units)	5,291	5,515
% increase in average fee per valuation	5.6%	0.7%
Value of businesses valued (£m)	9,417	10,057
% (decrease) / increase in number of loan offers secured	(12.8%)	4.2%
Average loan size (£'000)	624	440

### Stock & Inventory Systems & Services Division

Our hospitality stock audit and consultancy business, Venners, performed well. Strong progress was made in expanding its stocktaker resources through a successful recruitment and training effort. This was as part of a holistic focus on staff retention and development aimed at ensuring its recruitment needs are not exacerbated by retention challenges. The business ended 2023 with its stocktaker headcount increased by 16% from a year earlier. As the recruitment success was more second-half weighted, the annualised benefit of this growth will only be fully seen in 2024.

Further recruitment is planned for the current year to enable the business to continue to address healthy levels of demand for its services.

The strength of demand for Venners' services was reflected by a record year in terms of new business quoting activity, exceeding what had previously been a record year in 2022. Average fees were increased by over 8%, necessitated by the continued inflationary pressures on operating costs, but excellence of service and a market-leading reputation meant the business was successful converting over 50% of all quotes issued into new business wins. Notable additions in the year to our client portfolio included Rangers FC, The Savoy Hotel, London and Popeye's Louisiana Kitchen franchise operation.

Encouragingly the business also made good progress in increasing its higher-margin Consultancy and Compliance revenues. The latter saw a year-on-year growth in volume of work undertaken of 15%, while the former had a record year in terms of revenues and more than doubled its 2022 revenue levels.

Our pan-European retail and pharmacy stocktaking business, Orridge, experienced a mixed year. In our UK retail operation, the largest constituent of the Orridge group of businesses, new business sales were much improved on recent years and saw clients such as The British Heart Foundation, Iceland, Hamleys of London and Gym Shark added. However, the administration of Wilkos in August meant the business lost a valued client from its portfolio and we sought to mitigate that effect and better align our operating cost base with future expected revenues by completing appropriate restructuring in the second half of the year.

Conversely, our Pharmacy stocktaking business had an excellent year, increasing revenues 60% on 2022 levels and improving its margins in the process as it benefitted from growth in its recurring client base and its ability to carry out stock valuations in an eventful year for the UK Pharmacy sector.

Our Supply Chain business also grew revenues by over 40% year-on-year while achieving similar margin levels to Pharmacy. In our European operations, we made good progress in Germany with 21% revenue growth, but found it more challenging in our Benelux operation where cost inflation and higher levels of staff churn were disruptive.

Vennersys, our Software-As-A-Service ("SaaS") provider to UK visitor attractions, delivered a significantly improved 2023 compared to 2022 in terms of new client wins, securing over 30 new wins, albeit with some of those installations scheduled for 2024. It also began 2024 with a pipeline of actively engaged opportunities that provides the visible potential to match or exceed that level of new business growth in the year ahead.

Disappointingly, the business suffered some client attrition, albeit very limited in terms of client numbers, but which prevented it from growing its revenues overall. Encouragingly, the percentage of visitors to our clients choosing to purchase their tickets online increased slightly year-on-year.

We have continued to invest in the VenPos Cloud product, developing it in several areas which include the addition of Digital Wallets, Kiosk facilities for food & beverage outlets within attractions and an improved on-line journey for customers.

SISS divisional KPIs	2023	2022
Total stocktakes & audits carried out (number of jobs)	54,199	53,818
% increase in average income per job	7.9%	4.7%
% of visitor attraction client admissions purchased online	47.7%	45.3%

### Looking ahead

We ended 2023 disappointed by the full year performance, but encouraged by the improved activity that we saw as we moved through the final quarter of the year and by the recovery in the transactional pipelines being carried into 2024. Despite the wider market difficulties, our businesses continue to attract notable instructions from clients across our sectors who recognise and value the quality of the service we provide and the outcomes we can deliver. We will continue to build on those strengths. Activity across all of our sector teams at the start of 2024 has been positive, as we look to bounce back swiftly from a challenging twelve months. In our agency and advisory business, UK transactional pipelines have continued to strengthen and compare favourably at the end of Q1 2024 to the same point a year ago, but the expected timeline against many of those transactions points once again to a second-half weighting to our PFS revenues.

