PRESS RELEASE

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Charles Taylor Consulting plc
Announcement of results for six months ended 30 June 2011

Consolidated financial highlights
For the six months ended 30 June 2011

	2011	**2010**
Revenue	£49.3m	£48.4m
Profit before tax – statutory	£2.6m	£5.7m
Profit before tax – adjusted	£4.5m	£6.8m
Earnings – statutory	£1.9m	£3.0m
Earnings - adjusted	£3.8m	£4.0m
Earnings per share – statutory	4.68p	7.38p
Earnings per share – adjusted	9.51p	10.02p
Dividend per share – interim	3.25p	5.54p

Note
1. Adjusted profit and earnings per share figures include adjustments to portray business performance excluding material non-recurring items and intangible charges. Details of adjusting items are given in note 13.
2. The interim dividend is payable on 25 November 2011 to shareholders on the share register at the close of business on 7 October 2011

"Charles Taylor Consulting's business performance in the first half of the year was steady and we have seen progress in our professional services businesses. Our new CEO, David Marock, and the entire business are focused on delivering profitable growth and he has commenced a thorough business planning initiative to do so."

Rupert Robson
Non-executive chairman

Business highlights

- Overall business performance steady
- The professional services businesses – Management, Adjusting and Insurance Support Services - delivered combined robust adjusted operating profit of £5.4 million (2010 - £5.1 million)
- Adjusted earnings per share 9.51 pence (2010 - 10.02 pence), adjusted profit before tax £4.5 million (2010 - £6.8 million)
- Statutory earnings per share 4.68 pence (2010 – 7.38 pence), statutory profit before tax £2.6 million (2010 - £5.7 million)
- Interim dividend of 3.25 pence in line with 2010 year-end re-basing
- David Marock joined as Group chief executive officer and plan for profitable growth being developed

Chairman's statement

Results

Charles Taylor Consulting's (CTC) business performance in the first half of the year was steady and in line with management expectations. Our three professional services businesses - Management, Adjusting and Insurance Support Services - performed well. There was a good performance from Adjusting services. Our key performance measure of adjusted[1] earnings per share was 9.51 pence (2010 - 10.02 pence).

The Group's adjusted profit before tax in the first half of 2011 was £4.5 million (2010 - £6.8 million). Our interim adjusted profit before tax was impacted by revenue being skewed towards the second half of the year in two of our businesses, Signal and Charles Taylor Insurance Services. We expect to see the benefit of these revenues in the full year results. The lower adjusted profit before tax was greatly influenced by the major reduction in profits of the insurance companies in run-off owned by the Group. This had a limited impact on our earnings per share because the great majority of these profits was for the benefit of the minority interests.

Statutory profit before tax was £2.6 million (2010 - £5.7 million) and statutory earnings per share were 4.68 pence (2010 - 7.38 pence). The statutory figures include non-recurring CEO transition costs of £0.7 million and a one-off loss of £0.3 million from the sale of our share of Crescendo Holdings Limited, an engineering consultancy joint venture, which we decided was no longer core to our plans.

Board

We are delighted that David Marock joined us as Group chief executive officer on 1 July. His skills and experience and, in particular, his background in insurance and the Lloyd's market, will be invaluable to the Group. David has settled into his new role quickly and with great enthusiasm, having already met many of the Group's clients and staff. He and the entire business are focused on delivering profitable growth and he has commenced a thorough business planning initiative to do so.

Gearing and cash flow

Net debt at 30 June was £38.6 million, compared to £36.3 million at year end. Operating cash inflow before client funds movements was £0.4 million (2010 - £4.5 million). The change was largely due to an increase in working capital resulting from new business in Adjusting Services.

Dividends

The proposed interim dividend of 3.25 pence (2010 - 5.54 pence) reflects our decision to re-base the dividend, as announced in March 2011. It is our intention to continue to maintain a dividend payment pattern in the region of one third at the interim stage and two thirds as a final dividend.

Current trading and outlook

The Group's three professional services businesses are collectively trading in line with expectations. The Management Services business is solid, the workload is good in Adjusting Services and our Insurance Support Services business is still evolving.

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[1] Adjusted earnings per share and adjusted profit figures exclude non-recurring items as follows: charges for amortisation of customer relationship intangibles £0.9 million (2010 - £1.1 million), CEO transition costs £0.7 million (2010 – £nil) and the loss on disposal of the Group's interest in the Crescendo joint venture £0.3 million (2010 – £nil). The only adjustment made in the calculation of adjusted earnings per share and adjusted profit in 2010 was in respect of amortisation of customer relationship intangibles.

The Insurance Companies Run-off business is mature, so is not expected to generate significant results for the Group in the immediate future unless we make further acquisitions of closed insurance books.

We remain confident about the overall outcome for the full year.

Group chief executive officer's review

The Group's steady performance in the first half of 2011 in difficult worldwide economic conditions is testament to the fundamental strength of our business model.

Our three professional services businesses - Management, Adjusting and Insurance Support Services - delivered combined adjusted profit before tax in the first half of 2011 of £5.4 million (2010 - £5.1 million). Our Insurance Companies Run-off business, which is now mature, only contributed £23,000 (twenty-three thousand pounds) to the Group's adjusted profit before tax (2010 - £2.7 million).

The Management Services business delivered 3% revenue growth, but with reduced profits. This is due largely to a greater proportion of earnings expected to arise in the second half this year. The underlying performance of the business remains strong.

The Adjusting Services business delivered a stronger first half performance than last year, with an 8% growth in revenue and 33% growth in adjusted profit. Revenue growth in the first half of 2011 reflected increased business activity along with the impact of an extra week's trading.

The Insurance Support Services business's profitability was impacted by an increased share of Group overhead costs, the slower than expected start of some contracts and a fall in revenue from other business lines. We expect the results to improve and our expectations for the full year remain unchanged.

The Insurance Companies Run-off business overall made a small profit in the period.

Fundamentals of the business

Since joining CTC in July 2011, I have been impressed by the commitment of the staff to building the Group's position in insurance services and by the quality of the underlying businesses. I have also been impressed by the strength of our client relationships, built on providing top class work year after year, and by the highly professional people who work for the company.

