

CHARLES STANLEY GROUP PLC RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2009

Charles Stanley is one of the UK's leading independently owned, full service stockbroking and investment management groups, advising on substantial funds. Today it announces its interim results for the half-year ended 30 September 2009.

Highlights:

- Revenue for the half-year £55.9 million (2008/09: £49.0 million) 14.1% increase
- Reported profit before tax £5.49 million (2008/09: £5.14 million) 6.8% increase
- Adjusted profit before tax (before profit/loss on disposal of available for sale investments, one-off costs and amortisation of client lists) £6.6 million (2008/09: £6.9 million) 4.3% decrease
- Funds under management or administration £11.6 billion (2008/09: £10.1 billion)
- Discretionary funds under management at a new record high of £3.5 billion
- Private client income up 10.9% to £45.7 million (2008/09: £41.2 million)
- Reported earnings per share 8.60p (2008/09: 8.13p)
- Adjusted earnings per share 10.37p (2008/09: 11.09p)
- Interim dividend increased to 2.20p up 4.8% (2008/09: 2.10p)
- Joined by Matterley Asset Management – a fund management boutique

Commenting on the outlook Sir David Howard, Chairman said:

“I am very pleased to report an increase of 6.8% in profit before tax, up from £5.14 million to £5.49 million. In commenting on our full-year results five months ago I pointed to the early signs of recovery. 2010 will be an uncertain year that will include a general election. But the indications at this stage are favourable, and I look forward to the months ahead with a degree of optimism.”

For further information please contact:

Charles Stanley Group PLC

Sir David Howard, Chairman
Peter A Hurst, Finance Director
Phone: 020 7739 8200
Magnus Wheatley, Public Relations
Manager
Phone: 020 7149 6273

Canaccord Adams

Simon Bridges
Managing Director
Phone: 020 7050 6500

Oriel Securities Ltd

Tom Durie
Partner
Phone: 020 7710 7600

CHAIRMAN'S STATEMENT

Charles Stanley is pleased to report a solid set of results for the half-year ended 30 September 2009. Revenue for the period rose by 14.1% from £49.0 million (half-year ended 30 September 2008) to a new record of £55.9 million. Much of this was due to an increase in income in our Private Client division, but it is also pleasing to see an upturn in the result from Charles Stanley Securities, our corporate finance, broking and institutional sales division. At the same time, in our Financial Services division, the benefit of recent acquisitions is now coming well on stream.

The Group holds substantial cash balances of its own and for its clients, and our profitability has inevitably been impacted adversely by the historically very low level of interest rates. But the diversity of our income streams means that a shortfall in one area can be balanced by an improvement in another, and I am very pleased to report an increase of 6.8% in profit before tax, up from £5.14 million to £5.49 million.

Share prices have recovered strongly since the low point that they reached in March this year. But they are still substantially below the high point they reached in the second half of 2007. It is therefore very pleasing to report that the value of funds under discretionary management has achieved a new record of £3.5 billion, up 29.6% compared with £2.7 billion at 31 March 2009, in line with the FTSE 100 Index over the same period, and well ahead of the APCIMS Balanced Portfolio Index, which rose by 19.2%. At the half-year end the total value of clients' funds under management and administration was £11.6 billion (up 28.9% compared with £9.0 billion at 31 March 2009), with the total managed funds (including discretionary funds) increasing by 26.1% to £5.8 billion.

In August we were joined by Matterley Asset Management, a fund management boutique. Our range of managed funds has grown well, and with the Matterley team joining us we have the opportunity to develop this area of the Group as a more focussed unit.

Once again we have financed this from our own resources and we have made deferred payments, during the latest period, for earlier acquisitions. But in these uncertain times we continue to focus on maintaining strong cash balances. These stand at £34.6 million compared with £36.0 million at 31 March 2009 and £20.1 million at this time last year.

In the light of these results the Directors have decided to increase the interim dividend from 2.10p to 2.20p, (an increase of 4.8%). In July this year shareholders voted in favour of the proposal to offer an alternative to the cash dividend in the form of shares of equivalent value (a "scrip" dividend), and many shareholders took advantage of this offer. In view of its popularity the Directors plan to make a similar offer in relation to the dividend now proposed. The additional timing required to implement the scrip dividend means that the dividend will be paid on 23 December 2009 to shareholders registered on 13 November 2009. Further details about the scrip dividend alternative are set out below.