We have broadened our international agency and advisory business through the addition of a second sector capability in Germany, and we will look to replicate that multi-sector strategy across our international network. As with our UK transactional income, we anticipate income levels improving as we move through the year, following on from softer invoicing on the continent in the first quarter.

We have made good progress in 2023 and the early part of 2024 in strengthening our finance and insurance brokerage capabilities, and we have continued a strong level of recovery in our hospitality stock audit business with further growth expected.

We took decisive action in the second half of 2023 to address the cost base in our UK retail stocktaking operation, as well as restructuring our sales team as we look to move the retail stocktaking components of Orridge into profit, alongside the already-profitable Pharmacy and Supply Chain divisions. We have no desire to continue to record operating losses in that business and we are encouraged by the UK element of our Orridge operations having recorded an aggregated first-quarter operating profit in 2024. On the continent, our German operation continues to derive a strong proportion of its own revenues from Q4 activity.

Our SaaS business began 2024 solidly, with some early new client wins following on from a much improved 2023 in that respect. Nonetheless, there is more to do. Our software product has continued to be developed and is increasingly proving attractive to clients wishing to switch from competitors choosing to under-invest in their own offering and where their functionality demands cannot then be met. We do not anticipate the business unit achieving profitability in 2024, but if we can achieve a repeat of 2023 in terms of the number and profile of new clients signed, it would be significant in moving that ambition onto the horizon.

**Dan Prickett**  
Chief Executive  
26 April 2024



## CHIEF FINANCIAL OFFICER'S REVIEW

Undoubtably 2023 was a challenging, frustrating and ultimately disappointing year for the Group, following strong progress made in 2021 & 2022 after the impact of the Covid pandemic.

In 2023, we experienced a sharp decline in our PFS division transactional volumes particularly in the first half of 2023, as the impact of continued interest rate rises together with the inflationary and cost of living pressures impacted M&A activity. As a result, we endured a significant reduction in transitional volumes compared to 2022.

Despite the result, the Group continued to invest in the business and made good progress across a number of its brands. Moreover, we exited 2023 with positive net funds, lower borrowings and a strong balance sheet to support our future growth ambitions.

### Income statement

Revenue for the full year decreased by 4.8% to £65.9m (2022: £69.2m), resulting in an operating loss pre non-recurring board changes and restructuring costs of £0.6m (2022: profit £5.5m).

We achieved an improved second half year performance with an operating profit pre non-recurring board changes and restructuring costs of £0.8m against a £1.4m operating loss in the first half.

Compared to 2022 - where certain businesses in the Group were still impacted by Covid restrictions - we returned to more normalised levels of travel, marketing & exhibitions following reduced activity and spend during the pandemic. This, together with high market driven salary inflationary levels increased our cost base. Going forward, we would anticipate that wage growth will return to more controlled levels in a more normalised inflationary environment.

### Cash and net debt

We ended the year with net funds of £0.6m (2022: £7.2m), measured as cash & cash equivalents less total borrowings, whilst we reduced overall borrowings by £0.9m to £0.7m (2022: £1.6m) at the end of 2023.

The significant reduction of net funds of £6.6m, was attributable to the trading performance from operating activities, our continued investment in capital expenditure most notably in terms of continued product investment and development in our SaaS business, repayment of the final amount of the CLBILS loan which now leaves us free of any term debt, and payment of £0.8m of dividends. The Board maintained dividend payments despite the losses in the year, reflecting the Board's confidence in the Group's future prospects and resilience to rebound from what we see as short term market disruptions.

At the year end, the Group's invoice discounting facility was £0.7m (2022: £0.6m).