There is no doubt that the businesses that form CTC are fundamentally strong. They fit together to form a cohesive Group, offering an extensive range of highly regarded services to clients across the global insurance industry. All these businesses share common themes, all work closely, in a partnership fashion, with their clients, all have a highly developed commitment to service excellence and all offer strong technical insurance skills. At the same time, they enable the Group to diversify its sources of income as each of our businesses is exposed to different individual markets and cycles.

We manage mutual insurance companies which, we believe, are widely regarded as leaders in their markets. Our loss adjusting business is trusted by insurers, brokers, and insureds across the globe to adjust some of the largest insurance losses in the world in its specialist practice areas. The skills and capabilities of our Insurance Support Services business are being increasingly recognised following our appointment last year to provide static claims management services to the Lloyd's market. The insurance companies owned by the Group are being run off in a controlled and professional manner.

In particular, I have been struck by the close working relationships we enjoy with our clients. There is a partnership ethos with our clients across all our business lines; it is clear that CTC is trusted and respected by our clients in return. This is a tremendous strength of the Group and one we plan to continue to foster and encourage.

Finally, within the businesses, our employees have a remarkable depth of skills and knowledge. We believe these attributes will increasingly be in demand as pressure to improve performance, control costs and meet increased regulatory requirements drives insurers, brokers and insureds to seek out the skills and capabilities offered by the Group.

Plan for profitable growth

Our challenge now is to build on these fundamental strengths for the benefit of our shareholders, clients, and staff. We need to seek out ways to grow the Group profitably and to enhance our existing clients' experience of working with us, as well as winning and fostering new client relationships. There is more we can do to promote joint working between our businesses and greater efficiencies we can bring to our processes and systems. There is also considerably more we can do to market our services to new clients amongst the insurance community.

To this end, I have commenced a business planning initiative to identify and capture profitable growth. I should emphasise, however, that our objective of focusing on delivering insurance services globally will remain unchanged. The plan for growth is about improving our ability to find and exploit opportunities along with tapping into the skills and ideas of staff right across the Group. Each of our businesses and our support functions are currently preparing business plans. Further, we have engaged in an extensive consultation process involving virtually all the staff in the company.

I am very excited about the long term prospects for CTC, and from my meetings with our staff and clients it is clear that this excitement is shared by many others. I am looking forward to working with our highly professional staff and leadership team to realise the Group's full potential.

Business review

The Group delivered a steady performance in the first half of 2011. The Management Services business was strong, adjusted operating profit was well up in our Adjusting Services business and our Insurance Support Services business is still evolving.

The Insurance Companies Run-off business is mature, so did not generate significant results for the Group in the first half.

	Revenue £m		Adjusted operating profit £m	
	H1 2011	H1 2010	H1 2011	H1 2010
Management Services	18.4	18.0	2.3	2.5
Adjusting Services	25.1	23.3	3.8	2.8
Insurance Support Services	5.3	6.6	(0.7)	(0.0)
Inter-segment eliminations/unallocated	(1.2)	(1.3)	0.0	(0.2)
Total professional services	47.6	46.6	5.4	5.1
Insurance Companies Run-off	1.7	1.8	0.0	2.7

Note: Adjusted operating profit figures exclude non-recurring items as follows: charges for amortisation of customer relationship intangibles £0.9 million (2010 - £1.1 million), CEO transition costs £0.7 million (2010 – £nil) and the loss on disposal of the Group's interest in the Crescendo joint venture £0.3 million (2010 – £nil). The only adjustment made in the calculation of adjusted operating profit in 2010 was in respect of amortisation of customer relationship intangibles.

Management Services

Highlights

- Revenue up 3% to £18.4 million, adjusted operating profits down 9% to £2.3 million
- Standard Club continued growth in tonnage, increasing service requirements
- Signal performed well, with CTC's fees skewed to second half of year

The Management Services division provides mutual and captive insurance company management, investment management, and underwriting, coverholding and risk consulting services. The division's clients include the Standard Clubs, a highly regarded family of P&I clubs, which insure over 9% of world shipping, Signal Mutual, the largest provider of longshore benefits in the United States and SCALA in Canada. Our investment management business (CTIM) has $1.4 billion under management on behalf of our clients.

Management Services' revenue increased to £18.4 million (2010 £18.0 million), 3% higher, while the adjusted operating profit of £2.3 million (2010 - £2.5 million) was 9% lower. Excluding Signal Mutual, where a new management fee agreement came into effect from October 2010 and a greater proportion of revenue is expected to be earned in the second half of the year, the division's revenue grew by 10% in the first half year.

Mutual Management: 91% of Management Services' revenues (2010 - 91%)

Shipping Mutuals

The revenue and financial performance from the Standard Clubs business improved in the first half of 2011. The Standard Clubs saw their tonnage grow by 12% to 123 million gross tonnes in the underwriting year to February 2011, following a 30% increase the prior year. The resources required to manage this growth and the increased compliance and risk management needs of the Standard Clubs have created additional staff requirements, which are reflected in the management fees paid by the clubs.

Workers' Compensation Mutuals
The revenue and the financial performance from the Signal business were down for the first half of 2011 compared with 2010. This is due to the impact of the new management fee arrangement applicable from 1 October 2010, which results in a larger proportion of revenue, and hence profit, being earned in the second half of the year. The full year performance for 2011, however, should be broadly similar to that of 2010. Over the last policy year, payrolls reported by Signal members have increased from $2.3 billion to $2.5 billion, in part due to new business growth.

SCALA is a mutual that covers the workers' compensation liabilities of the majority of Canada's shipowners. The revenues and profits from our SCALA business are slightly lower compared with the first half of last year following a one-off service review.

Investment Management
Charles Taylor Investment Management's (CTIM) performance in the first half of 2011 was similar to 2010. At 30 June 2011, funds under management were $1.4 billion, (2010 - $1.3 billion), with the majority of these funds managed on behalf of the Standard Clubs and Signal Mutual. CTIM also provides investment advice to CTC's three owned non-life insurance companies in run-off.