Review of operations

Private Client division

The Private Client division has performed strongly during the half-year ended September 2009, with revenues increasing by 10.9% to £45.7 million. This reflects not only new business and the improvement in value of our clients' portfolios, but also our major programme of streamlining and simplifying our competitive charges for our services.

Despite considerably lower income from interest turn as a result of the exceptionally low levels of interest rates, both fee income at £19.6 million (2008/09: £18.6 million) and commission income at £26.1 million (2008/09: £22.6 million) were higher.

Financial Services

The Financial Services division has continued its development, as announced in the results to 31 March 2009, and has performed well. Revenues have increased to £4.3 million from £2.7 million, mainly as a result of the acquisition of Griffiths & Armour that had a good start to the year. Garrison's revenue, though slightly down on the period due to the average lower level of markets, maintained profitability levels similar to the period to September 2008. EBS continued to grow throughout the latest full year and further still during the latest six months. Our SIPP numbers increased to 2,394 with two further significant intermediaries using our services. The division was strengthened in August 2009 when we were joined by Matterley Asset Management, a fund management boutique which currently has one small fund. Overall the funds management division has grown well with approximately £87 million under management (31 March 2009: £51 million) and we are looking at ways to develop this growth further.

Charles Stanley Securities

Against a backdrop of historically low activity in small and mid cap equity fundraisings and corporate activity the division has achieved solid results. Revenue increased from £5.1 million to £5.9 million. Corporate Finance income has improved due to an increase both in M&A and fund raising activity, whilst our institutional bond trading arm, CS Sutherlands, has continued to benefit from the buoyancy in fixed income markets.

The Charles Stanley team

As always, I make the point that these results are due to our dedicated team at Charles Stanley, who continue to strive to provide the highest quality of service and care to our clients. These are strange times for all of us, but I can do no better than repeat the comments of shareholders at our AGM in July, paying tribute to everyone at Charles Stanley for their dedication, skill and professionalism.

Outlook

In commenting on our full-year results five months ago I pointed to the early signs of recovery in the stock market. I said that while opinions differed as to whether this was a temporary bounce or had the momentum for a longer-term upturn, I thought the latter more likely.

The economic outlook is no clearer today than it was in June. On the one hand the strength of share prices and a range of anecdotal indicators tell us that we have recovered quickly from the deepest point of the recession. On the other hand the statisticians tell us that the recession remains as deep as ever, and economists say that the boost in asset prices has been fuelled by excess liquidity.

Historically our economy has moved in cycles of seven to ten years. There is nothing unusual in experiencing a periodic recession, and this is not yet the worst recession that I can remember. Nor is it the first truly global recession, as commentators have claimed. What is unique, I think, is the speed of it all, the blink of an eye in which the global economic system so nearly fell into an abyss of 1929-33 proportions. Equally unique is the unimaginable size of the public policy response.

We are in uncharted waters, but the fog is clearing a little, to show us what might happen next. One suspects that there are still great quantities of doubtful debts and worthless assets to be written off. But, in compensation, rising asset prices may go far towards repairing the balance sheets of the banks. Furthermore, one can envisage a period of global competitive currency devaluation. In other circumstances the penalty for this would be to stoke inflation, but at a time of weak consumer demand that is less of an issue at this stage of the cycle.

2010 will be an uncertain year that will include a general election. So I am as cautious as ever in predicting the outcome for our second six months. But the indications at this stage are favourable, and I look forward to the months ahead with a degree of optimism.

Sir David Howard
Chairman

CHARLES STANLEY GROUP PLC
FUNDS UNDER MANAGEMENT AND ADMINISTRATION

	<i>30 Sept 2009 £ billion</i>	<i>30 Sept 2008 £ billion</i>	<i>31 Mar 2009 £ billion</i>
Discretionary funds under management			
In Group's nominee or Euroclear UK and Ireland (EUI) personal membership	3.5	2.9	2.7
Advisory managed funds			
In Group's nominee or EUI personal membership	1.9	2.1	1.7
Not held in Group's nominee	0.4	0.3	0.2
	2.3	2.4	1.9
Total managed funds	5.8	5.3	4.6
Advisory dealing funds			
In Group's nominee or EUI personal membership	2.6	2.3	2.0
Execution only funds			
In Group's nominee or EUI personal membership	3.2	2.5	2.4
Total administered funds	5.8	4.8	4.4
Total funds under management and administration	11.6	10.1	9.0

Interim dividend

The Board is recommending an interim dividend of 2.20p (2008/09: 2.10p). A scrip alternative will be offered giving shareholders the opportunity to increase their shareholding without incurring dealing costs or stamp duty.

