

We're back!
Our momentum continues

Annual Report 2021

Contents

OVERVIEW

- 1 Highlights of the year

STRATEGIC REPORT

- 2 Chairman and Chief Executive's review of the year
- 6 Chief Operating Officer's review
- 10 Creating value for our stakeholders
- 12 Our brands
- 13 Where we operate
- 14 Our strategy
- 16 Our key strategic principles
- 18 Divisional review
- 32 Financial review
- 36 Principal Risks and Uncertainties
- 37 Section 172(1) statement

CORPORATE GOVERNANCE

- 38 Board of Directors & Officers
- 40 Corporate governance report
- 45 Audit Committee report
- 46 Environmental reporting
- 47 Directors' report
- 50 Remuneration Committee report
- 53 Statement of Directors' responsibilities

FINANCIAL STATEMENTS

- 54 Independent auditor's report
- 60 Consolidated income statement
- 61 Consolidated statement of comprehensive income
- 62 Consolidated statement of changes in shareholders' equity
- 63 Consolidated statement of financial position
- 64 Consolidated statement of cash flows
- 65 Company statement of changes in shareholders' equity
- 66 Company statement of financial position
- 67 Company statement of cash flows
- 68 Notes to the consolidated financial statements
- 108 Five-year record

SHAREHOLDER INFORMATION

- 109 Shareholder information
- 111 Directory

Christie Group provides an extensive portfolio of professional services for the hospitality, leisure, healthcare, medical, childcare & education and retail sectors.

These include surveying, valuation, agency, consultancy, finance, insurance, stock control and business software solutions.

Our focus on a limited number of sectors gives us an unrivalled market awareness in each of these areas.

The results: a greater understanding of our clients' operations and a heightened ability to help them improve efficiency, enhance trading profits and increase the value of their businesses. In these ways, and through our innovative use of technology, we have built a reputation for making a significant contribution to our clients' commercial success.

Professional & Financial Services (PFS)

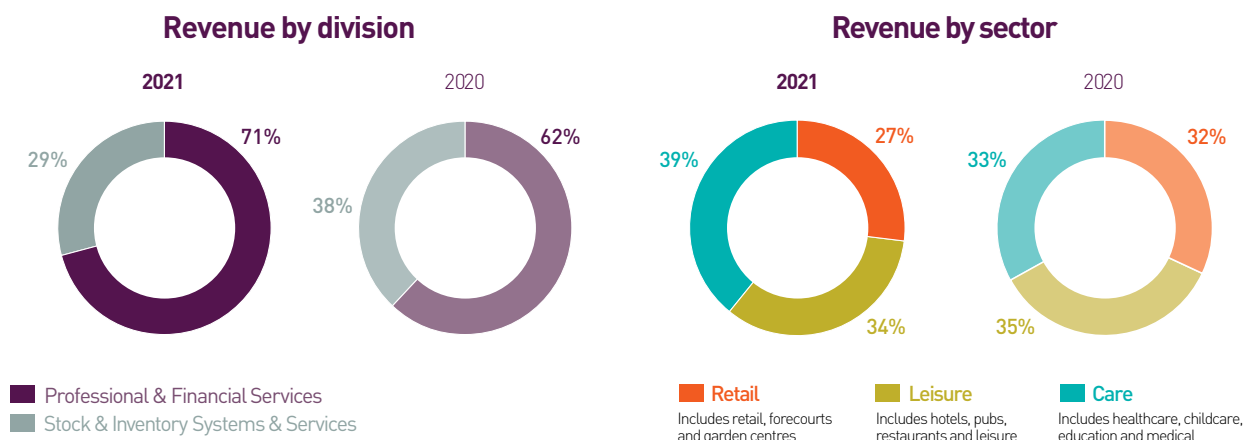
The expertise offered by Christie & Co, Christie Finance and Christie Insurance, covers all aspects of valuing, buying, selling, developing, financing and insuring a wide variety of businesses. Their scope is complemented by the comprehensive appraisal and project management services available from Pinders.

Stock & Inventory Systems & Services (SISS)

Orridge and Venners are the leading specialists in stock control and inventory management services. Orridge specialises in all fields of retail, Venners focuses on the hospitality sector and Vennersys provides software and systems to the leisure and hospitality sectors.

Highlights of the year

- Revenue growth of 45.1% to £61.3m (2020: £42.2m)
- Operating profit of £5.2m substantially ahead of original market expectation for the year
- Sold in excess of 1,000 businesses during the year
- SaaS business experienced strong on-line growth
- Stocktaking division held back by Covid closures
- Pension deficit reduced YOY by £11.1m (55%) to £9.0m (2020: £20.1m)
- Earnings per share rebounded back to 13.71p per share
- Final dividend reinstated at 2.0p (2020: nil) to give total in year of 3.0p (2020: nil)



Chairman and Chief Executive's review of the year



Demand, buoyancy and optimism

I am delighted to report our results for the year ended 31 December 2021. We generated an operating profit for the Group of £5.2m from revenue of £61.3m (2020: £4.4m operating loss before restructuring costs from revenue of £42.2m).

£61.3m

REVENUE OF £61.3m
(2020: £42.2m)

£5.2m

OPERATING PROFIT £5.2m
(2020: £4.4m loss pre
exceptionals)

13.71p

EPS 13.71p
(2020: negative 19.32p)

“I am pleased to report a tremendous result for our Professional & Financial Services division.”

These results reflect a return to the level of profitability achieved by us in 2019 from underlying trading activities. Our operating profit for 2021 was achieved from significantly reduced revenue, albeit some £19.1m higher than in 2020.

During the year we repaid all of our £4.7m agreed tax deferral which related to the pandemic lock downs. We also repaid a further £2.0m of our Coronavirus Large Business Interruption Loan Scheme (CLBILS) loan during the year and a further £0.7m has been repaid to date in 2022.

The latest IAS 19 valuation reflected in these accounts records a more than halving in our outstanding pension fund deficits from £20.1m to £9.0m. The outstanding balance is subject to an ongoing deficit repair plan costing approximately £1m per annum, equivalent to an additional dividend of approximately 4 pence per share.

Professional & Financial Services

I am pleased to report a tremendous result for our Professional & Financial Services (PFS) division. An operating profit of £7.6m (2020: £1.9m operating loss) was achieved from revenue of £43.8m (2020: £26.3m). This is our highest profit from the division since 2007 and a profit conversion of 17%.

This excellent profit margin was due, in part, to the move to host events and marketing online where physical interactions were not permitted or would have been ill advised. As a by-product our travel, accommodation and entertaining expenses were minimised. Our marketing included a number of informative and popular webinars, a recent webinar hosting 1,080 participants. Where our offices had to close, our running costs – whilst

not eradicated – were significantly reduced. We have budgeted for our costs to return to more normal levels for 2022.

Christie & Co enjoyed an unparalleled period in the respect that there was strong demand for businesses across each trade sector. Where the sector was struggling due to the direct or indirect effects of the pandemic, optimistic buyers saw buying opportunities and the prospect of recovering trade. Robust demand ensured that prices recovered to, or exceeded, pre-pandemic levels.

We adopted a rebalanced and more incentivised remuneration structure, and this saw many individuals achieve record bonuses, which we applaud.

Our sector specialist teams have undertaken a huge range of transactional assignments ranging from individual business sales to very substantial portfolio assignments with sale proceeds in excess of £150m. Yet again, we sold over a thousand businesses.

I was pleased that Christie & Co were ranked number one overall, based on the number of deals, securing 12 awards in the Hotels & Leisure category for the Estate Gazette's Radius On-Demand 2021 Rankings. This again confirms our continued position as the leading Hospitality broker in Europe.

2021 also saw the resurgence of portfolio valuation assignments. These were

notably absent by Christie & Co throughout 2020, who's higher volumes in 2021 were driven by a combination of sale and acquisition due diligence. Both Christie & Co and Pinders were actively providing valuations in support of bank lending.

Our international network is concentrated on activity in the hotel sector. This sector was particularly hard hit by business closures due to the travel restrictions imposed by the governments concerned. Our international strategy is to progressively lessen our dependency on this single sector whilst maintaining our position as the pre-eminent hotel brokers in Europe.

Pinders carried out a number of condition surveys and capital expenditure reviews for buyers. Prudent buyers realise that it is the total investment which has to generate a satisfactory return, not merely the initial acquisition cost.

Christie Finance, our funding operation, was occupied with completing the last of the Coronavirus Business Interruption Loan Scheme (CBILS) loans subsequently followed by arranging loans under the Recovery Loan Scheme. However, the majority of our work concerned procuring debt for borrowers on free standing commercial terms. We have supported our borrowers with mortgage protection and key man insurance via Christie Insurance.

“Our sector specialist teams have undertaken a huge range of transactional assignments.”



“Our software-as-a-service (SaaS) business, Vennersys, now offers a leading, functionally rich product and is attracting interest from larger users with more complex requirements.”

In instances where a lack of insurers for property and business risks materialise, for buyers, Christie Insurance have deployed broking skills to gain cover thus enabling completions. Rising premiums have in turn ensured that retained commissions increased.

Stock & Inventory Systems & Services

Our Stock & Inventory Systems & Services (SISS) division achieved revenue of £17.5m (2020: £16.0m and 2019: £32.1m) including some £2.4m of furlough support. The year continued to be seriously affected by the pandemic, which resulted in a significant operating loss of £2.4m (2020: £3.2m operating loss).

In retail stock control we experienced the continued rebalancing between work for stores and requests for more work within their supply chains. We anticipate that this trend will continue. More focus and collaboration with clients who wish to partner with us has achieved excellent service delivery for them and satisfactory profit margins for us across all territories.

In our Hospitality & Leisure stocktaking business, Venners, our stocktakers utilisation rate dropped from full utilisation prior to Covid-19 to 50% through 2021 due to closure or disruption to the sector, with volumes remaining reduced in the other periods even when Covid-19 was less prevalent. Following a lock down of 20 weeks in the Spring, our hospitality stocktaking business was recovering as anticipated when the cancelling of numerous Christmas & New Year's Eve celebrations lead to a quieter start to the New Year. Our own staff maintained a high degree of availability, but work was postponed and rescheduled where our clients had insufficient onsite staff available to host stocktaking visits.

Both Retail and Hospitality clients sought assistance with a wide range of support as they suffered staff shortages

and recruitment difficulties. Flexible furlough was particularly helpful in 2021 as it permitted down time (days without work) to be government funded whilst volumes rebuilt.

Our software-as-a-service (SaaS) business, Vennersys, now offers a leading, functionally rich product. As such, the system is attracting interest from larger users with more complex requirements. The sales cycle for larger corporates is longer, whilst they evaluate the compatibility of system scope with their existing business operations and future plans. We continue to add additional sites for our portfolio operators as well as standalone single site attractions. We continue to add further niche leisure sectors, supporting venues with their visitors and sales. Recurring income continued to grow for Vennersys, with online revenues almost doubling since 2020.

Looking ahead

I thank all members of our exceptional teams who have contributed so strongly to ensure our success in the challenging times we have faced together. I welcome the new people who have joined us and those about to join, as we target yet better performance in the years ahead. We are working hard to ensure that our new joiners are fully integrated into teams to facilitate the interactions which are essential for induction, development training and mentoring, whilst retaining the benefit derived from the efficiencies of flexible working. We are committed to supporting our staff from a well-being perspective. Numerous support initiatives are being rolled out across the Group, all with the key objective of ensuring that our staff feel part of a caring and responsible business.

We are starting to experience more operators choosing to sell businesses in order to repay debt. Simultaneously we are enjoying multiple offerors pursuing each business for sale. Strong demand exists across each of our trade sectors.

The invasion in Ukraine is an abhorrent human tragedy and our hearts go out to those impacted. Internationally, our professional practice is well established and if allowed a peaceful existence should contribute positively to our results. As yet, we have been unable to discern the effect on our operations in Austria, Germany and Finland.

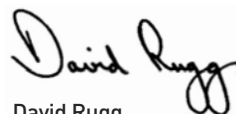
Our agencies' pipelines of deals in progress have grown to exceed those of the prior year.

Our stocktaking businesses from this point forward, should not put additional drain on our resources as their activity levels further recover.