### Capital investment

As a Group, we invested £0.9m (2022: £0.8m) in capital expenditure. As noted above, this included £0.5m (2022: £0.5m) applied to the ongoing development of our SaaS visitor attraction software business. 2023 was a far more positive and encouraging year in terms of new client wins for our SaaS business, which we believe endorses our commitment to ongoing development of our product, on which we fully hold all proprietary rights.

### Pension schemes

As a Group, we have endeavoured to mitigate pension risk exposure with our two defined benefit schemes closed to new members since 1999 and 2000 respectively. Active employee membership of those two schemes stands at less than 1% of our average total number of employees employed, whilst the remaining eligible employees are members of our defined contribution schemes.

The pension liability as measured at the balance sheet date in accordance with IAS 19 & IFRIC 14 was £0.9m and this has considerably improved over recent years with a reduction in the liability of over £19.0m since 2020. In fact, at the balance sheet date there was a surplus of £16.8m in the defined benefit schemes although accounting standards prevent us from being able to recognise this.

Moreover, the trustees of both schemes have made significant investment strategy changes, which are intended to mitigate the need as fully as possible for the Group to make further deficit repair payments in

the future. Ongoing cash obligations for the Group should be minimal going forward, whilst we continue to explore further de-risking options.

### Key performance indicators (KPIs)

In addition to the non-financial KPIs included in the Chief Executive report, the principal financial KPIs for the Group and the individual operating divisions are set out in the table below.

- **Revenue movement %** - is a key indicator that the Group monitor.
- **Operating result %** - an important part of our strategy is the profitable growth of our businesses and one measure of this is the operating profit % margin. This is measured as operating result (pre non-recurring board changes and restructuring costs) as a percentage of revenue.
- **Earnings per share (EPS) growth** - an important part of our strategy is the growth in our EPS. This is measured both in absolute terms and year-on-year % growth.
- **Net funds/(debt)** - a key metric for the Group is its cash and debt resources. Net funds/(debt) position is closely monitored.
- **Pension liability** - a key metric for the Group is the defined benefit pension scheme liability.

KPIs	Group	PFS	SISS
<b>Revenue movement (%)</b>			
2023 on 2022	(4.8%)	(10.9%)	8.4%
2022 on 2021	13.0%	8.2%	24.8%
2021 on 2020	45.1%	67.0%	9.2%
2020 on 2019	(45.9%)	(43.0%)	(50.1%)
2019 on 2018	2.6%	5.9%	(1.9%)
<b>Operating profit/(loss) as % of revenue</b>			
	<b>Group</b>	<b>PFS</b>	<b>SISS</b>
2023	(1.0%)	3.2%	(8.4%)
2022	7.9%	16.0%	(9.7%)
2021	8.5%	17.3%	(13.6%)
2020	(11.9%)	(7.1%)	(19.8%)
2019	7.4%	13.6%	(6.2%)
<b>EPS (pence)</b>			
	<b>Group</b>	<b>YOY mve</b>	<b>YOY %</b>
2023	(14.79p)	(27.11p)	(220.0%)
2022	12.32p	(1.39p)	(10.1%)
2021	13.71p	33.03p	171.0%
2020	(19.32p)	(34.62p)	(226.3%)
2019	15.30p	4.07p	36.2%

<b>Net funds (£'000)</b>	<b>Group</b>	<b>Movement</b>
2023	615	(6,601)
2022	7,216	2,617
2021	4,599	521
2020	4,078	(674)
2019	4,752	7,040
<b>Pension liability (£'000)</b>	<b>Group</b>	<b>Movement</b>
2023	883	70
2022	953	8,044
2021	8,997	11,139
2020	20,136	(8,125)
2019	12,011	2,108

#### *Group*

At a Group level, it was a disappointing year against the KPIs. Revenue decreased by 4.8%, following a 13.0% increase in 2022. Net funds remain positive at £0.6m, however this was a significant reduction on 2022 position of £7.2m. Encouragingly, the two defined pension benefit schemes remain in surplus and the pension liability has significantly reduced by £11.1m in the period listed above, which has significantly strengthened the balance sheet.