Details of the scrip dividend, including an election form, will be sent to shareholders with the interim report on 19 November 2009. If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), you can only elect to receive your dividend in the form of new shares by means of the CREST procedure to effect such an election.

Calendar

Date	Event
5 November 2009	Results announced
11 November 2009	Shares quoted ex-Dividend
11 to 17 November 2009	Dealing days for calculating the price of the new shares to be offered pursuant to the scrip
13 November 2009	Record date for the interim dividend
19 November 2009	Interim Report posted to shareholders
30 November 2009	Final date for receipt of the scrip dividend mandate forms, electronic elections or CREST elections
23 December 2009	Dividend payment date, first day of dealing in the new shares
June 2010	Final results announced

Charles Stanley Group PLC
Consolidated Interim Income Statement
Six months ended 30 September 2009

	<i>Notes</i>	Unaudited Half-year 30 Sept 2009 £'000	<i>Unaudited Half-year 30 Sept 2008 £'000</i>	<i>Audited Year 31 Mar 2009 £'000</i>
Continuing operations				
Revenue	1	55,949	48,961	101,765
Administrative expenses		(50,867)	(44,651)	(93,834)
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Operating profit	3	5,082	4,310	7,931
Interest receivable	4	204	904	1,445
Interest payable and similar charges	4	(30)	(71)	(106)
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Underlying profit before tax		5,256	5,143	9,270
Profit/(loss) on disposal of available for sale investments	4	233	1	(56)
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Profit before tax		5,489	5,144	9,214
Taxation	5	(1,688)	(1,555)	(2,746)
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Profit for the period attributable to equity shareholders		3,801	3,589	6,468
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Earnings per Share				
Based on reported profit for the period				
Basic and diluted	6	8.60p	8.13p	14.65p

Charles Stanley Group PLC
Consolidated Interim Statement of Comprehensive Income
Six months ended 30 September 2009

	<i>Unaudited</i> <i>Half-year</i> <i>30 Sept</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>Half-year</i> <i>30 Sept</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>Year</i> <i>31 Mar</i> <i>2009</i> <i>£'000</i>
Profit for the period	3,801	3,589	6,468
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Other comprehensive income			
Revaluation of available for sale investments taken to income statement on disposal	(219)	-	201
Revaluation of available for sale investments	372	(411)	(581)
Deferred tax on revaluation of available for sale investments	(103)	115	166
Retirement benefit scheme actuarial deficit	-	-	(2,048)
Deferred tax on retirement benefit scheme actuarial deficit	-	-	545
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Other comprehensive income for the period, net of tax	50	(296)	(1,717)
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Total comprehensive income for the period attributable to equity shareholders	3,851	3,293	4,751
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Charles Stanley Group PLC
Consolidated Interim Statement of Financial Position
At 30 September 2009

	<i>Notes</i>	Unaudited 30 Sept 2009 £'000	<i>Unaudited 30 Sept 2008 £'000</i>	<i>Audited 31 Mar 2009 £'000</i>
Assets				
Non-current assets				
Goodwill	8	25,450	23,238	25,450
Intangible assets	9	10,618	9,624	11,197
Property, plant and equipment	10	6,653	8,170	7,747
Deferred tax asset		309	-	587
Available for sale investments	11	6,487	4,411	6,200
		49,517	45,443	51,181
Current assets				
Trade and other receivables	12	207,045	242,792	257,187
Held for trading investments	13	50	1,853	163
Cash and cash equivalents	14	34,554	20,144	35,951
		241,649	264,789	293,301
Liabilities				
Current liabilities				
Financial liabilities	15	(420)	(412)	(1,749)
Trade and other payables	16	(210,359)	(234,057)	(264,363)
Current tax liabilities		(1,886)	(949)	(574)
		(212,665)	(235,418)	(266,686)
Net current assets		28,984	29,371	26,615
Non-current liabilities				
Financial liabilities	15	(8)	(1,393)	(28)
Retirement benefit liability		(3,894)	(1,952)	(3,894)
Deferred tax liabilities		-	(81)	-
Other non-current liabilities	16	(900)	-	(1,724)
		(4,802)	(3,426)	(5,646)
Net assets		73,699	71,388	72,150
Shareholders' equity				
Ordinary shares	17	11,096	11,035	11,035
Share premium		1,812	1,873	1,873
Revaluation reserve		2,345	2,214	2,295
Retained earnings		58,349	56,169	56,850
Total shareholders' equity		73,602	71,291	72,053
Minority interest in equity		97	97	97
Total equity		73,699	71,388	72,150