Other Management: 9% of Management Services revenues (2010 - 9%)
The captive management business's performance was down from last year, as the continued soft insurance market, particularly in the US, and low investment returns saw clients reduce their captive activities. The underwriting services business uses binding authorities with Lloyd's and other London market underwriters to provide coverage in specialist areas. Revenue remained modest in the first half, although there were some early signs of new business. The risk consulting business improved its performance in the US and UK, albeit off a low base.

Adjusting Services business

Highlights

- Revenues up 8% to £25.1 million and adjusted operating profits up 33% to £3.8 million
- Revenues benefited from increased business activity and an extra week's trading
- Strong Energy performance
- Marine performed well and Aviation improved
- Non marine below record performance of 2010

The Adjusting Services business provides loss assessments and claims-related advice to insurers and insureds across the four main sectors: energy, marine, aviation and non marine. The business focuses on large and complex losses arising from major onshore and offshore energy incidents, maritime casualties, aircraft losses, large infrastructure losses financial institution frauds and other non marine claims.

The Adjusting Services business performed well overall in the first half, with revenues up 8% to £25.1 million and adjusted operating profit up 33% to £3.8 million. Revenues benefited from both increased business activity and an extra week's trading in the first half of the year compared to

2010. The business also benefited from the investment made in additional adjusting staff and new offices opened in 2010. As most of the business's costs are fixed, revenue growth achieved in the period delivered a significant growth in margins. This improvement was driven largely by the Energy and Marine teams, which produce the largest portion of the business's revenue. The Aviation team improved on 2010 and the Non marine team fell slightly short of its 2010 record performance.

Energy: 44% of Adjusting Services revenues (2010 - 45%)
Energy revenue improved with our teams in the UK, Australia and Canada performing well. The UK team has been instructed on a number of high profile offshore market losses, including instructions arising from damage to floating production, storage and offloading (FPSO) vessels in the North Sea and off the coasts of Brazil and Africa. The UK and Canadian teams have also been appointed on major onshore losses, most notably dealing with a substantial Canadian oil sands refinery loss. The Canadian team is also dealing with another very significant mining claim as well as a range of commercial losses that arose from forest fires in Alberta. The Australian offices in Perth and Brisbane have had a strong start, dealing primarily with mining losses that arose from the Queensland flooding.

Marine: 23% of Adjusting Services revenues (2010 - 22%)
Overall, Marine performed well, showing a good improvement in revenues and adjusted operating profits from handling a wide range of instructions for its hull, cargo, ports and terminals and yacht insurer clients. The performance of the UK, Greater China, Indonesia and Singapore teams all improved over the first half of 2010.

Aviation: 18% of Adjusting Services revenues (2010 - 18%)
Overall, Aviation performed better than last year, as revenues have picked up with adjusted operating profits showing an improvement over last year's first half. After a slow start the UK and Singapore teams' performance improved over the half year. The performance of Aviation's US-based teams in Miami and Dallas also improved on last year. The new aviation operation in the Group's Dubai office continues to perform well and consequently is being expanded.

The UK-based asset management business delivered a considerably improved performance over 2010.

Non marine: 15% of Adjusting Services revenues (2010 - 15%)
The Non marine team's revenue and adjusted operating profits continue to be impacted by lower global economic activity and fell below the record levels of the first half of 2010. The team has benefited from a very positive flow of new financial institution instructions, although the UK property business and other areas have been slower than last year. A lower level of claims activity has also meant that the Dubai and French teams' performances were below the very strong results achieved in 2010.

Insurance Support Services business

Highlights

- Revenues down by 20% to £5.3 million and adjusted operating loss increased to £0.7 million, due mainly to an increase in allocated Group overheads
- Reduction in financial reporting and run-off work impacted first half
- Static claims contract started successfully, revenues will benefit second half

Charles Taylor Insurance Services (CTIS) provides support services to clients at Lloyd's and elsewhere in the London and international insurance markets, as well as providing third party

administration services to insurance companies in run-off. It delivers services to more than half of all Lloyd's managing agents and is also the largest and longest established provider of accounting services to Lloyd's managing agents, having been active in the market for more than 25 years. In 2010, CTIS was selected by the Lloyd's Market Association as its preferred provider to administer in excess of 50,000 static claims in the Lloyd's market. The business's life insurance administration operation is a leading provider of third party life insurance administration on the Isle of Man.
Revenues were £5.3 million, 20% lower than the first half of 2010. The adjusted operating loss increased from £8,000 to £0.7 million, with an increase in the share of Group overhead costs and reduced revenue being the main factors. Revenues are, however, skewed to the second half and it is still anticipated that the business's result will improve by year-end.

Most of the increased loss was related to a greater proportion of central Group overheads being charged to the business now that the Axiom business, acquired in 2009 has been fully integrated into the Group. The business also saw lower revenues in the first half of 2011 than the previous year as the result of client losses in the financial reporting business and lower activity from run-off services.

Non-Life Business: 86% of Insurance Support Services revenues (2010 - 88%)
CTIS provides its clients with a range of services including claims run-off, reinsurance commutations, financial reporting and broker and underwriting support services.
It has secured approximately 80% of the market by volume for Lloyd's static claims review work and revenues from this are expected to increase significantly in the second half. CTIS is also making progress in securing business in the company static claims market.

CTIS is expanding its live claims management services in the Lloyd's market and has secured new business wins for its coverholder management services. Despite recent client losses, the financial reporting team has made progress in rebuilding revenues by expanding its range of services for existing clients.

Life Business: 14% of Insurance Support Services revenues (2010 - 12%)
The Group's life insurance administration operation manages business for two life insurers and a large life reinsurance company as well as for the Group's LCL International Life Assurance Company Limited.

Insurance Companies Run-off business

Highlights

- Existing run-off business maturing
- Adjusted operating profit of £23,000 (twenty-three thousand pounds) significantly down from 2010; impact on earnings per share limited

The Insurance Companies Run-off business owns four insurance companies which are closed to new business and runs off their liabilities in an orderly manner. It works closely with CTIS, which provides it with run-off administration services. It owns a life insurance company in the Isle of Man, LCL International Life Assurance, two non-life insurance companies in the UK, Bestpark and Cardrow, and one non-life company in the Republic of Ireland, Beech Hill.