#### *PFS*

In the PFS division, revenue decreased by 10.9% following a sharp decline in M&A activity particularly in the first half of 2023. Operating profit margin fell to 3.2%. Our ambitions for the division remain unaltered; profitable growth through the strategic expansion of our service offerings where we can replicate our UK business models and services while remaining focused on our specialist sectors. The investment we have made and continue to make has created an international infrastructure, capacity and operational gearing which make improvement of these KPIs a realistic objective.

#### *SISS*

As noted in the preceding Chief Executive review, the SISS division performance had an improved performance particularly in our Hospitality stock audit & consultancy business and our Pharmacy & Supply Chain divisions, with year-on-year revenue growth in the SISS division of 8.4%.

#### **Taxation**

The absolute tax position for the year was a credit of £0.5m (2022: charge £1.2m), principally as a result of the loss for the year. In addition, we have unutilised tax losses to carry forward which will benefit future years income statement and cashflow.

Deferred tax asset increased in the year to £2.1m (2022: £1.6m) and this is principally reflective of losses during the year.

#### **Earnings per share (EPS)**

Given the loss for the full year, EPS was negative at (14.79p). However, the Board believe that with the progress we have made in 2023 across a number of our brands, together with the increased activity in the second half of the year, should permit the Group to return to more normalised EPS levels going forward.

**Simon Hawkins**  
**Chief Financial Officer**  
**26 April 2024**

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	2023 £'000	2022 £'000
Revenue	65,873	69,192
Other income - government grants	-	34
Employee benefit expenses	(47,769)	(47,390)
	18,104	21,836
Other operating expenses	(18,736)	(16,384)
<b>Operating (loss)/profit pre non-recurring board changes and restructuring costs</b>	<b>(632)</b>	<b>5,452</b>
Non-recurring board changes and restructuring costs	(2,723)	-
<b>Operating (loss)/profit post non-recurring board changes and restructuring costs</b>	<b>(3,355)</b>	<b>5,452</b>
Finance costs	(1,043)	(1,077)
Finance income	115	49
Total finance costs	(928)	(1,028)
<b>(Loss)/profit before tax</b>	<b>(4,283)</b>	<b>4,424</b>
Taxation	484	(1,213)
<b>(Loss)/profit after tax</b>	<b>(3,799)</b>	<b>3,211</b>
<hr/>		
<b>Earnings per share</b>		
Basic	(14.79)	12.32
Diluted	(14.79)	12.15

All amounts derive from continuing activities.

All profit after tax is attributable to the equity shareholders of the parent.

The accompanying notes are an integral part of these preliminary results.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 £'000	2022 £'000
<b>(Loss)/profit after tax</b>	<b>(3,799)</b>	<b>3,211</b>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(42)	(119)
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent years</b>	<b>(42)</b>	<b>(119)</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Actuarial gains on defined benefit plans	2,892	20,616
Effect of asset ceiling	(2,882)	(13,896)
	10	6,720
Income tax effect on defined benefit plans	(723)	(3,759)
Income tax effect of asset ceiling	721	1,748
	(2)	(2,011)
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent years</b>	<b>8</b>	<b>4,709</b>
<b>Other comprehensive (loss)/income for the year net of tax</b>	<b>(34)</b>	<b>4,590</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(3,833)</b>	<b>7,801</b>

Total comprehensive income is attributable to the equity shareholders of the parent.