Four of our seven trading subsidiary Managing Directors took up their positions at the onset of Covid-19. They have each done well. I know that their plans and actions are producing positive future developments. Our appreciation goes also to your board who together recognise, challenge, encourage and reward success.

We are well funded and anticipate further growth in our working capital as our revenue continues to rebound. Our momentum is building as the year progresses. As usual, we anticipate that our profit achievement will be primarily generated in our second half. Overall, we anticipate another successful year with further growth prospects beyond.

Your Directors recommend a final dividend of 2.0p per share (2020: 0.0p), increasing the total dividend to 3.0p for the year (2020: 0.0p). If approved the dividend will be paid on 8 July 2022 to those shareholders on the register on 10 June 2022.



David Rugg
Chairman and Chief Executive
22 April 2022



Resurgence and Momentum

I thank all members of our exceptional teams who have contributed so strongly to ensure our success in the challenging times we have faced together. I welcome the new people who have joined us and those about to join, as we target yet better performance in the years ahead.

Professional & Financial Services

- Operating profit of £7.6m (2020: £1.9m operating loss) was achieved from revenue of £43.8m (2020: £26.3m). The highest profit from the division since 2007 and a profit conversion of 17%.
- Christie & Co ranked number one overall, based on the number of deals, securing 12 awards in the Hotels & Leisure category for the Estate Gazette's Radius On-Demand 2021 Rankings.
- Both Christie & Co and Pinders were actively providing valuations in support of bank lending. Pinders carried out a number of condition surveys and capital expenditure reviews for buyers.
- A huge range of transactional assignments ranging from individual business sales to very substantial portfolio assignments with sale proceeds in excess of £150m.

Stock & Inventory Systems & Services

- Stock & Inventory Systems & Services (SISS) division achieved revenue of £17.5m (2020: £16.0m).
- More focus and collaboration with clients who wish to partner with us has achieved excellent service delivery for them and satisfactory profit margins for us across all territories.
- Retail and Hospitality clients sought assistance with a wide range of support as they suffered staff shortages and recruitment difficulties.
- Recurring income continued to grow for Vennersys, with online revenues almost doubling since 2020.

Chief Operating Officer's review



We can reflect on 2021 with a combination of satisfaction, pride and encouragement for the future. The strength of our recovery and renewed momentum is apparent from a £10.2m year-on-year swing in operating profit, and while across the Group we continued to face a variety of challenges and opportunities within our various operations and sectors, the overall result and where that has placed us heading into 2022 was achieved thanks to significant individual and collective contributions from across the spectrum of our teams and businesses.

I commented a year ago that we had seen enough in the second half of an extremely challenging 2020 to be confident that all of our trading brands could be profitable contributors to the Group in future. I am pleased to say that this confidence has only been enhanced by the progress made during 2021.

“We sold just under 1,100 businesses in the year with a value of £1.3bn, which was an impressive 58% increase on 2020. In our SISS division, we saw growing demand for our services which included welcoming 14 new clients to our Supply Chain division.”

While our Professional & Financial Services (“PFS”) Division delivered an excellent performance, we also reduced our operating losses in the Stock & Inventory Systems & Services (“SISS”) Division despite significant disruption to the hospitality, leisure and retail sectors. We are optimistic that a more normalised 2022 trading environment should enable further progress in this regard as we move forwards.

Professional & Financial Services

For Christie & Co, activity levels remained buoyant for the duration of the year, but as is often our experience of deal timing, we saw a stronger second half than the first as many instructions taken several months earlier reached exchange in the latter part of 2021.

We sold just under 1,100 businesses in the calendar year across the UK and Europe, with the volume of sales up 71% on 2020. Given the strength of our agency recovery in the second half of 2020, the scale of this increase reflected the strength of activity across all of our sectors. The growth in the value of businesses sold by Christie & Co was as impressive, increasing by 58% to £1.3bn.

Our Hospitality teams were extremely active, most notably in the UK where we sold 110 hotels in the year. Highlights included acting for Qbic Hotels Ltd in the disposal of their interest in the Qbic London City and the sale by Bayview Italia of the Poggio alla Salla in Tuscany, Italy to Precise Hotels and Resorts. On the continent, we saw the re-emergence of buying appetite from institutional buyers, owner-operators and high-net-worth individuals with second-half improvement in investor sentiment most obvious in Central and Eastern Europe.

More widely in Hospitality as a whole, we achieved almost 350 exchanges. Our Pubs & Restaurants team supported Red Oak Taverns on their acquisition of 10 freehold tenanted pubs from Hall & Woodhouse, and we also acted on behalf of YUM! in securing Starboard Hotels as the new

franchise partner for 27 Pizza Hut delivery sites across the Midlands. Pub sector pricing remained robust through a combination of lack of stock, active corporate buyers and a gradually recovering marketplace after UK Covid-restrictions were lifted in early H2.

In Leisure, we saw encouraging levels of transactional activity, buoyed by holiday parks and outdoor attraction operators. Christie & Co were active throughout the year, including the sale of Skegness Pier to Mellors Group and the sale of Boothferry Golf Club in Yorkshire, on behalf of Aldington Golf Centre Ltd.

Our Care team was as busy as always, completing over 50% of all individually transacted care home deals in the UK during the year. The market saw an evolving landscape, with European investment arriving in the UK including the French healthcare fund, SCPI Pierval Sante, who acquired a group of Care UK investments from Legal & General in a deal brokered by Christie & Co.

At the same time, our Care development, investment and consultancy teams were equally busy. We successfully brokered a pre-let on a high-specification 76 room development in Bedfordshire before then undertaking an associated forward-funded investment sale to a specialist healthcare fund, and we carried out several market studies and needs analysis assignments.

Our Medical team continued to be at the forefront of deal activity, in both the Dental and Pharmacy sectors. In the former, the market continued to consolidate with corporate and mid-sized groups extremely active. We advised on the strategic investment in Real Good Dental by TriSpan as well as the sale of two East Yorkshire Dental Studio practices, consisting of 9 surgeries, to Dentex.

In Pharmacy, the pandemic response stimulated strong sector confidence and deal activity, with highlights including the sale of the 20-strong Pearn's Pharmacies group in South Wales to Knights Pharmacy Ltd, and the sale of two South Yorkshire

groups, JM McGill Limited and D&R Sharp (Chemists) Ltd.

Our Childcare & Education team had an outstanding year, recovering particularly strongly after a challenging 2020. While activity was spread across the year, many of our larger deals reached a successful conclusion in the last quarter. The sale of Footsteps Day Nurseries to Family First Nursery Group and Oakwood House in Glasgow to Busy Bees were two of several notable transactions exchanged or completed in the latter part of 2021. Buyer demand was arguably as strong as it has ever been in the sector, with the volume of offers received by Christie & Co on businesses for sale up 45% on 2019 levels.

The Retail team experienced a very busy year. Demand for convenience retail assets was extremely strong, with Christie & Co selling 60% more convenience assets in 2021 than 2020. At the same time, the team worked throughout 2021 supporting Co-Op on their multi-phase divestment project so that by the end of the year six tranches of stores had been confidentially marketed.

Pinders, our business appraisal, valuation and consultancy business, remains a key early-stage barometer for assessing activity levels and sentiment. The V-shaped recovery it delivered in 2020 and continued through 2021 was testament to its own standing among lenders and their appetite to support loan applicants that can demonstrate – through a Pinders appraisal – an ability to repay. Pinders issued 26% more appraisal reports in the year than 2020, while increasing its own average fee by 7% in the process. It did so while increasing the number of lenders it works for and maintaining all its pre-existing panel positions. Pleasingly, the business's Consultancy and Building Services divisions also recovered well, with combined 2021 revenues 45% higher than a year earlier.

Christie & Co's own valuation team experienced an even greater recovery in activity. They carried out 51% more valuations in 2021 than 2020, with banks requesting periodic valuations that had

Chief Operating Officer's review continued

otherwise stalled during the previous two years, and saw average fees hold up well in the process.

Our finance brokerage business, Christie Finance, delivered another encouraging and progressive year. As the CBILS loan scheme gave way to the less attractive Recovery Loan Scheme, our teams were able to once more focus on commercial mortgage lending as well as sourcing refinancing and working capital facilities through its Unsecured team.

Christie Finance completed loans via 37 different lenders in 2021, a 12% increase on its lender coverage a year earlier. This

included new lenders only accessible through specialist brokers, with 60% of our commercial mortgage lending being sourced from challenger banks, niche lenders and funds.

Christie Finance's strength in its specialist sectors was further highlighted by its increased success in sourcing finance for Christie & Co business sales clients. The number of completed loans linked directly to a sale brokered by Christie & Co increased by 40% compared to 2020. Further cross-selling with other Group companies continues to be an area of opportunity.

Christie Insurance continued to work alongside Christie & Co and Christie Finance in particular, to secure cover solutions for clients in a market where premiums continued to harden and the appetite among insurers to take on new risk in certain sectors was limited. Ensuring appropriate business and mortgage protection insurance is in place by the date of completion remains a key hurdle to overcome for new business owners.

For more established business property owners, the risk of underinsuring rebuilding costs is a growing risk in a high-premium market, and an issue Pinders and Christie Insurance can work with clients to resolve.

Divisional KPIs

Professional & Financial Services Division		2021	2020
Total businesses sold		1,069	624
% Increase / (decrease) in average fee per business sold		(8.8%)	29.3%
Total value of businesses sold (£m)		1,304	823
Total valuations carried out (units)		3,705	2,642
% increase / (decrease) in average fee per valuation		1.8%	0.8%
Value of businesses valued (£m)		7,622	3,889
% increase in number of loan offers secured		(5.1%)	2.3%
Average loan size (£'000)		457	413
Stock & Inventory Systems & Services Division		2021	2020
Total stocktakes & audits carried out (number of jobs)		40,341	38,930
% increase in average income per job		3.1%	1.5%
% of visitor attraction client admissions purchased online		62.0%	58.2%

Total businesses sold in 2021	Total value of businesses sold	% increase in average fee per valuation	Value of businesses valued
1,069	£1,304m	1.8%	£7.6bn

Stock & Inventory Systems & Services

In our retail stocktaking business, Orridge, we continued to experience disruption from the pandemic in both the UK and Europe. In the UK, we were able to use the furlough scheme for the first nine months of the year to varying degrees while at the same time continuing to achieve on-site efficiency gains and service improvements. We further proved our ability to adapt to both short-notice work cessation and large scale resumption, and this allowed us to make progress in reintroducing returning clients, developing and expanding our coverage of existing customer estates, and achieving improved commercial terms.

On the continent, SISS experienced a challenging year. In Germany, we saw a number of clients opting to delay counts, and lower work volumes reduced margins where transport and PPE costs had an effect. Our Benelux operation responded well but could not avoid a subdued performance below its normal pre-pandemic performance. We anticipate a far stronger 2022 as we benefit from more normalised activity levels and the return of a significant pan-European retailer as a client, secured towards the end of 2021.

Our Pharmacy business delivered a return to pre-pandemic financial performance, benefitting from a

“All of our businesses continue to provide value-adding services. When businesses in our sectors and markets are able to trade without curtailment, we perform well.”

simplified I.T. system and strengthening our Client Relationship team. The buoyant transactional market in the sector also saw our teams servicing a high volume of business sales valuation work. We also made advances in initiating working relationships in the Veterinary sector, while securing sole-supplier status with one of our larger existing clients.

As the pandemic accelerated demand for online-only retailers, we saw growing demand for our supply chain services and distribution stock control services. As we welcomed 14 new clients to our Supply Chain division from across a number of sectors, we also strengthened our operational team.

A year ago I referenced our hospitality stock audit, compliance and consultancy business, Venners, as “traditionally profitable” after 10 months of unprecedented disruption to the UK hospitality sector which had resulted in the most untraditional of operating losses for the business. While those sector-related challenges remained much publicised and did not, sadly, vanish at the stroke of midnight on New Year’s Eve 2020, I am delighted to be able to comment on a return to profit for the second half of 2021.

The shape of that recovery in performance is illustrated by the number of jobs Venners undertook in the year. The volume of work undertaken in this respect was 2.5 times greater in H2 than in H1; using the same measure Q4 activity was 5.0 times greater than Q1. In a full year context, despite this growing recovery in activity levels, Venners still only undertook 46% of the volume of stock audits in 2021 than it carried out in 2019. There is, simply put, more to come in terms of building back to the level of work undertaken before Covid-19 and the SISS operating loss for 2021 reflects this significant contributory factor.