Charles Stanley Group PLC
Consolidated Interim Statement of Changes in Equity
Six months ended 30 September 2009

	<i>Share capital £'000</i>	<i>Share premium £'000</i>	<i>Revaln reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total £'000</i>
1 April 2009	11,035	1,873	2,295	56,850	72,053
Total comprehensive income for the period	-	-	50	3,801	3,851
Dividends paid to equity shareholders	-	-	-	(2,935)	(2,935)
Value of scrip dividends	-	(560)	-	560	-
Shares issued in lieu of dividends	61	499	-	-	560
Share options – value of employee services	-	-	-	73	73
30 September 2009	11,096	1,812	2,345	58,349	73,602
Six months ended 30 September 2008					
1 April 2008	11,029	1,855	2,509	55,589	70,982
Total comprehensive income for the period	-	-	(296)	3,589	3,293
Realised revaluation surplus	-	-	1	-	1
Dividends paid to equity shareholders	-	-	-	(2,869)	(2,869)
Dividends paid to minority interests	-	-	-	(180)	(180)
Share options – value of employee services	-	-	-	40	40
Share options – issue of shares	6	18	-	-	24
30 September 2008	11,035	1,873	2,214	56,169	71,291
Year ended 31 March 2009					
1 April 2008	11,029	1,855	2,509	55,589	70,982
Total comprehensive income for the period	-	-	(214)	4,965	4,751
Dividends paid to equity shareholders	-	-	-	(3,796)	(3,796)
Share options – value of employee services	-	-	-	92	92
Share options – issue of shares	6	18	-	-	24
31 March 2009	11,035	1,873	2,295	56,850	72,053

Charles Stanley Group PLC
Consolidated Interim Statement of Cash Flows
Six months ended 30 September 2009

	<i>Notes</i>	Unaudited Half-year 30 Sept 2009 £'000	<i>Unaudited Half-year 30 Sept 2008 £'000</i>	<i>Audited Year 31 Mar 2009 £'000</i>
Cash flows from operating activities				
Cash generated from/(absorbed by) operations	18	5,780	(2,947)	20,791
Interest received		204	904	1,445
Interest paid		(30)	(71)	(106)
Tax paid		(202)	(1,177)	(3,029)
Net cash inflows/(outflows) from operating activities		5,752	(3,291)	19,101
Cash flows from investing activities				
Acquisition of subsidiaries and other businesses		(4,315)	-	(1,471)
Acquisition of intangible assets		(261)	(4,657)	(5,295)
Purchase of property, plant and equipment		(358)	(2,104)	(3,118)
Proceeds from disposal of investments		373	1,048	445
Purchase of available for sale investments		(274)	(244)	(2,398)
Dividends received		76	7	79
Net cash used in investing activities		(4,759)	(5,950)	(11,758)
Cash flows from financing activities				
Net proceeds from issue of ordinary share capital		-	24	24
Cash outflow from change in debt and lease financing		(15)	(117)	(147)
Dividends paid to minority interests		-	(180)	-
Dividends paid to equity shareholders	7	(2,375)	(2,869)	(3,796)
Net cash used in financing activities		(2,390)	(3,142)	(3,919)
Net decrease in cash and cash equivalents		(1,397)	(12,383)	3,424
Cash and cash equivalents at start of period		35,951	32,527	32,527
Cash and cash equivalents at end of period		34,554	20,144	35,951

Charles Stanley Group PLC

Notes to the Consolidated Interim Financial Statements

General information

The interim financial information for the six months ended 30 September 2009 has been prepared under International Financial Reporting Standards (“IFRS”) as adopted by the EU. These interim accounts are presented in accordance with IAS 34 Interim Financial Reporting. The interim accounts have been prepared on the basis of the accounting policies set out in the Group’s consolidated accounts for the year ended 31 March 2009. These unaudited interim financial statements should therefore be read in conjunction with the 2009 Annual Report and Financial Statements.