The accompanying notes are an integral part of these preliminary results.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As at 31 December 2023

	Share capital £'000	Other reserves £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
<b>For the year ended 31 December 2022</b>					
<b>Balance at 1 January 2022</b>	<b>531</b>	<b>5,246</b>	<b>686</b>	<b>(4,906)</b>	<b>1,557</b>
Profit for the year after tax	-	-	-	3,211	3,211
Other comprehensive (loss)/income	-	-	(119)	4,709	4,590
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>(119)</b>	<b>7,920</b>	<b>7,801</b>
Movement in respect of employee share scheme	-	(184)	-	-	(184)
Employee share option scheme					
- value of services provided	-	66	-	-	66
Dividends paid	-	-	-	(844)	(844)
Transactions with shareholders	-	(118)	-	(844)	(962)
<b>Balance at 31 December 2022</b>	<b>531</b>	<b>5,128</b>	<b>567</b>	<b>2,170</b>	<b>8,396</b>

	Share capital £'000	Other reserves £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
<b>For the year ended 31 December 2023</b>					
<b>Balance at 1 January 2023</b>	<b>531</b>	<b>5,128</b>	<b>567</b>	<b>2,170</b>	<b>8,396</b>
(Loss)/profit for the year after tax	-	-	-	(3,799)	(3,799)
Other comprehensive (loss)/income	-	-	(42)	8	(34)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>(42)</b>	<b>(3,791)</b>	<b>(3,833)</b>
Movement in respect of employee share scheme	-	(571)	-	-	(571)
Employee share option scheme					
- value of services provided	-	76	-	-	76
Dividends paid	-	-	-	(767)	(767)
Transfer from share option reserve	-	(954)	-	954	-
Transactions with shareholders	-	(1,449)	-	187	(1,262)
<b>Balance at 31 December 2023</b>	<b>531</b>	<b>3,679</b>	<b>525</b>	<b>(1,434)</b>	<b>3,301</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	2023 £'000	2022 £'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets - Goodwill	1,826	1,843
Intangible assets - Other	1,249	1,104
Property, plant and equipment	1,013	1,178
Right of use assets	6,294	6,397
Deferred tax assets	2,102	1,565
Other receivables	2,984	2,811
	<b>15,468</b>	<b>14,898</b>
<b>Current assets</b>		
Inventories	17	25
Trade and other receivables	9,442	9,349
Other current assets	3,186	3,088
Current tax assets	-	238
Cash and cash equivalents	1,336	8,839
	<b>13,981</b>	<b>21,539</b>
<b>Total assets</b>	<b>29,449</b>	<b>36,437</b>
<b>Equity</b>		
Share capital	531	531
Other reserves	3,679	5,128
Cumulative translation reserve	525	567
Retained earnings	(1,434)	2,170
<b>Total equity</b>	<b>3,301</b>	<b>8,396</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Trade and other payables	814	620
Retirement benefit obligations	883	953
Lease liabilities	8,322	8,731
Provisions	1,243	1,383
	<b>11,262</b>	<b>11,687</b>
<b>Current liabilities</b>		
Trade and other payables	9,834	11,463
Lease liabilities	1,296	1,297
Current tax liabilities	72	840
Borrowings	721	1,623
Provisions	2,963	1,131
	<b>14,886</b>	<b>16,354</b>
<b>Total liabilities</b>	<b>26,148</b>	<b>28,041</b>
<b>Total equity and liabilities</b>	<b>29,449</b>	<b>36,437</b>

The accompanying notes are an integral part of these preliminary results.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023 £'000	2022 £'000
<b>Cash flow from operating activities</b>		
Cash (used in)/generated from operations	(1,809)	6,306
Interest paid	(1,043)	(975)
Tax paid	(612)	(200)
Net cash (used in)/generated from operating activities	(3,464)	5,131
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(368)	(334)
Proceeds from sale of property, plant and equipment	-	1
Intangible asset expenditure	(544)	(454)
Interest received	115	49
Net cash used in investing activities	(797)	(738)
<b>Cash flow from financing activities</b>		
Repayment of bank loan	(1,000)	(2,000)
Net drawdown of invoice finance	10	55
Repayment of lease liabilities	(1,565)	(925)
Dividends paid	(767)	(844)
Net cash used in generated financing activities	(3,322)	(3,714)
<b>Net (decrease)/increase in cash</b>	<b>(7,583)</b>	<b>679</b>
Cash and cash equivalents at beginning of year	8,839	8,167
Exchange gains on euro bank accounts	(8)	(7)
<b>Cash and cash equivalents at end of year</b>	<b>1,248</b>	<b>8,839</b>

The accompanying notes are an integral part of these preliminary results.