But our brand remains powerful and the go-to choice for owners and operators who value stock and profit control. Recognising this, the business has

continued to progress and invest. Venners launched a new website and rebrand early in 2022 showcasing its ability to continually adapt and re-invigorate, as it celebrated the 125th anniversary of its formation in 1896.

Our team of nearly 140 British Institute of Innkeepers accredited stock auditors remain in place, with a true UK-wide and market leading coverage. Venners continued to win new business in 2021, adding Tortilla, Creative Leisure and Amaris Hospitality as clients, among others. As the business moves through the first quarter of 2022, it is beginning to see the return of demand for observational audits and other compliance and consultancy services, to complement the earlier and more visible level of returning demand for stock audits in pubs, restaurants and hotels.

Our SaaS business, Vennersys, which provides ticketing and visitor-management solutions for UK visitor attractions, delivered another year of strong growth despite the disruption from the pandemic which continued to impact the tourism & leisure sector in the UK, particularly in the first half. A strong pipeline of pending installs as we began the year meant we were able to maintain momentum in the first quarter despite this, before visitor numbers began to return to UK venues which itself then translated into much improved footfall-related revenues for us as the year progressed. At the same time, we saw the proportion of our clients’ total admissions income taken online increase to 62.0% (2020: 58.2%), further highlighting the benefits of our Venpos Cloud system.

Indeed, our online revenues grew year on year by 86%, underpinning a slightly more modest 65% increase in overall revenues inclusive of licences, hardware and consultancy income. As client and installed EPOS numbers continued to grow year-on-year, we added new clients across a range of sectors, including The Vindolanda Trust, Dairyland Farm Park and Tweddle Animal Farm.

We continue to partner a dynamic, talented and growing team who have a passion for delivering a first-class customer experience for visitor attractions, with continued investment in our Venpos Cloud product which continues to evolve to meet the requirements of more complex, larger clients.

Summary

As we ended 2021 and began 2022, our focus and commitment remain on being the service provider of choice to our clients in our chosen sectors. We have demonstrated a resilient and flexible ability to do this through our teams and their impressive sector-specific knowledge and client-centric focus. We continue to recognise the importance of technology in enabling our people to provide excellent service delivery, as well as helping us achieve greater levels of synergy and cross-selling.

All of our businesses continue to provide services aimed at adding value for our clients throughout their own business’s life cycle. The performance of our PFS division in 2021 illustrates the strength of this demand starkly; when businesses in our sectors and markets are able to trade without curtailment, we perform well. The pleasing and welcome return to profitable trading in our hospitality stock audit business in the second half of 2021 only serves to emphasise this point, as do encouraging signs of improving sales activity in our retail stocktaking operations. Our SaaS business continues to grow.

Once again therefore, we can look forward to the year ahead with enthusiasm and an undimmed confidence in our people and the quality of service they provide.



Daniel Prickett
Chief Operating Officer
22 April 2022

Creating value for our stakeholders

Our vision and strategic ambition

“To be the recognised knowledge leader and pre-eminent adviser in our sectors.”

Who we are

Christie Group is a balanced, broadly based organisation with proven defensive qualities with a structure that underpins its resilience across the business cycle.

We provide an extensive portfolio of professional services for the hospitality, leisure, healthcare, medical, childcare & education and retail sectors.

Our goals recognise that business intelligence lies at the heart of the services we provide.

We have committed management teams running our businesses. As a professional services conglomerate, we benefit from a diversity of sectors and services. Our shareholders support our profitable activities and those that can become so in a realistic timeframe.

The Group has two divisions.

Professional & Financial Services

Professional & Financial Services provides transaction-related professional services, supporting sales and acquisitions of business assets in our core sectors, as well as a range of advisory services supporting operators. Its profitability is linked to transaction activity. It outperforms during the growth phase of the cycle.

Stock & Inventory Systems & Services

Stock & Inventory Systems & Services enhances operational efficiency for the businesses we serve. There is sustained demand for its services across the economic cycle.

Each division generates a significant proportion of Group revenue.

Our core values and attributes

Trustworthiness: It is vital that our clients and suppliers know they can trust us to act truthfully and honestly at all times and to know that our commitment to delivering what we promise does not waiver.

Compassion, people & communities: Our responsibilities extend beyond our most immediate stakeholders. We recognise that the well-being of the people and communities in which we operate are fundamental to achieving success. Inherent in these responsibilities are a recognition of the importance of human rights and a respect for local culture.

Integrity: We take pride in maintaining independence and objectivity in the services we provide and the advice we offer our clients. We believe our clients, our staff and our shareholders have a right to expect our ethics to be enduring and without compromise.

Flexibility: We recognise that no two clients are the same. Our ability to listen and be willing to adapt to meet their needs is a fundamental aspect of the client service we seek to provide.

Collaboration: We are certain that the best results are achieved through sharing ideas, listening positively to all contributions, and sharing knowledge. Working collaboratively is vital to delivering the best outcomes for our clients, and enhancing the knowledge and experience of our own people.

Passion: Energy, enthusiasm and desire are vital characteristics of our teams. We know that our clients apply the same values to their own businesses and have every right to expect the same of us when they choose us as a partner to work with.

Innovation: Our knowledge, flexibility and passion are key to delivering solutions which meet our clients' specific needs. We know that fresh thinking and constant re-evaluation of how best to deliver solutions for our clients is critical to achieving the best outcomes and remaining at the forefront of our sectors.

Excellence & quality: We pride ourselves on the quality of service we provide, and the professionalism with which we provide it. Our clients do not engage us to receive anything but the best service available, and we strive to meet their expectations.

Client-focus: The client is always at the very centre of what we do. All of our values and the way we operate are directed towards providing our clients with a service they value and which they feel has delivered for them, so that they want to come back to us in future and would not hesitate to recommend us to others.

Knowledge: The value of the services we provide to our clients is built on the sector-specialist knowledge we possess, accumulated over many decades of operating in our sectors. It also makes a career within our Group an enriching and rewarding experience.



Our competitive advantages

Our brands

Professional & Financial Services

CHRISTIE & CO

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

www.christie.com

CHRISTIE FINANCE

Christie Finance has over 40 years' experience in financing businesses in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers. Christie Finance is authorised and regulated by the Financial Conduct Authority.

www.christiefinance.com

CHRISTIE INSURANCE

Christie Insurance has over 40 years' experience arranging business insurance in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breadth of its cover.

www.christieinsurance.com

PINDERS

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

www.pinders.co.uk

Stock & Inventory Systems & Services

venners

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

www.venners.com

ORRIDGE the Company that Counts

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

www.orridge.eu

VENNERSYS

Vennersys operates in the UK and delivers online cloud-based ticketing sales and admission systems to visitor attractions such as historic houses and estates, museums, zoos, safari parks, aquaria and cinemas. It has over 25 years' experience delivering purpose-designed solutions for clients' ticketing, admissions, EPoS and food and beverage sales requirements.

www.vennersys.co.uk

Where we operate

The area we cover

39 offices across the UK and Continental Europe.



Our strategy

What we do

“We partner with our clients throughout their business life cycle to optimise and enhance value.”

Creating value

The Christie Group has been able to distinguish itself and gain market share by developing a range of demand services for our clients.

The range of services provided by our businesses are designed to provide a full suite of professional services through the life cycle of owning and operating businesses in our chosen specialist sectors, through acquisition, development, operations and disposal.

This has been achieved by nurturing and creating a talent among the Group to collaborate and inspire – and to spot the opportunities in the market place.

This has allowed us to create value and opportunity for all our stakeholders: clients, investors, equity markets and employees.

Why customers choose us

How we add value

We exist to help our clients buy, operate, develop and sell their businesses. We do this through supplying a range of demand services that they require with a focus on quality of service.

- We focus on sectors covering a wide range of property-based businesses
- We operate in those sectors where we believe sufficient volumes exist to generate a market in business transactions
- Our clients benefit from knowing they are being served by specialists
- We enjoy the synergistic benefits of common markets and client bases

Regardless of whether a client is looking to develop, improve, invest in, acquire or dispose of a business or asset, our companies combine to provide support throughout the client life cycle.

We never compete with our clients, nor do we adopt a principal position or co-invest. We operate in those sectors in which our experience allows us to deliver intelligent solutions. The result is a greater understanding of our clients' operations and a heightened ability to help them improve efficiency, enhance trading profits and increase the value of their business.



Creating sustainable value

Our key strategic principles

Our strategic values

Growth

We aim to grow revenues and profits consistently and sustainably. That means identifying new service line opportunities, expanding internationally where we can replicate our UK business models and services, ensuring that any growth plans are based on delivering profitable returns within an achievable timeframe and actively encouraging and enabling cross-group selling.

Return on investment

Key for any investment we make is the expectation that it can deliver profitable returns over a foreseeable timeframe to enhance the value of the Group.

All service lines should have, or be capable of (in a foreseeable time frame of three to five years) achieving, a critical mass of revenue and thereby contributing an operating profit.

We believe that the objective for operating profit returns on revenue should be no less than 20% for cyclical businesses, and no less than 10% for non-cyclical businesses. All investment principles will be considered in the context of profits achievable over a five-year timeframe and the payback period on investment.

People

We aim to secure and retain knowledge-rich client-oriented colleagues and to identify and develop future leaders. To achieve that, we know that our Group must be an attractive place to work which enables people to fulfil their potential.

Key elements required to achieve that include knowledge capture from individuals, diversity, training and professional development, the creation of an environment for 'generation now', flexible working, attractive incentivisation plans, visible career paths, defined succession planning, fostering a culture of teamwork and collaboration, cross-group events and empowerment and engagement.

Resilience and sustainability

We believe that it is vital to retain a core central resilience to support sustainability across the Group. For us, that means ensuring the following:

- Holding a sufficient level of cash or liquid assets via a central treasury function
- Owning our own assets
- Building non-cyclical services to 50% of revenue
- Increasing contracted and recurring income
- Employing a flexible business model
- Retaining key management and continually attracting new talent
- Maintaining subsidiaries as legally distinct entities
- Cyber, legal and fiduciary compliance
- Insuring risks
- Maintaining quoted status and thereby the ability to issue shares and bonds

Technology

Never has it been more important to optimise the use of technology to deliver efficiencies and generate value. In this context, we seek to identify strategic areas where centralisation may create benefits.

We believe it important to create a data and information strategy to identify data products that can be monetised. We seek to introduce a customer-first approach to customer-facing products including employee interfaces.

We know it is vital to continually explore new tech platforms available across all of our businesses that may help us service the life cycle of our clients' businesses, and to apply centralised commercial rules on all development and contracts to realise value.

Our key strategic values



Divisional review

Professional & Financial Services



Christie & Co is the leading specialist adviser for buying and selling businesses across a range of specialist sectors: hotels, pubs, restaurants, childcare, healthcare, convenience retail, leisure and medical. Our expertise covers deals of every size, from stand-alone agreements to major M&A and portfolio transactions in the UK and internationally.



“We were delighted with our performance across all our professional disciplines. We demonstrated that we can function remotely and continue to deliver exceptional results.”

Darren Bond, Global Managing Director, Christie & Co

Having built up some positive momentum during the second half of 2020, we saw higher levels of transactional activity than we anticipated across all our markets during 2021, despite the ongoing social restrictions caused by the Covid-19 pandemic.

In particular, our international business strengthened in the second half of the year, following a period when it was constrained by travel restrictions. We are yet to see any significant volumes of distress and business failure across our specialist sectors, having experienced no notable uptick during 2021.

Our investment activity, which we aim to grow as well as our core business and property sales, has also benefitted. These present excellent opportunities to grow our business further, with an emphasis on attracting a new client group.

These factors, allied with a sharper focus on our specialist markets following our sector-oriented restructuring, all contributed to an exceptionally positive year for Christie & Co as a whole and its individual teams. As a business, our culture has shifted from being almost entirely office based, with a very limited flexible working policy, to demonstrating that we can function remotely and continue to deliver exceptional results.

This is a powerful testament to the quality of our people who have performed superbly despite restricted opportunities to meet clients, physically inspect sites as well as in areas like induction and development.