Adjusted operating profit for the first half year was £23,000 (2010 - £2.7 million). The prior period's results benefited from large profits in Cardrow, as claims were settled on favourable terms. However, this did not reoccur in the first half of this year and is not expected to occur to the same extent in future. The impact of this reduction in operating profit is significantly less pronounced at the earnings per share level as a result of the former owner of Cardrow retaining a significant

minority interest. The business's contribution to adjusted earnings per share was 0.24 pence (2010 - 0.64 pence) a reduction of just 0.40 pence.

The Group continues to explore acquisition opportunities.

Life Business: 66% of Insurance Companies Run-off revenues (2010 - 63%)
The company's adjusted pre-tax profit was lower than the comparable prior year period but slightly ahead of management's expectations, with investment returns and policy persistency contributing to the better than expected result.

Non-Life Business: 34% of Insurance Companies Run-Off revenues (2010 - 37%)
Bestpark's adjusted pre-tax profit was at a similar level to the prior year. Cardrow made a small pre-tax profit for the period, which was significantly lower than the prior year. Finally, Beech Hill's pre-tax profit was significantly better than the comparable prior year period but the impact of this was offset by the reduction in Cardrow's pre-tax profit.

Financial review

Results

Revenue for the first half of 2011 was £49.3 million, 2% up on the equivalent period in 2010. Administrative expenses of £44.2 million were 3% up on 2010, including the £0.7 million non-recurring cost relating to the CEO transition.

Adjusted earnings per share were 9.51 pence (2010 - 10.02 pence), 5% below last year. Adjusted profit before tax was £4.5 million, 33% down on 2010. This can be wholly explained by the lower profits generated by the Insurance Companies Run-off business. However, only a small proportion of last year's reported pre-tax profits from the non-life companies flowed through into the earnings attributable to shareholders because of the large minority interests in their results (as explained in the section below). The lower pre-tax profits of insurance company run-offs have therefore only made a very small impact on the 2011 adjusted earnings per share (that is, a reduction of 0.40 pence).

Statutory profit before tax was £2.6 million, 54% down on 2010. This reduction is attributable not only to Insurance Companies Run-off but also to non-recurring CEO transition costs of £0.7 million and a one-off loss on the disposal of the Group's interest in Crescendo Holdings Limited, the engineering joint venture with RINA, amounting to £0.3 million. The last two items have been excluded from adjusted profit before tax and earnings per share as they are of a non-recurring nature. Statutory earnings per share were 4.68 pence (2010 - 7.38 pence).

The impact of foreign exchange rates on the results was neutral, with a weaker average US$ rate of 1.61 (2010 - 1.53) offset by a stronger average AU$ rate of 1.55 (2010 - 1.73).

The retirement benefit deficit at 30 June 2011 stands at £24.2 million, compared to £24.5 million at 31 December 2010. During the period, it was decided to close the Charles Taylor & Co Ltd Retirement Benefits scheme to future service accrual from 1 July 2011.

The impact of minority interests on run-off results

The Group's objective in acquiring insurance companies in run-off has been two-fold:

1. Secure run-off management contracts for our Insurance services business, and
2. Share in capital surpluses should the companies run off positively.

To minimise the capital requirements of these acquisitions and the Group's risk exposure, the transactions have been structured such that the previous owners either retained large minority interests entitling them to the majority of profits earned by the companies or have entitlements to deferred consideration contingent on business results. This means that while the companies' profits are reported in CTC's Group results, in practice a large proportion belongs to the minority interests. Thus, these profits have had only a limited impact on the Group's attributable earnings.

Debt finance and cash flow

At 30 June 2011, the Group had access to UK loan, revolving credit and overdraft facilities totalling £37.5 million and further facilities overseas of some £6.4 million. Loan finance of £17.5 million is on an amortising basis. The overdraft facilities of £8.0 million are subject to annual commitment and renewal, with the other facilities on a five year term expiring on 30 January 2014. The Group has been operating satisfactorily within its financial covenants.

Net debt (excluding client funds) has increased from £36.3 million at year end to £38.6 million at 30 June 2010, with the main movement being a £2.1 million increase in loans and overdrafts. This

mainly reflects increased receivables in Adjusting Services, where accrued income (that is unbilled work in progress) increased by £2.2 million. At the reporting date, insufficient time has elapsed for the billing and collection of fees for work on new Adjusting Services instructions to match the increase in the value of the workload. Operating cash inflow of £0.4 million (before client funds movements) compares to £4.5 million in the same period of 2010 and is due mainly to the negative working capital movements as described above. Billing and collection of fees will be a strong focus of attention for the second half.

Interest rates during 2011 remained low and with average borrowings lower than in 2010 the 2011 net interest charge was £0.2 million below the equivalent figure last year. The Group entered into an interest rate swap in early 2009 which fixed LIBOR at 2.96% on the loan finance for the five year term.

Dividends

The proposed interim dividend of 3.25 pence (2010 - 5.54 pence) reflects our decision to re-base the dividend, as announced in March 2011. It is our intention to continue to maintain a dividend payment pattern in the region of one third at the interim stage and two thirds as a final dividend. This interim dividend will be paid on 25 November 2011 to shareholders on the share register at the close of business on 7 October 2011.

Taxation

The effective tax rate on current year adjusted profits is 18.1% (2010 - 17.1%). The higher rate reflects an increase in the proportion of Group profits generated in higher tax regimes, partly offset by a reduction in the UK corporate tax rate from 28% to 26% effective from 1 April 2011, along with the expected recognition of new UK and US deferred tax assets.

Related party transactions

There have been no related party transactions in the period that have materially affected the financial position or performance of the company.

Principal risks and uncertainties

The nature of the principal risks and uncertainties for the second half of 2011 remains unchanged from those types of risks and uncertainties explained in the 2010 annual report and accounts. They include risks and uncertainties relating to revenue concentration, service quality, staff, acquisitions, the Group's geographical spread and range of services, conflicts of interest, insolvency of insurance companies in run-off and a range of, information technology, regulatory compliance and financial risks, including liquidity and pensions risks.

Going concern

As stated in note 2 to the condensed financial statements, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly they continue to adopt the going concern basis in preparing the condensed financial statements.