The financial information as set out in this report is unaudited and does not comprise statutory accounts for the purposes of Section 240 of the Companies Act 1985. The Auditors have carried out a review and their report is set out below.

The comparative figures for the year ended 31 March 2009 have been taken from but do not constitute the Company’s statutory financial statements for that financial year. Those financial statements have been reported on by the Company’s Auditors and delivered to the Registrar of Companies. Their report is unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are described in detail on pages 15 and 16 of the 2009 Annual Report and Financial Statements. Their impact on the six months to 30 September 2009 and for the remainder of the financial year is discussed in the Chairman’s statement above.

Related party transactions

Related party transactions are described in detail on page 66 of the 2009 Annual Report and Financial Statements. No transactions took place during the six months to 30 September 2009 that would materially affect the financial position or performance of the Group during the period.

Presentation of financial statements

In these interim financial statements the Group has implemented the revised IAS 1 Presentation of Financial Statements (2007), which became effective for accounting periods beginning on or after 1 January 2009. As a result the consolidated statement of changes in equity shows all changes relating to the shareholders in their capacity as owners and all other changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented on a consistent basis.

1 Revenue

	<i>Private Clients £'000</i>	<i>Financial Services £'000</i>	<i>Charles Stanley Securities £'000</i>	<i>Other £'000</i>	<i>Total £'000</i>
Six months ended 30 September 2009					
Commission	26,141	27	4,081	-	30,249
Fees					
Investment management	11,090	103	-	-	11,193
Administration	8,472	4,144	-	-	12,616
Corporate finance	-	-	1,816	-	1,816
	19,562	4,247	1,816	-	25,625
Other income	-	-	-	75	75
Total for 6 months ended 30 September 2009	45,703	4,274	5,897	75	55,949
Allocated administrative expenses	(27,557)	(4,053)	(5,627)	-	(37,237)
	18,146	221	270	75	18,712
Unallocated administrative expenses					(13,630)
Operating profit					5,082
Six months ended 30 September 2008					
Commission	22,575	42	3,886	-	26,503
Fees					
Investment management	7,293	109	-	-	7,402
Administration	11,300	2,521	-	-	13,821
Corporate finance	-	-	1,228	-	1,228
	18,593	2,630	1,228	-	22,451
Other income	-	-	-	7	7
Total for 6 months ended 30 September 2008	41,168	2,672	5,114	7	48,961
Allocated administrative expenses	(23,716)	(2,550)	(4,981)	-	(31,247)
	17,452	122	133	7	17,714
Unallocated administrative expenses					(13,404)
Operating profit					4,310
Year ended 31 March 2009					
Commission	46,038	28	8,020	-	54,086
Fees					
Investment management	17,252	155	-	-	17,407
Administration	21,200	6,404	-	-	27,604
Corporate finance	-	-	2,655	-	2,655
	38,452	6,559	2,655	-	47,666
Other income	-	-	-	13	13
Total for year ended 31 March 2009	84,490	6,587	10,675	13	101,765
Allocated administrative expenses	(52,052)	(6,346)	(9,964)	-	(68,362)
	32,438	241	711	13	33,403
Unallocated administrative expenses					(25,472)
Operating profit					7,931

2 Staff costs

	30 Sept 2009 £'000	30 Sept 2008 £'000	31 Mar 2009 £'000
Staff costs for the Group during the period:			
Wages and salaries	17,300	14,693	34,810
Social security costs	1,909	1,635	3,601
Other pension costs	1,754	1,603	3,102
	20,963	17,931	41,513

3 Operating profit

The following items have been included in arriving at operating profit:

Depreciation of property, plant and equipment:			
- owned assets	1,430	1,310	2,726
- assets held under finance leases	22	16	33
Amortisation of intangibles	840	594	1,659
Other operating lease rentals payable	929	726	1,741
One-off revenue costs relating to new investment teams	485	1,224	1,564