We were delighted by our performance across all our professional disciplines, including Investment as mentioned above.

Our Valuation teams also performed strongly, with instruction volumes returning to pre-pandemic levels. Our Consultancy teams were also engaged on several significant pan-European projects, leveraging our expertise in working across borders.

Turning to our market sectors, we continued to build on our success in the garden-centre sector, following the sale of Wyevalle Garden Centres in 2019. We have allocated further resource dedicated to that sector, as we look to build our profile further. This was a superb year for our Hospitality teams, with close to 350 exchanges of ownership in the UK, including 110 hotels (up from 73 in 2020). Our Consultancy team supported most key transactions with due diligence, including the sales of Qbic London City, Dunkfield House Hotel in Scotland, the Lion Inn Hotel near Chelmsford and Branston Hall in Lincoln, all of which commanded significant fees.

Our Pubs & Restaurants division also had an excellent year, gathering pace following the lifting of all restrictions in July. During the year, the presence of

CASE STUDY: Christie & Co advise on sale of Branston Hall, Lincolnshire ahead of conversion to education setting

Highlighting its ability to operate across its chosen sectors, the landmark hotel and wedding venue, Branston Hall, was sold through Christie & Co to the Avanti Foundation, a sponsor of state-funded Hindu faith schools in the United Kingdom. Avanti's plans to convert the property and surrounding land to a multi-purpose educational and private events hire venue were key to their purchase, in a process which saw very high levels of buyer interest from the outset.



active corporate buyers chasing a restricted number of opportunities meant prices remained robust. Key transactions include the sale of the Little Britain Pub Company, the acquisition for Red Oak Taverns of 10 pubs from Hall & Woodhouse, and the sale of 31 Pizza Hut delivery sites to a new franchisee.

Despite the impact of the pandemic, sales activity in the Care sector was very strong as operators acted to balance risk by growing their portfolios. Demand for well-located development sites had a significant positive impact on land values. Key deals included the sale of Kingdom Homes' 12-home portfolio for £40 million to Holmes Care, and the sale for £34 million to French real estate fund SCPI Pierval Santé of three care home investments let on behalf of L&G to Care UK.

Our Care Consultancy business experienced considerable demand across a wide range of transactional and advisory assignments, and activity was particularly strong across the Care, Dental and Childcare sectors. As well as a number of operational and strategic reviews, we delivered several data-related research programmes concerning appropriate fee levels in the elderly and specialist Care sectors, we carried out research projects and due diligence across the Dental sector for corporate operators and investor clients, and we conducted commercial due diligence for an investor buyer on a leading UK school's portfolio.

In Dental, private practices emerged more strongly than ever as the NHS experienced major capacity issues. Corporate and mid-sized operators were very active, with several new buyers emerging to increase competition, and we saw more buyers for larger assets than ever before. Key transactions included the sale of nine surgeries across two sites in Yorkshire to Dentex, and the sale of two high-quality businesses in Cornwall.

The Pharmacy sector was very buoyant too, thanks in no small part to the sector's key role in the fight against the pandemic. Market appetite in the pharmacy sector remained positive, with strong deal activity



Case study: Lorne Hotel, Glasgow sold by Christie & Co in award-winning year for Hotels team

Christie & Co's Hotels team were extremely active during the year, securing 12 awards in the Hotels & Leisure category for the Estate Gazette's Radius On-Demand 2021 Rankings. The sale of the Lorne Hotel, Glasgow, on behalf of the Joint Administrators of Belhill Limited, was one such deal among 110 hotel exchanges in the UK and a strengthening second half performance internationally.

throughout 2021 and a favourable outlook for 2022. The major deals we supported in 2021 included the sales of Pearn's Pharmacies, a 20-strong group in South Wales, and J. M. McGill Limited, an 11-strong group in South Yorkshire.

Our Retail team continued to support the Co-operative Group with its ongoing multi-phase divestment programme, confidentially marketing stores to a number of independent buyers. Among other deals, our Leisure division managed the acquisition of the Virgin Active Health Club in Leeds on behalf of Bannatyne Fitness.

Our Childcare & Education division saw a significant upturn in deal volumes in 2021, with high-profile transactions including the sales of the Cherubs Nursery Group, with nine freehold settings in Yorkshire, and of Footsteps Day Nurseries and its 10 leasehold sites across the Midlands.

Our Austria-based business was our stand-out international performer, and our French team also performed strongly with multiple deals including the Fimare portfolio of nine hotels to Grape Hospitality. While our German and Finish operations saw slower transaction rates and fewer consultancy opportunities in early 2021, the second half of the year experienced a return of positive investor sentiment. Overall, we saw strong demand for resort hotels in Germany and Austria, and in Italy and Croatia around the Northern Adriatic.

CHRISTIE FINANCE

We have more than 40 years' experience in sourcing the finance our clients need to build the businesses they want. With focused expertise in the hospitality, leisure, medical, childcare & education and retail sectors, we are widely recognised today for our strong lender relationships and commitment to converting client opportunities.



“We achieved an improved financial performance across the board in 2021, increasing our average loan size and the aggregate value of offers secured for clients and increasing our headcount by 10%.”

John Mitchell, Managing Director, Christie Finance

Christie Finance had a busy and productive year in 2021, continuing and growing our core business of financing acquisitions for borrowers and providing refinancing and working capital facilities. These have included first-time entrants and experienced operators across our specialist sectors of Hospitality, Care, Childcare, Dental and Pharmacy, Retail, Leisure and Development.

As a result, we achieved an improved financial performance across the board in 2021. Average loan sizes and aggregate

value of offers of finance secured on behalf of clients increased across Christie Finance. This was helped in part by the successful facilitation of larger loans, such as the provision of working capital and revolving credit facilities for up to £1m being arranged via our unsecured division where typically the average deal size is £155k (for 2021). Similarly, our core division experienced an increase in loan sizes, with an offer of finance for £18m being arranged to facilitate the refinancing and acquisition plans of a care home group. Our corporate

debt advisory capabilities mean we are also able to target larger transactions which attract higher fees.

The continuation of the Government's CBILS loan supported several transactions throughout the first half of the year for acquisition related financing requirements and proved to be a useful support mechanism for many lenders in our unsecured and asset finance division that were accredited under the Government's scheme.

During the second half of 2021 we were able to utilise the Recovery Loan Scheme (RLS), the CBILS replacement that provided accredited lenders with the security they needed to sanction loan applications that might not have otherwise been possible. By design, this scheme does not match CBILS in terms either of uptake or effectiveness however the scheme will remain an important asset in enabling the recovery from the slowdown the pandemic brought with it.

These Government schemes have been a factor in the continued diversification of lenders from whom our clients receive funding, with the ongoing emergence of new banks, niche lenders and funds. We completed loans with 37 lenders during 2021 (up from 33 in 2020), some of which are only accessible by specialist brokers such as ourselves.

CASE STUDY: Christie Finance support first-time buyers in securing funding for unique Scottish hotel

Christie Finance's knowledge of its sectors makes it ideally placed to assist first time buyers as they start their business ownership journey. The purchase of the spectacular Corsewall Lighthouse Hotel in Stranraer showcased the team's ability to identify funding solutions through its network of lender relationships, at a time when the hospitality sector in the UK was dealing with the effects of the pandemic.



This expansion of sources of finance continued in 2021 to reduce our reliance on traditional high-street lenders.

During the year, these institutions funded just 40% of our core transactions, with the remainder being fulfilled by challenger banks and niche lenders and funds.

We continued to benefit from our close relationships with other Group companies, Christie & Co in particular. We sourced funding for business sales across all key sectors, growing the number of completed loans linked directly to a Christie & Co sale by 40%, from 67 in 2020 to 95 in 2021.

Other Christie Group companies with which we created cross-selling opportunities included Vennersys, with the successful referral of a museum client which opted to fund the installation of Vennersys software and hardware via a loan we facilitated. Another cross-selling highlight was our success in using the RLS via a challenger bank to fund the purchase by first-time hospitality operators of the Fox and Hounds Hotel in Chumleigh, North Devon in a sale carried out by Christie & Co.

As allowed by lockdown permissions, we adopted flexible hybrid working patterns during 2021, which included the controlled return of face-to-face interaction with colleagues and clients. This was a positive development, and our transition to a more

permanent adoption of flexible working was warmly received by our people during the latter part of the year and into 2022. In general, our working patterns and return to an office environment have reflected the practices adopted by Christie & Co. There were high levels of office attendance in later 2021 and into 2022,

essentially where our people have wanted this and where there are clear business advantages to be gained.

We continued during 2021 to operate as a fully authorised business with full regulatory permissions from the Financial Conduct Authority (FCA). I am pleased to report once again that no compliance issues arose during the year, either from the annual audit or our own internal monitoring procedures.

We were also recognised for the quality of our operations and our services. Plaudits received during the year included a 'highly commended' award in the CBILS Broker of the Year category from the National Association of Commercial Financial Brokers (NACFB).

Looking ahead, we continue to be confident about prospects in our core markets and opportunities to increase activity levels across all our divisions. We therefore entered 2022 with a headcount that was already 10% higher than at the start of 2020, with plans to continue recruiting fresh talent throughout the year.

Case study: Christie Finance secure funding for purchasers of Devon Country Hotel as Christie & Co run sale process

Christie Finance increased the number of Christie & Co brokered sales in which it was then involved in arranging loans by 40% in 2021. One such deal was the purchase of the Fox & Hounds Hotel in Eggesford, Devon where Christie Finance knew which lenders to approach and as a result were instrumental in securing the funding for the purchasers, after Christie & Co had brokered the sale of the property.



“Looking ahead, we continue to be confident about our prospects and opportunities to increase activity levels.”



CHRISTIE INSURANCE

Christie Insurance specialises in insurance drawing on our knowledge, experience and sector relationships to develop solutions for our clients. In addition, our close relationships with other Christie Group businesses enable us collectively to add value by delivering fully bespoke and joined-up solutions.



“The insurance market has been characterised by the cautious approach taken by insurers to new business and renewals alike, so a broker who can negotiate the right cover at the right price is likely to retain clients and attract new ones.”

Walter Murray, Managing Director, Christie Insurance

As we enter 2022, the UK insurance market is buoyant with premium growth. Under usual circumstances, this would suggest the likely return of competition within the market, which in turn would trigger premium reductions. This however seems unlikely in the short term, given the economic outlook for 2022, the continuing impact of Covid-19 and now the events in Ukraine.

Rising premiums clearly place an additional value on the quality of service provided by insurance intermediaries. The market has been characterised by the cautious approach taken by insurers to renewals and new business alike, so a broker who can negotiate the right cover at the right price is likely to retain clients, attract new ones and grow their business.

The insurer caution mentioned above has placed a natural brake on the speed at which business could be written. This was further exacerbated by the need for insurers to clarify their policy covers in the face of the pandemic, explaining any limitations or exclusions that arise from Covid-19 and clarifying what interruption ‘to the business’ means in practice and when any cover for prevention or hindrance might apply.

A number of sectors have seen particular rises in the cost of cover during the last year. Directors and Officers, Crime (fidelity) and Cyber Insurance were all subject to increases and reductions in cover. These moves were primarily due to the limited number of insurers active in these sectors, leading to reduced competition, and the continuing rise in ransomware claims.

We are in this fortunate position, which is enhanced yet further by the group environment in which we operate and the close relationships we enjoy with our sister companies. These have a direct positive impact on our business, due to the value proposition we can collectively offer clients and prospects. For example, from the initial call a business purchaser

Tailored insurance products to meet the insurable risks of our specialist sectors

In a challenging insurance market where insurers’ appetite to underwrite new risks in certain sectors is currently limited and where, as a result, premiums have continued to harden, the value of working with an insurance intermediary with expert knowledge has arguably never been greater. Christie Insurance are able to source business insurance products across our chosen sectors – Hotels, Pubs, Restaurants, Leisure, Childcare & Education, Dental, Pharmacy, Care and Retail – with the consistent focus being on identifying the best value and most appropriate cover available in the market for our clients.



can appoint Christie & Co to conduct the transaction, raise funds through Christie Finance, commission the survey with Pinders and arrange insurance cover through Christie Insurance. This is a competitive advantage that in our sector is unique to Christie Insurance.