Condensed consolidated income statement

	Note	Six months to 30 June 2011 £000 (Unaudited)	Six months to 30 June 2010 £000 (Unaudited)	Year to 31 December 2010 £000 (Audited)
Continuing operations				
Revenue from insurance services		47,676	46,553	95,325
Revenue from Insurance Companies Run-off				
Gross revenue		2,897	2,382	5,920
Outward reinsurance premiums		(1,241)	(510)	(2,118)
Net revenue		1,656	1,872	3,802
Total revenue	3	49,332	48,425	99,127
Expenses from Insurance Companies Run-off				
Claims incurred		(3,465)	(964)	(13,827)
Reinsurance recoveries		1,701	2,493	827
Other gains from insurance activities		2,987	1,949	20,749
Net operating expenses		(2,611)	(2,443)	(5,640)
Net (losses) / gains		(1,388)	1,035	2,109
Administrative expenses		(44,192)	(42,704)	(87,316)
Gain on bargain purchases		–	–	543
Share of results of associates		76	15	173
Share of results of joint ventures		–	17	(22)
Profit from operations		3,828	6,788	14,614
Investment and other (expenses) / income from non-insurance activities		(251)	79	117
Finance costs		(963)	(1,125)	(2,250)
Profit before tax		2,614	5,742	12,481
Income tax expense	4	(823)	(1,162)	(1,898)
Profit for the period from continuing operations		1,791	4,580	10,583
Attributable to:				
Owners of the company		1,871	2,952	6,734
Non-controlling interest		(80)	1,628	3,849
		1,791	4,580	10,583

Earnings per share from continuing operations

Statutory basic (pence)	6	4.68	7.38	16.79
Statutory diluted (pence)	6	4.67	7.38	16.66

Condensed consolidated statement of comprehensive income

	Six months to 30 June 2011 £000 (Unaudited)	Six months to 30 June 2010 £000 (Unaudited)	Year to 31 December 2010 £000 (Audited)
Losses on revaluation of available-for-sale investments taken to equity	–	(48)	–
Exchange differences on translation of foreign operations	113	1,632	2,085
Actuarial losses on defined benefit pension schemes	(600)	(4,533)	(3,116)
Gains/(losses) on cash flow hedges	14	(766)	(616)
Tax on items taken directly to equity	(336)	1,247	243
Net loss recognised directly in equity	(809)	(2,468)	(1,404)
Profit for the period	1,791	4,580	10,583
Total comprehensive income for the period	982	2,112	9,179
Attributable to:			
Owners of the company	1,062	484	5,330
Non-controlling interests	(80)	1,628	3,849
	982	2,112	9,179

Condensed consolidated balance sheet

	Note	At 30 June 2011 £000 (Unaudited)	At 30 June 2010 £000 (Unaudited)	At 31 December 2010 £000 (Audited)
Non-current assets				
Goodwill		43,939	43,984	43,951
Intangible assets		11,137	14,000	12,537
Property, plant and equipment		5,558	6,112	5,494
Investments		624	1,502	1,636
Deferred tax assets		7,246	7,002	7,526
		68,504	72,600	71,144
Current assets				
Total assets in insurance businesses		255,415	279,276	269,141
Trade and other receivables		56,249	56,450	51,988
Cash and cash equivalents		35,045	39,966	43,684
		346,709	375,692	364,813
Total assets		415,213	448,292	435,957
Current liabilities				
Total liabilities in insurance businesses		204,319	230,184	217,878
Trade and other payables		18,500	16,456	16,873
Tax liabilities		316	262	429
Obligations under finance leases		661	551	566
Borrowings		19,265	19,235	19,161
Client funds		28,160	32,310	36,698
		271,221	298,998	291,605
Net current assets		75,488	76,694	73,208
Non-current liabilities				
Borrowings		24,932	28,636	22,938
Retirement benefit obligation	11	24,178	26,654	24,521
Provisions		1,099	1,760	1,394
Obligations under finance leases		909	1,140	918
Deferred consideration		16,071	19,398	17,141
		67,189	77,588	66,912
Total liabilities		338,410	376,586	358,517
Net assets		76,803	71,706	77,440
Equity				
Share capital	8	403	401	403

Share premium account	30,635	29,978	30,635
Merger reserve	6,872	6,872	6,872
Capital reserve	662	662	662
Own shares	(660)	(310)	(310)
Retained earnings	1,896	371	2,432
Equity attributable to owners of the company	39,808	37,974	40,694
Non-controlling interest	36,995	33,732	36,746
Total equity	76,803	71,706	77,440

The financial statements were approved by the board of directors and authorised for issue on 18 August 2011.

George Fitzsimons
Director
18 August 2011

Condensed consolidated cash flow statement

	Note	Six months to 30 June 2011 £000 (Unaudited)	Six months to 30 June 2010 £000 (Unaudited)	Year to 31 December 2010 £000 (Audited)
Net cash (used in)/from operating activities	9	(8,167)	(1,891)	10,362
Investing activities				
Interest received		25	48	84
Proceeds on disposal of property, plant and equipment		27	146	264
Purchases of property, plant and equipment		(515)	(495)	(776)
Acquisition of intangible assets		(366)	(406)	(1,048)
Purchases of investments		(350)	–	–
Proceeds from sale of investments		526	52	52
Acquisition of subsidiaries		–	(11)	(31)
Payment of deferred consideration		–	(155)	(152)
Net cash acquired with subsidiary		260	–	–
Net cash with subsidiary disposed of		–	(38)	(38)
Net cash used in investing activities		(393)	(859)	(1,645)
Financing activities				
Dividends paid		(1,796)	(3,602)	(5,833)
Repayments of borrowings	7	(4,229)	(1,695)	(12,742)
Repayments of obligations under finance leases		(346)	(292)	(562)
New bank loans raised	7	5,785	700	6,100
Increase/(decrease) in bank overdrafts		552	(3,285)	(3,336)
Net cash used in financing activities		(34)	(8,174)	(16,373)
Net decrease in cash and cash equivalents		(8,594)	(10,924)	(7,656)
Cash and cash equivalents at beginning of period		43,684	49,384	49,384
Effect of foreign exchange rate changes		(45)	1,506	1,956
Cash and cash equivalents at end of period		35,045	39,966	43,684