## NOTES TO THE PRELIMINARY ANNOUNCEMENT

### 1. BASIS OF PREPARATION

The financial information set out in this announcement does not comprise the Company's statutory accounts for the years ended 31 December 2023 or 31 December 2022.

The financial information has been extracted from the statutory accounts of the Company for the years ended 31 December 2023 and 31 December 2022. The auditors reported on those accounts; their reports were unqualified.

The statutory accounts for the year ended 31 December 2022 have been delivered to the Registrar of Companies, whereas those for the year ended 31 December 2023 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in June 2023.

These policies have been consistently applied to all years presented, unless otherwise stated.

### 2. SEGMENT INFORMATION

The Group is organised into three main operating segments: Professional & Financial Services (PFS), Stock & Inventory Systems & Services (SISS) and Other.

The segment results for the year ended 31 December 2023 are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Total gross segment sales	42,351	23,638	-	65,989
Inter-segment sales	(116)	-	-	(116)
<b>Revenue</b>	<b>42,235</b>	<b>23,638</b>	-	<b>65,873</b>
Operating profit/(loss) pre non-recurring board changes and restructuring costs	1,345	(1,977)	-	(632)
Non-recurring board changes and restructuring costs	(314)	(262)	(2,147)	(2,723)
<b>Operating profit/(loss) post non-recurring board changes and restructuring costs</b>	<b>1,031</b>	<b>(2,239)</b>	<b>(2,147)</b>	<b>(3,355)</b>
Finance costs	(530)	(252)	(146)	(928)
<b>Profit/(loss) before tax</b>	<b>501</b>	<b>(2,491)</b>	<b>(2,293)</b>	<b>(4,283)</b>
Taxation				484
<b>Loss for the year after tax</b>				<b>(3,799)</b>

The segment results for the year ended 31 December 2022 are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Total gross segment sales	47,487	21,815	-	69,302
Inter-segment sales	(110)	-	-	(110)
<b>Revenue</b>	<b>47,377</b>	<b>21,815</b>	-	<b>69,192</b>
Operating profit/(loss)	7,570	(2,118)	-	5,452
Finance costs	(554)	(292)	(182)	(1,028)
<b>Profit/(loss) before tax</b>	<b>7,016</b>	<b>(2,410)</b>	<b>(182)</b>	<b>4,424</b>
Taxation				(1,213)
<b>Profit for the year after tax</b>				<b>3,211</b>

Revenue is allocated below based on the entity's country of domicile.

	2023 £'000	2022 £'000
<b>Revenue</b>		
Europe	65,862	69,176
Rest of the World	11	16
	<b>65,873</b>	<b>69,192</b>

### 3. DIVIDENDS

A final dividend in respect of the year ended 31 December 2023 of 0.50p per share (2022: 2.50p), amounting to a payment of £126,000 (2022: £663,000) is to be proposed at the Annual General Meeting on 13 June 2024.

In the year the Group paid an interim dividend of 0.50p per share (2022: 1.25p) totalling £126,000 (2022: £324,000).

### 4. 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 year, which excludes the shares held in the Employee Share Ownership Plan (ESOP) trust.