For many businesses, their buildings represent their primary asset. However, very few review the cost of rebuilding when renewing their insurance cover or buying a business. This is because many are distracted by the market value, which bears little relation to the cost of a rebuild. This has risen significantly over the last two years, driven by increasing fuel costs, labour shortages and delivery delays. We are now targeting this as a priority area, working with our colleagues at Pinders to identify where underinsurance may exist and remedy the issue for our clients.

We have already mentioned the growth in ransomware claims, but this was just one instance of the increase we have seen in cyber-attacks. For example, during the first half of 2021 attacks on mobile devices grew by some 50%. As the widespread reliance on technology continues to grow, it is now more important than ever that businesses put cyber and data-protection measures in place. This is particularly so in view of the significant impact that all sorts of cybercrime can have on businesses, on the individuals they support and their families. Cyber insurance can protect businesses against threats and exposures including cybercrime, data breaches and systems interruption. This has been a growing focus area for us throughout 2021, and we will sharpen this yet further as 2022 progresses.



“We are in a fortunate position, enhanced yet further by the group environment in which we operate and the close relationships we enjoy with our sister companies. These have a direct positive impact on our business, due to the value proposition we can collectively offer clients and prospects.”

PINDERS

As the UK's leading specialist business appraisal, valuation and consultancy company, Pinders combines surveying skills with business analysis to accurately assess trading potential, profitability and commercial property values. Our nationwide team of RICS-qualified surveyors work closely with client businesses in sectors ranging from Care & Education, White Coat (Medical), Hospitality, Licenced & Leisure, Retail, Environmental & Specialist and Commercial Property.



“We delivered a 36% growth in appraisal income over the prior year, reflecting a strong resurgence in the volume of instructions and our highest-ever average fee level.”

Justin Cain, Managing Director, Pinders

During 2021, we saw a significant bounce-back in the volume of demand for Pinders' core valuation and property-surveying services. Just as importantly during the year we were able to sell these services at a fee level commensurate with the value of our specialist professional services. Together, these trends helped us deliver a performance significantly ahead of expectations following the challenges of 2020.

We achieved our highest-ever average fee level for appraisal-related work. We also delivered 36% growth in appraisal income over the prior year in 2021. While slightly below the total achieved in 2019, we regard this as a highly satisfactory performance reflecting a strong resurgence in the volume of instructions in combination with higher fee rates.

The White Coat sector was also notable for the 23% increase we achieved in the number of reports we carried out. This also underscores an excellent performance in this area, particularly as the Covid-19 pandemic did not materially impact the number of reports we delivered in 2020 as businesses continued to trade and be bought and sold throughout the height of the pandemic.

Overall, we were pleased to deliver a meaningful profit and a strong contribution to the Group. This was achieved despite a further significant rise in the cost of Professional Indemnity (PI) cover, as a result of the wider market conditions and despite our exemplary record of accuracy. Our profit was also ahead of that of 2019 when PI costs were significantly lower, which reflects our success in applying close management controls on operating costs.

In other important gains, we increased the number of lenders for which we work at the same time as growing the volumes we undertake for principal lending clients. As well as sustaining all our panel positions, we were added to the panel for Recognise Bank which has recently started to lend to organisations in the Dental and Pharmacy sectors. We also grew the team towards the end of the year with the appointment of new valuers covering the West Midlands and East Anglian regions.



CASE STUDY: Pinders undertake appraisal of West Country Crazy Golf course following introduction from sister company

Treasure Island Crazy Golf, in Westward Ho!, Devon, required an appraisal and valuation following a referral from fellow group company, Christie Finance. The Crazy Golf and Go-Kart business in North Devon occupies a site of 1.33 acres including part of the inter-tidal foreshore and sits adjacent to The Pebble Ridge as a Site of Special Scientific Interest. With a purpose built go-kart track, 18 hole crazy golf course and onsite food & beverage venue, Pinders were well-placed to carry out the instruction, illustrating their knowledge of Leisure businesses in a year in which their appraisal income from the Leisure sector increased by 23%.

Pinders experienced no bad debts in the year. We believe this reflects the strength of our relationships with key clients, which will continue to stand us in good stead in the years ahead.

On the divisional front, our Consultancy team successfully delivered income in line with 2019 and achieved with fewer resources, which added a strong contribution to reducing our operating costs.

Our Building Services division performed in line with expectations and exceeded its 2019 outcome by 6.5%. This was achieved from a wide variety of work, including a number of portfolio assignments, as well as some large scale single assets, including a number in the leisure and hospitality sector. Further, we believe that there is potential for increased levels of activity in this sector during 2022.

Towards the end of the year, our Leisure and Hospitality division saw instruction levels grow, driven by the entry of new lenders and increased activity from incumbent challenger lenders. We have several advantages in this market. For example, because our database provides extensive statistics with which to forecast a business's trading outlook, we are particularly well placed to secure instructions from lenders wishing to review loans when a business falls into distress. Client feedback also suggests our service times are significantly better than those of our competitors.

Case study: Pinders value former slate mine turned tourist attraction

Pinders were instructed to value Corris Caverns at Machynlleth in mid-Wales. Part of the former slate mine had been converted to a tourist attraction, explorer activity and retail craft centre, together with a café. The valuation included the extensive underground areas that were formerly used as Braich Goch Slate Mine, now converted for use as King Arthur's Labyrinth. The venue also boasts the Corris Mine Explorers experience, together with The Stone Circle maze as part of a total attraction site spanning just over 20 acres. Pinders were instructed by one of the largest lenders in the UK, in a year in which they sustained all of their lender panel positions and delivered 36% growth in their overall appraisal income.

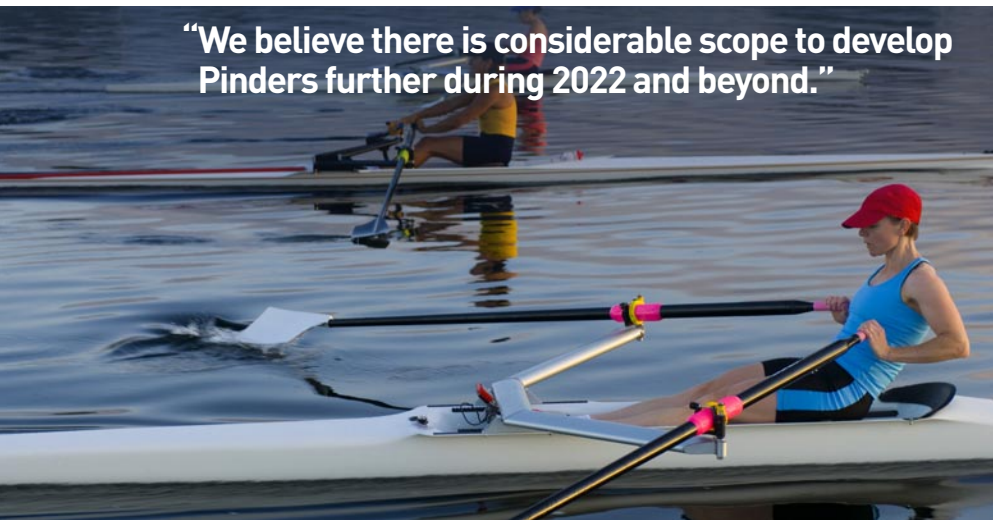


Our benchmark data is also a valuable asset in the Dental sector, in which clients have been increasingly seeking our opinion on the outlook for their practices following the end of lockdown.

Looking ahead to 2022, we believe competition levels may fall as a result of some valuation firms having to reduce

their range of services due to restricted terms in their Professional Indemnity cover. We also believe there is considerable scope to develop Pinders further during 2022 and beyond, and we look forward to a year of strong progress.

“We believe there is considerable scope to develop Pinders further during 2022 and beyond.”





Orridge is a trusted stocktaking provider, operating throughout the UK and Europe to deliver accurate and cost-effective stocktaking and stock auditing solutions to a strong customer base in the Retail and Healthcare sectors. Our leadership position is based on a reputation for consistent high-quality service, earned over more than 175 years in the industry.



“Our operational improvements enabled us to deliver significant onsite efficiency gains, improved gross margins and enhanced service levels, while we are seeing the sales pipeline grow across all the Orridge businesses.”

Darren Flack, Managing Director, Orridge Retail, Pharmacy & Supply Chain

In one of the most challenging periods in history for the UK high street, Orridge & Co's unmatched pedigree and experience enabled us to deliver a highly resilient performance that gives us a sound platform for future growth.

Our Pharmacy business returned to pre-pandemic levels of financial performance. This was underpinned by the unique combination of our reputation for quality, our market-leading data-capture and management-information capabilities,

and our acknowledged strengths in consultancy and account management.

Our Retail operations experienced a difficult period for sales as stores in several sectors remained closed. Despite this, our team made substantial progress on further improving productivity and efficiency while simultaneously enhancing our standards of customer service. Delivering against both goals is a major achievement in any circumstances, but particularly at a time when our Field

Operations team was operating at a significantly reduced headcount following our use of the Coronavirus Job Retention Scheme.

As an essential sector, Pharmacy was less affected by the pandemic than other areas of the high street, and our performance reflected this. Another contributory factor was the streamlining of our stocktaking IT system, which gives us greater capability to take advantage of the peak period each year when demand has historically always exceeded supply.

Despite the deferral of some work from existing customers, our new sales performance outperformed expectations. We were appointed by many new customers during the year and were awarded sole-supplier status by an existing client with an estate of over 100 managed stores and a network relationship with over 1,000 independently owned operations. We were awarded a high volume of valuation work preparatory to business sales, and we were encouraged by our ability to adapt to the need for greater flexibility than is normally required in conventional stocktaking. We were also pleased by our developmental work with two substantial new veterinary clients, a sector we decided to target in early 2021 due to the clear synergies with Pharmacy.

In Retail, we were fortunate in that the backbone of our customer base, including brands such as Wilko, Boots, Poundland

“Prospective Retail customer engagement has noticeably improved and we're seeing the sales pipeline grow”



and the Co-operative Group, are deemed essential retailers and therefore remained open. While sales were flat for the first nine months of the year, our operational improvements enabled us to deliver significant onsite efficiency gains which have led to improvements in our gross margins.

With service improvements including better accuracy, reduced quality issues and enhanced Service Line Agreement (SLA) adherence, no customers have elected to tender or benchmark our contracts. All have confirmed our high service standards are the reason for this. Our re-appointment by former customers underscores our quality advantage, as does the decision by a major luxury fashion retailer to increase our share of its stocktaking business from 10% to 100%.

Our ability to adapt to circumstances and deliver despite unpredictable and fast-changing work patterns to meet auditor requirements delivered further key benefits for customers. This was most clearly exemplified by working with a customer to deliver a creative solution to their specific stocktaking requirements.

While new sales were elusive during the first nine months of the year, the sales pipeline re-emerged in the final quarter. In a very pleasing win, we were appointed by a pan-European customer in November in a contract that goes live in 2022, setting the scene for a successful year ahead. Despite its challenges, 2021 was a broadly satisfactory year for Orridge across Europe, as retail in Germany remained open for business and we continued to make a trading profit in Belgium. Overall, our strategy of competing by offering a high-quality service rather than on price continued to be the right one, and our gross-profit percentages remained high.

While new business opportunities were limited, several highly profitable new clients came on board via our Supply Chain Services team in the UK. This relatively new function had an excellent year, as it

Case study: Demand for supply chain services grow strongly in 2021

While Orridge remains one of the leading pan-European retail stocktakers of store-location inventory, it continues to expand its Supply Chain Services reflecting operators' requirement for continually-accurate stocks to feed their distribution networks and online sales. Orridge added 14 supply chain clients in 2021 in an excellent year for the division, as Store Delivery Checking, Pick Accuracy Checking and Load Adherence Checking prove increasingly invaluable services for retailers. It means Orridge can offer retailers a truly one-stop shop covering every aspect of their stocktaking needs.



focused on building a client base for our comprehensive stock-accuracy services across multiple sectors including retail and manufacturing. It is of particular strategic importance to us, as we can now offer retailers a true one-stop shop covering every aspect of their stocktaking needs.

Prospective Retail customer engagement has noticeably improved, and we are seeing the sales pipeline grow across all the Orridge businesses. We enter 2022 with a new, substantial Pan-European customer and positive discussions with others giving us cause for optimism.