Condensed consolidated statement of changes in equity

	Share capital £000	Share premium account £000	Merger reserve £000	Capital reserve £000	Own shares £000	Retained earnings £000	Non-controlling interest £000	Total £000
At 31 December 2010 (audited)	403	30,635	6,872	662	(310)	2,432	36,746	77,440
Issue of share capital	–	–	–	–	–	–	–	–
Share premium arising on issue of share capital	–	–	–	–	–	–	–	–
Profit/(loss) for the financial period	–	–	–	–	–	1,871	(80)	1,791
Dividends paid (note 5)	–	–	–	–	–	(1,796)	–	(1,796)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	(600)	–	(600)
Tax on items taken to equity	–	–	–	–	–	(336)	–	(336)
Unrealised losses on available-for-sale investments	–	–	–	–	–	–	–	–
Gains on cash flow hedges	–	–	–	–	–	14	–	14
Foreign exchange translation differences	–	–	–	–	–	107	6	113
Movement in own shares	–	–	–	–	(350)	–	–	(350)
Other movements	–	–	–	–	–	204	323	527
At 30 June 2011 (unaudited)	403	30,635	6,872	662	(660)	1,896	36,995	76,803

	Share capital £000	Share premium account £000	Merger reserve £000	Capital reserve £000	Own shares £000	Retained earnings £000	Non-controlling interest £000	Total £000
At 31 December 2009 (audited)	401	29,897	6,872	662	(310)	3,530	32,157	73,209
Issue of share capital	–	–	–	–	–	–	–	–
Share premium arising on issue of share capital	–	81	–	–	–	–	–	81
Profit for the financial period	–	–	–	–	–	2,952	1,628	4,580
Dividends paid (note 5)	–	–	–	–	–	(3,602)	–	(3,602)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	(4,533)	–	(4,533)
Tax on items taken to equity	–	–	–	–	–	1,247	–	1,247
Unrealised losses on available-for-sale investments	–	–	–	–	–	(48)	–	(48)
Losses on cash flow hedges	–	–	–	–	–	(766)	–	(766)
Foreign exchange translation differences	–	–	–	–	–	1,594	38	1,632
Movement in own shares	–	–	–	–	–	–	–	–
Other movements	–	–	–	–	–	(3)	(91)	(94)
At 30 June 2010 (unaudited)	401	29,978	6,872	662	(310)	371	33,732	71,706

Own shares comprise 336,655 (30 June 2010 – 87,155; 31 December 2010 – 86,655) shares held by the Charles Taylor Employee Share Ownership Plan Trust ("ESOP"). The market value of these shares was £510,032 (30 June 2010 - £193,048; 31 December 2010 - £144,281 at the balance sheet date.

The trustee of the ESOP is the Codan Trust Company Limited, an independent professional trust company registered in Bermuda. The ESOP is a discretionary trust for the benefit of employees of the Group and provides a source of shares to distribute to the Group's employees (including

executive directors and officers) under the Group's various bonus and incentivisation schemes, at the discretion of the trustee acting on the recommendation of a committee of the board.

The assets, liabilities, income and costs of the ESOP are incorporated into the condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

1. General information

The information for the year ended 31 December 2010 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor reported on those accounts; its report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation

The annual financial statements of Charles Taylor Consulting plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union.

The company owns a number of insurance companies. The assets of the insurance companies are held for the benefit of the policyholders in the first instance and the Group's interest is restricted to income from managing these businesses and a share in any surplus after deferred consideration payments to the former owners. Consequently, although fully consolidated, the assets and liabilities relating to insurance companies are separately identified in these financial statements.

Similarly, the income and expense items relating to insurance contracts are grouped together in the condensed consolidated income statement because most are related, for example claims and related insurance recoveries and to distinguish them from the Group's main activities.

The analysis between current and non-current assets and liabilities is not useful for insurance companies. The assets and liabilities of the insurance companies have been classified as current rather than non-current for practical purposes and to conform with the presentation used in these financial statements although in practice an element is expected to be settled in more than one year.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Changes in accounting policy

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements, except as described below.

In the current year, an amendment to IAS 24 *Related Party Disclosures* which extends the definition of a related party is applicable. The IASB's 2010 annual improvements project makes minor changes to IAS 27 *Consolidated and Separate Financial Statements*, IFRS 3 *Business Combinations* and IFRS 7 *Financial Instruments: Disclosures*. None of these changes have any impact on the financial statements.

IFRS 9 *Financial Instruments* was reissued and new standards IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosures of Interests in Other Entities* and IFRS 13 *Fair Value Measurement* were issued, applicable from 1 January 2013. The Group does not intend to adopt these standards early.

3. Segmental information

Identification of segments

For management and internal reporting purposes the Group is currently organised into four operating divisions whose principal activities are as follows:

- Management Services division – mutual management, captive management, investment management and risk management.
- Adjusting Services division – energy, aviation, non-marine and marine (including average) adjusting.
- Insurance Support Services division – non-life and life insurance support services.
- Insurance Companies Run-off division – non-life and life insurance companies closed to new business.

Management information about these divisions is regularly provided to the Group's chief operating decision maker to assess their performance and to make decisions about the allocation of resources. Accordingly, these divisions correspond with the Group's operating segments under IFRS 8 "Operating Segments". Businesses forming part of each division which might otherwise qualify as reportable operating segments have been aggregated where they share similar economic characteristics and meet the other aggregation criteria in IFRS 8.

In the Management Services division, a higher proportion of revenue arises in the second half of the financial year. There is no significant seasonality or cyclicality in the other divisions.

Measurement of segmental results and assets

Transactions between reportable segments are accounted for on the basis of the contractual arrangements in place for the provision of goods or services between segments and in accordance with the Group's accounting policies. Reportable segment results and assets are also measured on a basis consistent with the Group's accounting policies. Operating segment profit includes an allocation of central costs across the four divisions and excludes exceptional adjusting items. Reconciliations of segmental results to the Group profit before tax are set out below.

Information about major customers

The Group derived revenue of £11.4 million (to 30 June 2010 – £9.8 million, full year 2010 – £20.5 million) from one external customer which accounts for more than 10% of Group revenue, and is included within the Management Services division.