4 Finance income – net

Interest expense:			
Interest payable on bank borrowings	(3)	(24)	(29)
Interest payable on other loans	(21)	(43)	(69)
Interest payable on finance leases	(6)	(4)	(8)
Interest and similar charges payable	(30)	(71)	(106)
Interest income	204	904	1,445
Profit/(loss) on disposal of available for sale investments	233	1	(56)
Finance income – net	407	834	1,283

5 Taxation

Analysis of charge in the period			
Current tax			
- Continuing operations	1,713	1,555	2,821
- Adjustment in respect of prior periods	(200)	-	-
Deferred tax			
- Continuing operations	175	-	(75)
	1,688	1,555	2,746

6 Earnings per share

The Directors believe that a truer reflection of the performance of the Group's on-going business is given by a number of different measures of earnings per share. "Underlying earnings" represent operating profit plus net interest but excludes profits/ (losses) on the disposal of available for sale investments. "Underlying earnings before one-off costs" represent underlying earnings before one-off revenue costs relating to new investment teams. "Adjusted earnings" represent underlying earnings before one-off costs and amortisation of client lists. These measures are also followed by the analyst community as benchmarks of the Group's on-going performance.

	30 Sept 2009	30 Sept 2008	31 Mar 2009
	No. 000	No. 000	No. 000
Weighted average number of shares in issue in the period	44,219	44,142	44,136
Dilution	-	-	-
	44,219	44,142	44,136
	£'000	£'000	£'000
Reported earnings attributable to ordinary shareholders	3,801	3,589	6,468
Profit on disposal of available for sale investments	(233)	(1)	56
Tax on profit on disposal of available for sale investments	65	-	(16)
Underlying earnings	3,633	3,588	6,508
One-off revenue costs relating to new investment teams	485	1,224	1,564
Tax on one-off revenue costs	(136)	(343)	(438)
Underlying earnings before one-off costs	3,982	4,469	7,634
Amortisation of client lists	840	594	1,659
Tax on amortisation	(235)	(166)	(464)
Adjusted earnings	4,587	4,897	8,829
Based on reported earnings			
Basic and diluted earnings per share	8.60p	8.13p	14.65p
Based on underlying earnings			
Basic and diluted earnings per share	8.22p	8.13p	14.75p
Based on underlying earnings before one-off costs			
Basic and diluted earnings per share	9.00p	10.12p	17.30p
Based on adjusted earnings			
Basic and diluted earnings per share	10.37p	11.09p	20.00p

7 Dividends paid

	30 Sept 2009 £'000	<i>30 Sept 2008 £'000</i>	<i>31 Mar 2009 £'000</i>
Final 2009: 6.65p (2008: 6.50p) per 25p share	2,935	2,869	2,869
Interim 2.10p per 25p share	-	-	927
	2,935	2,869	3,796

As a result of shares issued in lieu of dividends of £560,000 (2008/09: nil), dividends paid in cash, as set out in the consolidated interim statement of cash flows, were £2,375,000 (2008/09: £2,869,000).

In addition, the Directors are proposing an interim dividend in respect of the six months ended 30 September 2009 of 2.20p per share which will absorb an estimated £976,000 of shareholders' funds. A scrip alternative will also be offered. It will be paid on 23 December 2009 to shareholders who are on the register of members on 13 November 2009.

8 Goodwill

Cost			
At beginning of period	25,450	23,238	23,238
Additions	-	-	2,420
Disposals and adjustments to deferred consideration	-	-	(208)
At end of period	25,450	23,238	25,450

9 Intangible assets

	<i>Customer lists £'000</i>	<i>Brand costs £'000</i>	<i>Total £'000</i>
Cost			
1 April 2009	13,326	183	13,509
Acquisitions	261	-	261
30 September 2009	13,587	183	13,770
Amortisation			
1 April 2009	2,129	183	2,312
Amortisation during period	840	-	840
30 September 2009	2,969	183	3,152
Net book value			
30 September 2009	10,618	-	10,618
31 March 2009	11,197	-	11,197

10 Property, plant and equipment

	<i>Freehold premises £'000</i>	<i>Long leasehold premises £'000</i>	<i>Short leasehold premises £'000</i>	<i>Office equipment and motor vehicles £'000</i>	<i>Total £'000</i>
Cost					
1 April 2009	474	2,002	5,251	9,654	17,381
Additions	-	-	76	282	358
30 September 2009	474	2,002	5,327	9,936	17,739
Depreciation					
1 April 2009	40	1,627	2,691	5,276	9,634
Charge for the period	5	11	218	1,218	1,452
30 September 2009	45	1,638	2,909	6,494	11,086
Net book value					
30 September 2009	429	364	2,418	3,442	6,653
31 March 2009	434	375	2,560	4,378	7,747