Venners is the clear market leader in stocktaking, inventory, and related services for the UK hospitality sector. By delivering a wide-ranging portfolio of solutions across the UK and Europe, it helps businesses manage the risks they face, boost performance and generate greater productivity.



“Venners remains the largest hospitality stocktaker in the UK. After the lockdowns that were in place for much of the first half, Venners delivered a positive second half that gives us a strong platform for further recovery in 2022.”

Scott Hulme, Managing Director, Venners

Covid-19 continued to have a very major impact on the hospitality sector during 2021, significantly more than had been anticipated at the beginning of the year. However, Venners remains the largest hospitality stocktaker in the UK.

The lockdowns that were in place for much of the first half of the year delayed the sector's recovery. However, real momentum gathered from May onwards, and Venners delivered a positive second half that gives us a strong platform for further recovery, heading into 2022.

Our actions added further to this momentum through the expansion of our product suite, which has created

opportunities for us to venture into previously untapped markets. Our Compliance and Consultancy solutions, for example, have enabled Venners to provide solutions to businesses outside the core Hospitality sector, facilitating our access to new customer markets including waste management, construction and food production.

In parallel, we have continued successfully to evolve our structure and internal and external processes. This has enabled us to work closely with our existing clients, supporting them through their own recoveries, and also to provide support to our many new customers.

Innovation remains an important part of our strategy, and we have continued the rollout across our client base of our online Client Portal. This solution, which gives customers a singular point of reference and overview relating to all elements of stock control, is proving to be a popular tool.

Our reputation as a trusted and respected market leader continues to make us an attractive supplier for new clients. In our core market, this has made us the partner of choice for several prestigious and high profile companies including the Flight Club and Lane 7 businesses as they continue with their expansion plans.

Recognition of our auditing expertise has also spread to other sectors. For example, we have recently completed production analysis for Westbridge Foods to assist them in increasing their output by 10% while improving product quality.

As will be the case across many parts of the UK economy, we anticipate that 2022 will be a further year of recovery and transition for the Hospitality sector. With 2021 having largely been a write-off for many operators in terms of achieving budget, their focus in 2022 will concentrate on returning to profitable operating positions. As part of this, and as resourcing issues continue to affect the sector, they will target finding more efficient ways of running their businesses. As a result, we believe outsourcing of stock control will be on many operators' agendas as they look to free up valuable



“I have worked with Venners in various businesses since 2001. I have engaged with Venners for stocktaking, compliance, and staff training. They have always been supportive, dedicated, and thorough. Their team have helped me improve my yield during a challenging period via their Stock Excellence workshops and Till Monitoring services.”

Andy Proudfoot
Head of Commercial
Union of Brunel Students



management time to concentrate on operational efficiency.

Venners' multi-option product suite will also be increasingly attractive, as companies turn to multi-faceted solutions to mitigate the risks that exist in different areas of their businesses. While stock auditing, management and control are still central to our business, our Consultancy and Compliance services will also continue to grow in popularity.

The Consultancy team's 'Follow the Money' approach proved popular in 2021, delivered via operational service surveillance, control system reviews and operational business health checks. We expect the team to continue using this approach throughout 2022 and beyond.

Our Compliance division also remains well positioned to continue providing services that address risk, corporate governance and profit retention, all elements of business analysis that are going to be increasingly central to operators' success as they continue their recoveries.

Training has been another important focus for our own and our clients' businesses. With large numbers of the UK's workforce having experienced some 'downtime' through furlough, getting people back to work and performing to pre-pandemic levels is an objective for many businesses. Training or re-training is pivotal to achieving this, and we have put all our staff through numerous training courses to progress their own development. We have also delivered many training courses for our clients as they look to re-instil best practice across the workforce.

We are also committed to supporting our staff from a well-being perspective. Numerous support initiatives have been rolled out across the business, all with the key objective of ensuring that our staff feel part of a caring and responsible business.

Cash flow and profitability have never been more important than in the current economic climate. Ensuring we deliver a return on investment, to our customers and all other stakeholders, is fundamental

Case study: Venners celebrates 125th anniversary with return to profit in second half

As the pandemic continued to disrupt hospitality businesses across the UK, Venners recovered encouragingly as the year progressed. The strength of this recovery was reflected in a positive profit performance in the second six months. Its range of value-adding stock control, compliance and profit-focused consultancy services remained in demand as soon as pubs, hotels and restaurants across the UK were able to trade. Retaining a team of nearly 140 BII-accredited stocktakers, Venners continue to be the partner of choice for hospitality clients – whether independent pubs or corporate groups – seeking in-depth knowledge on how best to manage and control their stock and inventory, minimise waste and maximise profits from their food and beverage venues.



to Venners' operational strategy. Our ability to adapt to unforeseen circumstances has stood us in good stead over the last two years and means that we remain in a strong position to support our clients through whatever the future holds.

With the deployment of technological advancements such as our Client Portal and Bespoke Audit Tool, we are able to

provide cutting-edge, market-leading support and solutions.

As we look ahead, these developments mean we can continue to provide the best levels of support across the board, to clients in the Hospitality sector and also to those in markets that are new to our business.

“We are committed to supporting our staff from a well-being perspective, with numerous initiatives rolled out across the business.”





With our industry-leading cloud-based Venpos software-as-a-service (SaaS) product, Vennersys is a high-quality provider of integrated online ticketing, EPoS and visitor-management software. Using Venpos enables visitor attractions to create a one-stop integrated ticketing and point-of-sale solution for visitor attractions.



“Our focus remains on driving growth in our recurring revenues, and we will continue to make the investments necessary to progress these. We can now interface with 900 additional suppliers, including hotels.com, Salesforce and Microsoft Dynamics.”

Paul Harding, Managing Director, Vennersys and a Christie Group plc Director

Vennersys significantly increased its revenues between 2020 and 2021. This growth was driven by an accelerating trend, caused by the Covid-19 pandemic, in which visitors are increasingly buying tickets online rather than at onsite kiosks. During the year, the online share of all ticketing grew to 70% of sales, up from just 60% in previous years.

This shift has created several important benefits for certain operators, including shorter visits generating the same spend and less overcrowding despite increased

overall visitor numbers. Such trends are bringing about an improved user experience and hence enhanced customer loyalty. These benefits have made an important positive contribution to our business growth, with new wins in sectors including play centres, animal farms and historic properties helping to increase our client numbers.

We believe that the positive pressures involved will remain in future and that online ticketing levels will settle at around 60% - 65% of the total, supporting us in

our focused effort to double our client base in the next few years. As part of this drive to increase our client base, we are ramping up our efforts to exploit our close ties with fellow members of the Christie Group. In particular we are increasingly targeting cross-selling opportunities with Christie Finance and Christie & Co.

We also expect further revenue growth from our existing clients arising from the further development of our market-leading SaaS product to the Leisure Industry. This confidence in our future growth is also supported by the significant increase in demand we are witnessing among potential customers aiming to upgrade their technology as part of their post-pandemic recovery programmes.

To capture these long-term revenue opportunities, we worked during the year to stay at the forefront of our clients' needs. We are now able to interface with 900 additional suppliers, including hotels.com, Salesforce and Microsoft Dynamics, which deliver major additions to our product. We also continued to invest in our technology in all areas of the business, including Amazon Web Servers as a key component and achieving compliance with the Payment Card Industry (PCI) Data Security standard. Our experienced team of developers is now focused on a progressive but highly achievable roadmap for 2022, including the delivery of improvements and additional depth to our Customer Management System (CMS).

CASE STUDY: Scottish Country Park with 20,000 capacity look to Vennersys as the solution to their ticketing and events needs

Dalkeith Country Park, located just outside Edinburgh and containing 1,000 acres of stunning woodland and historic buildings, needed a visitor management system that could meet all of their POS, CRM and ticket requirements as well as enabling them to manage regular events of up to 20,000 visitors. After evaluating a number of possible solutions, Dalkeith recognised that the Venpos Cloud system could offer more functionality than others in the market as well as being cost-effective. Describing the system as “incredibly adaptable” the client was quick to roll out their use of it to a number of their sites within the park.



All the above factors are enabled by the outstanding contribution of our talented team. The improvements they delivered underpinned an excellent year and we added additional resource to customer support as an important investment in client retention and development to drive recurring revenue. While we continue our investment, we expect returns to increase rapidly once we have reached critical mass.

We also continued to invest in our people, with a focus on spotting, developing and retaining talent. There is considerable competition for good individuals in the IT industry at present, and we are committed to identifying the best people early, training them and promoting as appropriate. During the year, for example, we promoted several apprentices within our support area as they gained pace and knowledge. We also appointed a high-achieving member to take overall responsibility as product owner which will help drive the roadmap in the areas that the product most needs it.

Looking ahead to 2022 and beyond, our focus remains on driving growth in our long-term recurring revenues, and we will continue to make the investments necessary to progress these. In addition, as our markets continue to emerge from the pandemic, we will continue to add functionality in our Venpos product suite and benefit from growing transactional fees.

“We have continued to invest in our talented team of people, with a focus on spotting, developing and retaining talent.”



Financial review



In 2021 we returned the Group to profitability, with significant growth in revenues alongside enhanced operating margins, as the benefits of the decisive changes implemented during 2020 begin to deliver. Moreover, we exited 2021 with a stronger balance sheet to support our future growth ambitions.

“We ended the year with an improvement in net funds to £4.6m and we reduced overall borrowings by £2.6m.”

Income statement

	HY1	HY2	Total	Var
	£'000	£'000	£'000	HY2 v HY1 £'000
Result by half years				
Revenue	28,587	32,665	61,252	4,078
Operating profit	1,807	3,387	5,194	1,580

Income statement

Revenue for the full year was up by 45% to £61.3m (2020: £42.2m), whilst the result for the year was an operating profit of £5.2m (2020: £5.0m loss) – a £10.2m improvement on 2020.

As the above highlights, we achieved a significantly stronger second half year profit as Covid-19 restrictions continued to ease. This demonstrates the continued demand for our services, whilst illustrating the benefit of the changes implemented during 2020, enabling us to benefit from operating a lower operational gearing model going forwards following a review of our remuneration structure.

During the year, we received £2.6m of government support (2020: £8.2m) which was principally in our SISS hospitality & retail businesses in the first half of the year.

Cash and net debt

We ended the year with an improvement in net funds to £4.6m (2020: £4.1m), measured as cash & cash equivalents minus total borrowings, and we reduced overall borrowings by £2.6m to £3.6m at the end of 2021.

Cash generated from operations was £3.2m. This reflects the growth in working capital required as activity increased together with the full settlement of negotiated payment term extensions with government agencies during 2020.

Capital investment

The Group continued to invest in capital expenditure (£0.5m) including development of its proprietary visitor attraction software and we believe that this investment will yield positive returns in future years.

Pension schemes

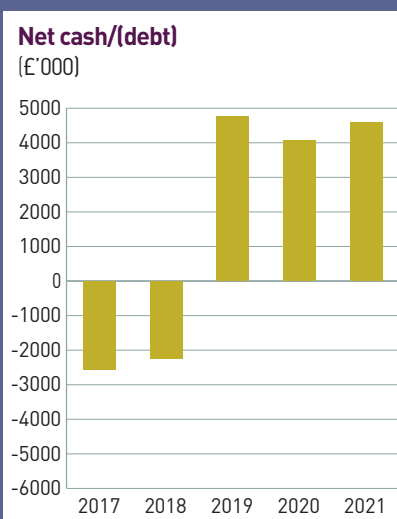
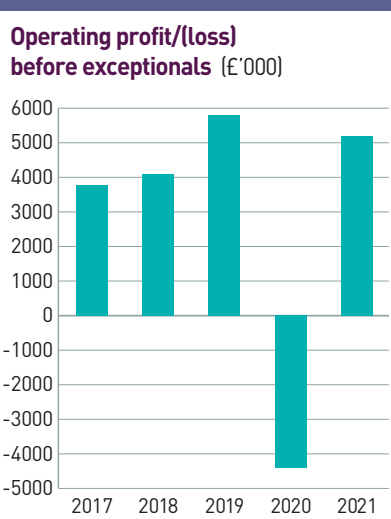
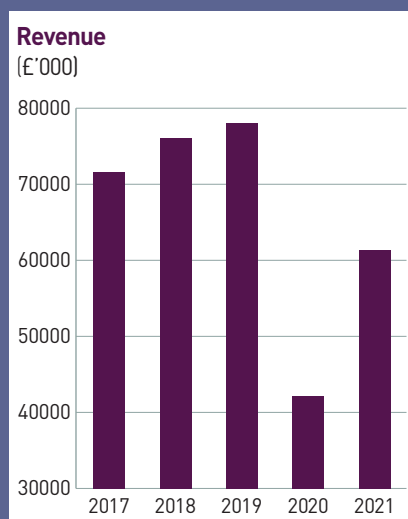
In the year, the pension liability as measured at the balance sheet date in accordance with IAS 19 & IFRIC 14, reduced by £11.1m compared to 2020. This was principally due to changes in actuarial assumptions particularly regarding the increase in the discount rate and a strong investment performance.