Six months to 30 June 2011	Management Services division £000	Adjusting Services division £000	Insurance Support Services division £000	Insurance Companies Run-off division £000	Inter-segment eliminations £000	Amounts not allocated to segments £000	Total Group £000
Revenue from insurance services	18,435	25,141	4,098	–	–	2	47,676
Revenue from Insurance Companies Run-off	–	–	–	1,656	–	–	1,656
Revenue from other operating segments	–	–	1,225	–	(1,225)	–	–
Total revenue	18,435	25,141	5,323	1,656	(1,225)	2	49,332
Depreciation and amortisation	(200)	(404)	238	–	–	–	(366)
Other expenses	(15,963)	(20,961)	(6,236)	(1,633)	1,225	3	(43,565)
Operating segment profit	2,272	3,776	(675)	23	–	5	5,401
Share of results of associates and joint ventures							76
Investment and other income							32
Finance costs							(963)
Profit before tax – adjusted							4,546

Amortisation of customer relationship intangibles	(901)
Non-recurring costs	(1,031)
Profit before tax	2,614

Six months to 30 June 2010	Management Services division £000	Adjusting Services division £000	Insurance Support Services division £000	Insurance Companies Run-off division £000	Inter-segment eliminations £000	Amounts not allocated to segments £000	Total Group £000
Revenue from insurance services	17,978	23,286	5,280	–	–	9	46,553
Revenue from Insurance Companies Run-off	–	–	–	1,872	–	–	1,872
Revenue from other operating segments	–	–	1,336	–	(1,336)	–	–
Total revenue	17,978	23,286	6,616	1,872	(1,336)	9	48,425
Depreciation and amortisation	(328)	(567)	(290)	–	–	–	(1,185)
Other expenses	(15,146)	(19,887)	(6,334)	835	1,336	(235)	(39,431)
Operating segment profit	2,504	2,832	(8)	2,707	–	(226)	7,809
Share of results of associates and joint ventures							32
Investment and other income							79
Finance costs							(1,125)
Profit before tax – adjusted							6,795
Amortisation of customer relationship intangibles							(1,053)
Non-recurring costs							–
Profit before tax							5,742

Year to 31 December 2010	Management Services division £000	Adjusting Services division £000	Insurance Support Services division £000	Insurance Companies Run-off division £000	Inter-segment eliminations £000	Amounts not allocated to segments £000	Total Group £000
Revenue from insurance services	38,162	47,002	10,139	–	–	22	95,325
Revenue from Insurance Companies Run-off	–	–	–	3,802	–	–	3,802
Revenue from other operating segments	–	–	2,593	–	(2,593)	–	–
Total revenue	38,162	47,002	12,732	3,802	(2,593)	22	99,127
Depreciation and amortisation	(660)	(1,135)	(665)	–	–	–	(2,460)
Other expenses	(30,471)	(41,282)	(12,306)	1,604	2,593	(252)	(80,114)
Operating segment profit	7,031	4,585	(239)	5,406	–	(230)	16,553
Share of results of associates and joint ventures							151
Investment and other income							117
Finance costs							(2,250)
Profit before tax – adjusted							14,571
Amortisation of customer relationship intangibles							(2,090)
Non-recurring costs							–
Profit before tax							12,481

	At 30 June 2011 £000	At 30 June 2010 £000	At 31 December 2010 £000
Total assets			
Management Services division	5,120	5,867	5,171
Adjusting Services division	92,530	96,445	98,791
Insurance Support Services division	36,479	38,743	36,895
Insurance Companies Run-off division*	259,770	291,048	274,027
Unallocated assets and eliminations	21,314	22,631	21,073
	415,213	454,734	435,957

* Includes related intangible assets.

Geographical information

	Six months to 30 June 2011 £000	Six months to 30 June 2010 £000	Year to 31 December 2010 £000
Revenue			
United Kingdom	15,342	15,609	31,390
Other Europe	3,598	3,429	6,895
North America	6,470	6,894	13,598
Asia Pacific	6,937	5,859	11,937
Bermuda	16,985	16,634	35,307
	49,332	48,425	99,127

	At 30 June 2011 £000	At 30 June 2010 £000	At 31 December 2010 £000
Non-current assets (excluding deferred tax assets)			
United Kingdom	49,750	52,017	50,528
Other Europe	3,525	4,740	4,363
North America	5,399	5,514	5,448
Asia Pacific	1,187	1,476	1,669
Bermuda	1,397	1,851	1,610
	61,258	65,598	63,618

4. Income tax expense
Tax for the six month period is charged at 18.1% (to 30 June 2010 – 17.1%; full year 2010 – 13.0%) representing the best estimate of the average annual effective tax rate expected for the full year, applied to the adjusted pre-tax income of the six month period.

5. Dividends

	Six months to 30 June 2011 £000	Six months to 30 June 2010 £000	Year to 31 December 2010 £000
Amounts recognised as distributions to equity holders in the period:			
Final dividend paid (2010 – 4.46 pence, 2009 – 9.01 pence)	1,796	3,602	3,602
Interim dividend paid (2010 – 5.54 pence per share)	–	–	2,231
	1,796	3,602	5,833

The proposed interim dividend of 3.25 pence per share was approved by the board on 18 August 2011 and has not been included as a liability as at 30 June 2011.

6. Earnings per share
Earnings per ordinary share have been calculated by dividing the profit on ordinary activities after taxation and non-controlling interests for each period by the weighted average number of shares in issue. The shares held by the ESOP have been excluded from the calculation because the trustees have waived the right to dividends on these shares.