11 Available for sale investments

	<i>Listed investments £'000</i>	<i>Unlisted investments £'000</i>	<i>Total £'000</i>
Fair value			
1 April 2009	2,808	3,392	6,200
Additions	274	-	274
Disposals	(349)	(10)	(359)
Revaluation in period	374	(2)	372
Fair value			
30 September 2009	3,107	3,380	6,487

12 Trade and other receivables

	30 Sep 2009 £'000	30 Sep 2008 £'000	31 Mar 2009 £'000
Current			
Trade debtors	202,865	239,341	253,086
Other debtors	717	663	780
Prepayments and accrued income	3,463	2,788	3,321
	207,045	242,792	257,187

13 Held for trading investments

	30 Sep 2009 £'000	30 Sep 2008 £'000	31 Mar 2009 £'000
Current Listed investments	50	1,853	163

14 Cash and cash equivalents

Cash at bank	34,554	20,144	35,951
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At the balance sheet date there were also deposits for clients, not included in the consolidated balance sheet, which were held in trust in segregated bank accounts amounting to £924 million (September 2008: £1,052 million; March 2009: £916 million).

15 Financial liabilities

Current			
Bank of England base rate redeemable loan	157	157	157
4.5% convertible redeemable loan note	201	234	201
Bank of England base rate unsecured loan note	-	-	1,336
Obligations under finance leases	62	21	55
	420	412	1,749

Non-current			
Bank of England base rate unsecured loan note	-	1,336	-
Obligations under finance leases	8	57	28
	8	1,393	28

16 Trade and other payables

Current			
Trade payables	200,880	225,076	248,848
Other taxes and social security	1,968	1,802	2,628
Other creditors	3,907	4,593	8,047
Accruals and deferred income	3,604	2,586	4,840
	210,359	234,057	264,363

Non current			
Other creditors	900	-	1,724

17 Ordinary shares

	30 Sept 2009 £'000	<i>30 Sept 2008 £'000</i>	<i>31 Mar 2009 £'000</i>
Authorised 80,000,000 ordinary shares of 25p each	20,000	20,000	20,000

Allotted and fully paid 44,385,422 (44,142,748) ordinary shares of 25p each	11,096	11,035	11,035
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During the period 242,674 shares were issued in lieu of cash dividends.

On 30 September 2009 the following options have been granted and remain outstanding in respect of ordinary shares of 25p in the Company under the Company's Save As You Earn Scheme.

	<i>No of shares</i>	<i>Option price</i>
Grant dated 19 December 2007 Exercisable during the six months commencing 1 February 2011	384,233	£2.48

18 Reconciliation of net profit to cash generated from operations

	30 Sept 2009 £'000	<i>30 Sept 2008 £'000</i>	<i>31 Mar 2009 £'000</i>
Net profit	5,489	5,144	9,214
Adjustments for			
Depreciation	1,452	1,326	2,759
Amortisation of customer lists	840	594	1,659
Share option cost	73	40	92
Dividend income	(76)	(7)	(79)
Interest income	(204)	(904)	(1,445)
Interest expense	30	71	106
Loss on disposal of fixed assets	-	-	25
(Profit)/loss on disposal of available for sale investments	(233)	(1)	56
Changes in working capital			
Decrease in held for trading investments	113	722	2,411
Decrease in debtors	50,142	55,456	42,152
Decrease in creditors	(51,846)	(65,388)	(36,159)
Cash generated from/(absorbed by) operations	5,780	(2,947)	20,791

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;
- The interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the board:

PETER HURST
FINANCE DIRECTOR
5 November 2009

Independent review report to Charles Stanley Group PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-year financial report for the six months ended 30 September 2009 which comprises the consolidated income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related explanatory notes. We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ('the DTR') of the UK's Financial Services Authority ('the UK FSA'). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-year financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-year financial report in accordance with the DTR of the UK FSA.

As disclosed in the notes to the financial statements, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-year financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-year financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-year financial report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Saffery Champness

Chartered Accountants

London

5 November 2009

Notes: A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.