	2023 £'000	2022 £'000
(Loss)/profit attributable to equity holders of the Company	<b>(3,799)</b>	3,211

	Thousands	Thousands
Weighted average number of ordinary shares in issue	25,694	26,062
Adjustment for share options	235	361
Weighted average number of ordinary shares for diluted earnings per share	<b>25,929</b>	<b>26,423</b>

	Pence	Pence
Basic earnings per share	<b>(14.79)</b>	12.32
Diluted earnings per share	<b>(14.79)</b>	12.15

## 5. NOTES TO THE CASH FLOW STATEMENT

<b>Cash generated from operations</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit for the year after tax	<b>(3,799)</b>	3,211
Adjustments for:		
Taxation	<b>(484)</b>	1,213
Finance costs	<b>928</b>	1,028
Depreciation	<b>1,591</b>	1,463
Amortisation of intangible assets	<b>399</b>	388
(Loss)/profit on sale of property, plant and equipment	<b>(64)</b>	-
Increase in provisions	<b>1,692</b>	62
Payments to ESOT	<b>(375)</b>	(284)
Foreign currency translation	<b>88</b>	(437)
Share option charge	<b>76</b>	66
Movement in non-current other receivables	<b>(173)</b>	(256)
Movement in working capital:		
Decrease/(increase) in inventories	<b>8</b>	(10)
(Increase)/decrease in trade and other receivables	<b>(191)</b>	65
Decrease in trade and other payables	<b>(1,505)</b>	(203)
<b>Cash (used in)/generated from operations</b>	<b>(1,809)</b>	6,306

## Report and Accounts

Copies of the 2023 Annual Report and Accounts will be posted to shareholders in May. Further copies may be obtained by contacting the Company Secretary at the registered office. Alternatively, the 2023 Annual Report and Accounts will be available to download from the investors section on the Company's website [www.christiegroup.com](http://www.christiegroup.com)

## Key dates

The Annual General Meeting of the Company is scheduled to take place at 10.00am on Thursday 13 June 2024 at Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS.

## Group Companies

### Professional & Financial Services

#### Christie & Co

Christie & Co is the leading specialist firm providing business intelligence in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. A leader in its specialist markets, it employs the largest team of sector experts in the UK & Europe providing professional agency, valuation and consultancy services.

[www.christie.com](http://www.christie.com)

#### Christie Finance

Christie Finance has 45 years' experience in financing businesses in the hospitality, leisure, healthcare, medical, childcare & education, retail and medical sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers.

[www.christiefinance.com](http://www.christiefinance.com)

#### Christie Insurance

Christie Insurance has over 45 years' experience arranging business insurance in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breadth of its cover.

[www.christieinsurance.com](http://www.christieinsurance.com)

#### Pinders

Pinders is the UK's leading specialist business appraisal, valuation and consultancy company, providing professional services to the licensed, leisure, retail and care sectors, and also the commercial and corporate business sectors. Its Building Consultancy Division offers a full range of project management, building monitoring and building surveying services. Pinders staff use business analysis and surveying skills to look at the detail of the businesses to arrive at accurate assessments of their trading potential and value.

[www.pinders.co.uk](http://www.pinders.co.uk)

### Stock & Inventory Systems & Services

#### Orridge

Orridge is Europe's longest established stocktaking business specialising in a range of valued services to the Retail and Pharmacy sections, and supply chain auditing services that elevate customers' operations where they are concentrated. Its specialised pharmacy business provides trusted valuation and stocktaking services throughout the healthcare sector. Orridge prides itself in its ability to produce dependable data and deliver high-quality management information to its clients, effectively and conveniently.

[www.orridge.eu](http://www.orridge.eu)

#### Venners

Venners is the leading supplier of stocktaking, inventory, consultancy & compliance services and related stock management systems to the hospitality sector. Consultancy & compliance services include control audits and live event stock taking. Bespoke software and systems enable real-time management reporting to customers using the best available technologies. Venners is the largest and longest established stock audit company in the sector in the UK.

[www.venners.com](http://www.venners.com)

#### Vennersys

Vennersys operates in the UK and delivers online cloud-based ticketing sales and admission systems to visitor attractions such as historic houses and estates, museums, zoos, safari parks, aquaria and cinemas. It has over 30 years' experience delivering purpose-designed solutions for clients' ticketing, admissions, EPoS and food and beverages sales requirements.

[www.vennersys.co.uk](http://www.vennersys.co.uk)