As a Group, we endeavour to mitigate pension risk exposure with our defined benefit schemes closed to new members since 1999 and 2000 respectively. Active employee membership of our defined benefit schemes stands at less than 2% of our average total number of employees employed, whilst the remaining eligible employees are members of our defined contribution schemes. The Group continue to work closely with the trustees in managing pension risks, although the trustees have sole responsibility for investment strategy.

Financial review continued

KPIs			
	Group	Professional & Financial Services	Stock & Inventory Systems & Services
Revenue movement %			
2021 on 2020	45.1%	67.0%	9.2%
2020 on 2019	(45.9%)	(43.0%)	(50.1%)
2019 on 2018	2.6%	5.9%	(1.9%)
2018 on 2017	6.2%	6.8%	5.5%
2017 on 2016	11.1%	15.9%	5.3%
Operating profit/(loss) before exceptionals as % of revenue			
2021	8.5%	17.3%	(13.6%)
2020	(11.9%)	(7.1%)	(19.8%)
2019	7.4%	13.6%	(6.2%)
2018	5.4%	13.0%	(2.2%)
2017	5.3%	13.0%	(3.5%)
EPS (pence)			
2021	13.71p	33.03p	171.0%
2020	(19.32)p	(34.62)p	(226.3%)
2019	15.30p	4.07p	36.2%
2018	11.23p	1.76p	18.6%
2017	9.47p	4.06p	75.0%

	Group	Movement
Net cash/(debt) £'000		
2021	4,599	521
2020	4,078	(674)
2019	4,752	7,040
2018	(2,288)	280
2017	(2,568)	3,143



Key performance indicators (KPIs)

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

- **Revenue movement %** – is a key indicator that the Group monitors.
- **Operating result %** – an important part of our strategy is the profitable growth of our businesses and one measure of this is the operating profit % margin. This is measured as operating result (before exceptional items) as a percentage of revenue.
- **Earnings per share (EPS) growth** – an important part of our strategy is the growth in our EPS. This is measured both in absolute terms and year-on-year % growth
- **Net cash/(debt)** – a key metric for the Group is its cash and debt resources. Net cash/(debt) position is closely monitored.

Group

At a Group level, we have made strong progress in all KPIs in the year. Operating profit margin increased to 8.5% – the highest it has been in the last five years – whilst EPS continued its upwards trend over the last few years once the 2020 Covid-19 year is excluded.

PFS

We made significant progress in the PFS division during 2021, rebounding from a Covid-19 affected 2020. Revenues returned to levels approaching pre pandemic levels, whilst operating profit was significantly ahead of this with the operating profit percentage increasing to 17.3% – the highest it has been during the 5 year period displayed. Our ambitions for the division remain unaltered; profitable growth through the strategic expansion of our service

offerings, expanding our geographical footprint where we can replicate our UK business models and services while remaining focused on our specialist sectors. The investment we have made and continue to make has created an international infrastructure, capacity and operational gearing which make further improvement of these KPIs a realistic objective.

SISS

As noted in the preceding Chairman and Chief Executive's Review & the Operational Reviews, the SISS division was still impacted by the pandemic especially in the first half of 2021. Having said that, we did make progress in the year. We have confidence for the reasons set out that we are now on-track to return the division to profit within a relatively short timeframe following the pandemic.

Taxation

The absolute tax charge for the year was a charge of £0.3m (2020: £1.3m credit).

There was a reduction in the deferred tax asset of £1.7m (2020: £2.5m increase) and this is principally reflective of the movement in the retirement benefit obligation during the year.

Earnings per share (EPS)

I am pleased to report that EPS recovered strongly in the year to 13.71p. This provides a good foundation for future growth going forward.



Simon Hawkins

Group Finance Director
22 April 2022

Principal risks and uncertainties

We operate in a world with a heightened awareness of risk. In growing and developing our businesses we have made a conscious decision to try and minimise unrewarded risk. We have done this in the following ways:

1. We are growing a European business in order that we are less dependent on the success or otherwise of one country's economy;
2. We provide an extensive portfolio of professional services for the hospitality and leisure, care and education, medical and retail sectors, so that we are not dependent solely on the fortunes of one sector;
3. We offer a spread of services across our two divisions, for example, transactional, advisory and support; and
4. We have a spread of work which deliberately covers both corporate and private clients.

That stated, whilst we have endeavoured to reduce risks, we are not immune to movements in the global economy, changes or developments in the economic environment, or changes to the regulatory and legal framework in the countries in which we do business, the impacts of which could be present, future or retrospective. In addition, alongside impacts that can arise from changes in business and consumer confidence, such things as the effect of natural disasters, wars, terrorist attacks, pandemics, epidemics, banking crises, currency crises and changes in behaviour pattern due to environmental based legislation can all impact our business in unexpected ways. All of our activities rely on the recruitment and retention of skilled individuals. Each of our divisions, though, face certain risks that are unique to the services they provide, and they are categorised under the divisional headings below.

The following may adversely affect our markets and businesses:

Professional & Financial Services (PFS)

- changes in interest rates;
- lack of bank liquidity and more conservative lending criteria; and
- rising professional insurance premiums.

Stock & Inventory Systems & Services (SISS)

- changes in employee and business legislation, including changes in the interpretation and application of national minimum wage regulations;
- a decrease in the availability of labour;
- increases in transport costs;
- technology changes affecting the retail and hospitality sectors; and
- economic slowdown.

The above list of risks is meant to highlight, in addition to any noted elsewhere in this report, those we consider relevant today and is not intended to be an exhaustive list of risks facing the businesses. Global and national disruptive economic events – notably the potential impact of climate change, Brexit and the war in Ukraine – are not risks that are considered unique to any of the services we provide.

The Board and Group's approach to risk and risk management is set out in the Corporate Governance report on pages 40 to 41 and the Audit Committee report on page 45.

Section 172(1) statement

Section 172 of The Companies Act 2006 states that: a Director of the Company must act in the way he / she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term;
- b. the interests of the Company's employees;
- c. the need to foster the Company's business relationship with suppliers, customers and others;
- d. the impact of the Company's operations on the community and environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f. the need to act fairly as between members of the Company.

The Board reviews strategy annually and reviews annual business plans and budgets of each trading subsidiary annually. When reviewing those plans, the Directors have regard to how those plans may deliver profitable performance in the immediate year ahead but also how investment might support longer term visions for the growth and expansion of profitable revenue streams. This longer-term outlook is reflected in the five key strategic principles of the Group which have been endorsed by all of the Directors.

The interests of the employees of the Company and the wider Group are reflected in the key strategic principle of aiming to secure and retain knowledge-rich client-oriented colleagues. Engagement with and the recruitment and development of employees and workers is explained on page 47 of the Directors' report.

Included within the 10 core values and attributes is a client-centric focus in how the Group and its employees operate. Excellence & quality, Integrity, Flexibility and Trustworthiness are central to how the Directors believe they and all employees within the Group should conduct themselves in all business relationships.

Alongside this, the Directors recognise that their responsibilities extend beyond the Group's most immediate stakeholders. The Board recognises that the well-being of the people and communities in which the Group and its trading businesses operate are fundamental to achieving success.

Board of Directors & Officers



David Rugg Chairman & Chief Executive

David is Chairman and Chief Executive of Christie Group plc which is the holding company for the Group's seven trading businesses. David has been responsible for the identification and integration of our principal business acquisitions and involved in the business start-ups which together now comprise the Group. David is appointed as a Companion member of the British Institute of Innkeeping, a Friend of the Royal Academy of Culinary Arts, and Life Patron of the Springboard Charity.



Dan Prickett Chief Operating Officer

Dan joined Christie Group in December 2007 after previously having worked at Grant Thornton, MacIntyre Hudson and Inchcape Retail. Having been appointed to the Board in March 2010, Dan spent over seven years as Chief Financial Officer before being appointed as Chief Operating Officer in September 2017. As COO, Dan has responsibility for Administration, Compliance, Legal, Regulatory, Insurance, Pensions, Corporate Banking, Property, Investor Relations and Financial PR matters. Dan is a fellow of the Institute of Chartered Accountants in England and Wales and holds a Bachelor of Laws (LLB) degree.



Simon Hawkins Group Finance Director

Simon has over 25 years' experience in managing all financial aspects of companies both in the UK and internationally. Simon qualified as a Chartered Accountant with KPMG and was a Manager in the manufacture, retail and distribution department responsible for preparation of financial and regulatory reporting before spells at Rugby Cement and Texon International where he gained experience of working with private equity. In 2005, Simon joined Christie & Co as Finance Director, looking after the financial management of Christie & Co's UK and international businesses, Christie Finance and Christie Insurance, before being appointed as Group Finance Director in September 2017. Simon has a BSc Hons Degree in Accounting and Financial Management.



Paul Harding Executive Director

Paul has worked for Orridge for over 30 years. When Christie Group acquired Orridge in December 2002 Paul was Sales Director. He was appointed as Managing Director in 2004 and has been responsible for developing the Company into a pan-European retail stocktaking business. Paul was appointed Orridge Group Chairman in October 2018. Paul has also been the Managing Director of Vennersys since 2012.



Hwfa Gwyn Non-executive Director

Hwfa has been CFO of Hybrid Air Vehicles Ltd since February 2014, having previously been a Non-executive Director of the business. He qualified as an accountant with PwC in London, specialising in the audit of small and mid-cap growth businesses. He worked for KordaMentha, a top corporate recovery firm in Australia. He has a BA (Hons) in Economics and Politics from Bristol University and is a Chartered Accountant. Hwfa Chairs the Remuneration Committee and is also a member of both the Audit and Nomination Committees.



Andrew Doyle Non-executive Director

Andrew is an accomplished executive with international experience in fundraising, operations, P&L oversight, multi-channel sales and marketing, software development, involving start-up, growth stage and large organisations. He has a strong track record of delivering change and growing sales. Andrew currently holds one non-executive directorship with Kelly Hunter (UK) Ltd and is executive Chairman of NorthRow Limited. Andrew Chairs the Nomination Committee and is also a member of the Audit Committee and Remuneration Committees.



Simon Herrick Non-executive Director

Simon has over 30 years' experience in senior finance roles in multinational FMCG, property, consultancy, food, software, manufacturing and retail sectors. His experience covers AIM and fully listed plc environments, refinancing, governance, strategy, international, capital markets, control, risk, audit and finance, pension, remuneration, business and digital transformation. Simon qualified as a Chartered Accountant with PwC and is a Fellow of the Institute of Chartered Accountants in England and Wales, holds an MBA and a B.Sc. (Hons) in Microbiology. He has held a variety of executive positions, with his most recent position being with Blancco Technology Group plc, before pursuing a career as a Non-executive Director. Simon currently holds a number of non-executive directorships, including Biome Technologies plc, FireAngel Safety Technology plc and Ramsden Holdings plc. Simon Chairs the Audit Committee and is also a member of the Nomination and Remuneration Committees.



Charlotte French Company Secretary

Charlotte French joined the Group in July 2014 as Group Accountant and Internal Auditor and was promoted to Internal Auditor and Compliance Officer in 2017 before being appointed as Company Secretary in March 2019. As Company Secretary, Charlotte has responsibility for overseeing the corporate governance of the Group. Charlotte also has responsibility for the administration of investor relations and oversees the Group's internal audit and compliance function. Charlotte is a qualified chartered accountant.