The calculation of the statutory basic, statutory diluted and adjusted earnings per share is based on the following data:

	Six months to 30 June 2011 £000	Six months to 30 June 2010 £000	Year to 31 December 2010 £000
Earnings			
Earnings for the purposes of adjusted earnings per share being adjusted profit after tax attributable to owners of the company	3,803	4,005	8,824
Amortisation of acquired customer relationship intangible assets	(901)	(1,053)	(2,090)
Non-recurring costs	(1,031)	–	–
Earnings for the purposes of statutory basic and statutory diluted earnings per share being net profit attributable to owners of the company	1,871	2,952	6,734
	Number	Number	Number
Number of shares			

Weighted average number of ordinary shares for the purposes of statutory basic earnings per share	40,008,009	39,986,589	40,103,211
Effect of dilutive potential ordinary shares:			
Share options	39,317	44,826	311,095
Weighted average number of ordinary shares for the purposes of statutory diluted earnings per share	40,047,326	40,031,415	40,414,306

7. Bank overdrafts and loans

Loans raised during the period amounted to £5.8 million (to 30 June 2010 – £2.1 million, full year 2010 – £6.3 million) and repayments on loans amounted to £4.2 million (to 30 June 2010 – £3.0 million, full year 2010 – £13.0 million). As previously disclosed the Group's principal debt facilities totaling £29.5 million are provided by a syndicate of banks and expire on 30 January 2014.

8. Share capital

No ordinary 1 pence shares were issued during the period (to 30 June 2010 – 30,370, full year 2010 – 274,444). The consideration above 1 pence per share is reflected in the share premium account and amounts to £nil (to 30 June 2010 – £81,000, full year 2010 – £738,000).

9. Notes to the condensed consolidated cash flow statement

	Six months to 30 June 2011 £000	Six months to 30 June 2010 £000	Year to 31 December 2010 £000
Profit from operations	3,828	6,788	14,614
Adjustments for:			
Depreciation of property, plant and equipment	961	940	1,856
Gain on bargain purchases	–	–	(543)
Intangibles and goodwill	1,739	2,131	4,189
Other non-cash items	231	199	265
Decrease in provisions	(1,237)	(1,903)	(2,995)
Share of results of associates and joint ventures	(76)	(32)	(151)
Operating cash flows before movements in working capital	5,446	8,123	17,235
(Increase)/decrease in receivables	(3,708)	(1,435)	3,020
Increase in payables	228	1,901	1,282
Decrease in insurance company assets	13,711	12,750	22,936
Decrease in insurance company liabilities	(13,683)	(15,092)	(28,098)
Cash generated by operations	1,994	6,247	16,375
Income taxes paid	(737)	(781)	(2,095)
Interest paid	(886)	(958)	(1,907)
Net cash before movement in client funds	371	4,508	12,373
Movement in client funds	(8,538)	(6,399)	(2,011)
Net cash from operating activities	(8,167)	(1,891)	10,362

Additions to tangible fixed assets during the period amounting to £529,000 (to 30 June 2010 – £565,000, full year 2010 – £619,000) were financed by new finance leases.

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly-liquid investments with a maturity of three months or less. The cash flow statements exclude the cash flows within the Group's insurance companies, though the movements in the balance sheets of insurance companies are shown in the individual reconciling items above.

Cash includes client funds of £28.2 million (30 June 2010 – £32.3 million, 31 December 2010 – £36.7 million).

10. Net interest bearing liabilities

	At 30 June 2011 £000	At 30 June 2010 £000	At 31 December 2010 £000
Cash and cash equivalents	35,045	39,966	43,684
Bank overdrafts	(16,000)	(15,500)	(15,448)
Current loans	(2,936)	(3,405)	(3,384)
Non-current bank loans	(24,932)	(28,636)	(22,938)
Finance leases	(1,570)	(1,691)	(1,484)
	(10,393)	(9,266)	430
Client funds	(28,160)	(32,310)	(36,698)
	(38,553)	(41,576)	(36,268)

11. Pensions

The Group contributes to a number of defined benefit pension schemes on behalf of employees. The present value of the retirement benefit obligation at 30 June 2011 has been arrived at by recalculating the 31 December 2010 liabilities using the financial assumptions at 31 May 2011 and rolling forward the liability, allowing for interest and benefit accrual to 30 June 2011. The value of plan assets represents the bid value of invested assets at 30 June 2011 plus cash balances held.

The financial assumptions used to calculate scheme liabilities under IAS19 "Employee benefits" are as follows:

	At 30 June 2011 %	At 30 June 2010 %	At 31 December 2010 %
Rate of increase in salaries	3.20	3.20	3.30
Rate of increase of pensions in payment			
– LPI (max 5%)	3.20	3.20	3.30
– LPI (max 2.5%)	2.50	2.50	2.50
– LPI (min 3%; max 5%)	3.20	3.20	3.30
Discount rate	5.30	5.40	5.40
Inflation assumption			

– RPI	3.20	3.20	3.30
– CPI	2.70	n/a	2.80
Composite investment return	6.00	6.00	5.90

Amount recognised in the balance sheet in respect of the Group's retirement benefit obligations

	At 30 June 2011 £000	At 30 June 2010 £000	At 31 December 2010 £000
Assets at fair value	67,960	59,961	65,665
Total value of retirement benefit obligation	(90,185)	(84,909)	(88,282)
Effect of paragraph 58(b) limit	(1,772)	(1,541)	(1,737)
Overseas retirement benefit obligation	(181)	(165)	(167)
Net liability recognised in the balance sheet	(24,178)	(26,654)	(24,521)
Related deferred tax asset	6,273	7,261	6,617
Pension liability net of related deferred tax asset	(17,905)	(19,393)	(17,904)

12. Related party transactions
Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

13. Non-recurring costs
The Group has incurred £169,000 in respect of recruitment costs relating to the appointment of its new chief executive officer, David Marock. In addition to this, the outgoing chief executive officer, John Rowe will be entitled to salary and benefits totalling £479,000 over the next one year and £100,000 under a consultancy arrangement for the following two years. The total charge of £748,000 incurred in the period is considered to be of a non-recurring nature.

The Group also incurred a non-recurring loss of £283,000 (representing proceeds of £520,000 less carrying value of £803,000) on disposing of its entire 50% interest in Crescendo Holdings Limited, an engineering consultancy joint venture, during the period.

Forward-looking statements
This interim report contains certain forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations and other changes in business conditions; the actions of competitors and other factors.

Responsibility Statement
We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the board

David Marock
Chief executive

Damian Ely
Chief operating officer

George Fitzsimons
Finance director

Independent Review Report to Charles Taylor Consulting plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity, and related notes 1 to 13. We have read the other information contained in the half-yearly 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 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. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review 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 formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly 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 United Kingdom. A review of interim financial information consists of making inquiries, 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-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
18 August 2011