Corporate governance report

The Directors are committed to delivering high standards of corporate governance for the Company's shareholders and all other stakeholders including employees, suppliers, clients and the wider community. The Board recognises the importance of strong corporate governance. The Directors consider that full compliance with the UK Corporate Governance Code is excessive and have instead chosen to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') as an accepted alternative, which it considers appropriate for AIM companies of its size. The Company applies the QCA Code to the extent detailed within this report when read in conjunction with the AIM Notice 50 disclosure on the Christie Group plc website.

The Board of Directors operates within the framework described below.

Establish a strategy and business model which promote long-term value for our shareholders

The Board formulated the current Group strategy in July 2018, the details of which are published on the Christie Group plc website. The Board meets annually for the specific purpose of reviewing the strategy, thereby always ensuring that it remains appropriate and endorsed by the Board as a whole. The last meeting was held in July 2021. As stipulated by the QCA code, this strategy encompasses a wider set of considerations than products and corporate structures, capturing the strategic vision and ambition of the Group, its core values and attributes and key elements required in implementing the strategy – Growth, Return on Investment, People, Resilience & Sustainability and Technology. The Board seeks to ensure that the strategies of its various subsidiary companies are aligned with this overarching Group strategy.

Seek to understand and meet our shareholders' needs and expectations and build trust

The Board seeks to respond quickly to all queries and enquiries received from shareholders, and the Chairman and Chief Executive welcomes feedback from all stakeholders. He is supported on Investor Relations matters by the Chief Operating Officer and Group Finance Director.

The Board recognises that the AGM provides an important opportunity to meet private shareholders in a transparent and open forum.

The Company seeks to keep shareholders and potential investors informed of trading performance and outlook, to the best of its ability, through the release of its Annual Report and Accounts, Interim Results and Annual General Meeting Statement.

The Company discloses the outcome of all shareholder votes in a clear and transparent manner by either publishing a market announcement or by reporting it on the Company website.

The Company website sets out details of the Investor Relations approach adopted, along with relevant contact information and all other information that the Board consider necessary to ensure shareholders have access to relevant and timely information and an understanding of the strategic aims and objectives.

Consider wider stakeholder and social responsibilities and their implications for our long-term success

The Board acknowledges a wide range of stakeholders, including but not restricted to, customers, employees, suppliers and shareholders.

The Group places compassion, people and communities among its core values and attributes and seeks to foster a strong moral and ethical climate which underpins how it conducts business.

Feedback from all employees and stakeholders is encouraged and welcomed, with various processes in place across the Company and its trading subsidiaries to capture that feedback and, where appropriate, consider it at Board level.

Embed effective risk management, considering both opportunities and threats, throughout the Group **Risk management**

The Board has the primary responsibility for identifying the major risks facing the Group. The Board has adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, organisational and compliance issues. The Board has identified a number of key areas which are subject to regular reporting to the Board. The policies include defined procedures for seeking and obtaining approval for major transactions and organisational changes.

Risk reviews carried out by each subsidiary are updated annually as part of an ongoing risk assessment process, along with Business Continuity Plans ("BCPs"). The focus of the risk reviews is to identify the circumstances, both internally and externally, where risks might affect the Group's ability to achieve its business objectives. An overall risk assessment for the Group is prepared. The management of each subsidiary periodically reports to the Board any new risks.

In addition to risk assessment, the Board believes that the management structure within the Group facilitates free and rapid communication across the subsidiaries and between the Group Board and those subsidiaries and consequently allows a consistent approach to managing risks. Certain key functions are centralised, enabling the Group to address risks to the business present in those functions quickly and efficiently. BCPs are maintained across the Group to ensure that any potential disruption to trading is minimised in the event of an unscheduled event or occurrence.

Alongside these controls, the Group maintains its trading subsidiaries as distinct legal entities in order to mitigate against the possibility that a risk in one entity may impact another.

The Board is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' interests and the Group's assets. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed. The key features of the system that operated during the year are described below.

Internal control

The key procedures which the Directors have established with a view to providing effective internal control are as follows:

- Regular Board meetings to consider the schedule of matters reserved for Directors' consideration;
- A risk management process (see above);
- An established organisational structure with clearly defined lines of responsibility and delegation of authority;
- Appointment of staff of the necessary calibre to fulfil their allotted responsibilities;
- Comprehensive budgets, forecasts and business plans approved by the Board, reviewed on a regular basis, with performance monitored against them and explanations obtained for material variances (see below);
- An Audit Committee of the Board, comprising Non-executive Directors, which considers significant financial control matters as appropriate;
- Documented whistle-blowing policies and procedures; and
- An internal audit function.

The Internal Auditor, reporting to the Chief Operating Officer on a day-to-day basis, operates with a mandate to perform their duties under the authority from the Chairman and Chief Executive and to examine all areas of compliance across the Group as he may consider appropriate or necessary from time to time. The Internal Auditor may report to and take direction from the Audit Committee on matters which fall within its terms of reference.

Risks and Uncertainties

See page 36.

Financial planning, budgeting and monitoring

The Group operates a planning and budgeting system with an annual budget approved by the Board. There is a financial reporting system which compares results with the budget and the previous year on a monthly basis to identify any variances from approved plans. Rolling cash flow forecasts form part of the reporting system. The Group remains alert to react to other business opportunities as they arise.

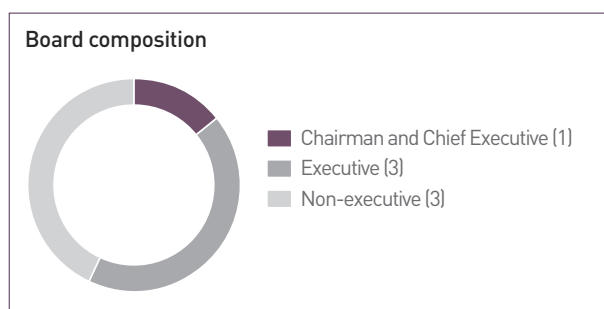
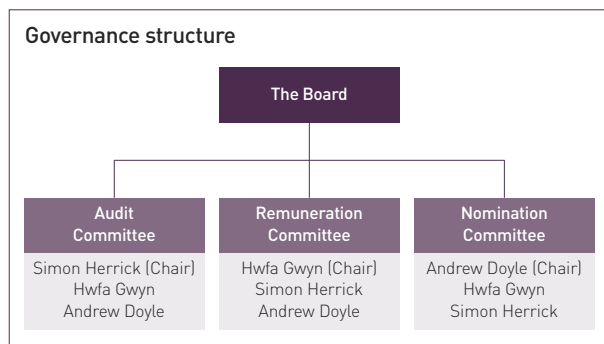
Maintain the Board as a well-functioning, balanced team led by the Chair

The Board

The Board sets the Company's strategic aims and ensures that necessary resources are in place in order for the Company to meet its objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

The Board of Directors meet at least five times a year to review the performance of the Group, led by the Chairman and Chief Executive. All Directors receive regular information on the performance of the Group. Relevant information is circulated to Directors in advance of meetings.

Whilst the Board has delegated the normal day-to-day management of the Company to the Executive Directors and other senior management there are detailed specific matters subject to decision by the Board of Directors. These include acquisitions and disposals, joint ventures and investments and projects of a capital nature. The Non-executive Directors have a particular responsibility to challenge constructively the strategy proposed by the Chairman and Executive Directors; to scrutinise and challenge performance; to ensure appropriate remuneration and to ensure that succession planning arrangements are in place in relation to Executive Directors and other senior members of the management team. The Chairman holds informal meetings with individual Non-executive Directors without the other executives present. The senior executives enjoy open access to the Non-executive Directors with or without the Chairman being present. In short, the Directors talk to each other.



As at 31 December 2021 the Board comprised four Executive Directors and three Non-executive Directors. At 31 December 2021 there were two fully independent Non-executive Directors. Independent Non-executive Directors are appointed through a process focussed on ensuring no prior connection to the Group or pre-existing relationships with any members of the management.

The combined role of Chairman and Chief Executive was instigated in September 2017 by the retiring Chairman and senior Non-executive Director with the support of the Board. While it is recognised that separation of the two roles is commonly perceived as a more desirable Corporate Governance standard, the Board, with the exclusion of the Chairman and Chief Executive, felt that the experience, stability, commitment, and enthusiasm he could bring to the role offset this.

All Directors retire by rotation and stand for re-election by shareholders, in accordance with the requirement that a number nearest to but not exceeding one third of the serving Directors who are otherwise not eligible for re-election under Article 107 stand for re-election at each Annual General Meeting.

Non-executive Directors

The Non-executive Directors do not have service agreements and have no automatic right of re-appointment. They are regarded by the Board as bringing experience to the Board from their fields of business and finance, and ensure that all matters of strategy, performance, progress and standards are debated thoroughly.

The table below shows the extent to which each of the Non-executive Directors complies with objective tests on independence:

Question	Chris Day*	Hwfa Gwyn	Victoria Muir**	Simon Herrick	Andrew Doyle
Has been an employee of the Company or Group within the last five years?	Yes	No	No	No	No
Has, or had within the last three years, a material business relationship with the Company directly, or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Company?	Yes	No	No	No	No
Has received or receives additional remuneration from the Company apart from Directors' fees, participates in the Company's share option or performance-related pay scheme, or is a member of the Company's pension scheme?	Yes	No	No	No	No
Has close family ties with any of the Company's Directors, senior employees or advisers other than disclosed separately?	No	No	No	No	No
Holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies?	No	No	No	No	No
Represents or is a significant shareholder?	No	Yes	No	No	No
Has served on the Board for more than nine years from the date of their first election?	Yes	No	No	No	No

* Chris Day was appointed as a Non-executive Director on 1 September 2020 and stepped down from the Board on 16 June 2021. Chris was not considered to be independent having been previously served as an Executive Director since 1996.

** Victoria Muir was appointed to the Board on 14 May 2018 and stepped down from the Board on 16 June 2021. Victoria Muir was considered to be fully independent.

Hwfa Gwyn was appointed to the Board on 18 September 2017 and is not considered to be independent by virtue of his family connection to the Life President and significant shareholder, Philip Gwyn.

Simon Herrick was appointed to the Board on 1 May 2021 and is considered to be fully independent.

Andrew Doyle was appointed to the Board on 1 June 2021 and is considered to be fully independent.

Board Committees

The Board is supported by three Committees: Audit Committee, Remuneration Committee and Nomination Committee, each having written terms of reference, which can be viewed on the Company's website.

The reports of the Audit Committee and Remuneration Committee are reported separately on page 45 for the Audit Committee and 50 to 52 for the Remuneration Committee.

All of the Non-executive Directors sit on all three Committees. The Board, in their collective assessment, are satisfied that all Non-executive Directors discharge their duties and responsibilities with appropriate objectivity and independent judgement.

Attendance at Board and Committee Meetings

Board and Committee meetings are scheduled in advance for each calendar year with the exception of the Nomination Committee where meetings are held on an ad hoc basis. Additional meetings are arranged as necessary. The Board and Committee meetings and attendance of the members during the year ended 31 December 2021 were as follows:

	Board (10 meetings inc. AGM)	Audit Committee (5 meetings)	Remuneration Committee (7 meetings)
David Rugg (Chairman and Chief Executive)	10	4*	7*
Dan Prickett (Chief Operating Officer)	10	4*	7*
Simon Hawkins (Group Finance Director)	10	4*	–
Paul Harding (Executive Director)	10	–	–
Chris Day (Non-executive Director)**	7	3*	–
Hwfa Gwyn (Non-executive Director)	10	5	7
Andrew Doyle (Non-executive Director)**	5	2	3
Simon Herrick (Non-executive Director)**	5	2	3
Victoria Muir (Non-executive Director)**	6	3	4

* Asterisk denotes attendance by invitation

** Asterisk denotes those serving part year (and attendance for all eligible meetings)

In addition to the above, the Board met to review Strategy, and to thoroughly review the trading subsidiaries' business plans and budgets.

The Executive Directors and subsidiary Managing Directors all work full-time for the Company or its subsidiaries.

The Non-executive Directors sit on Committees and Boards outside of Christie Group plc. These are summarised in the Board biographies on pages 38 to 39. All Non-executive Directors are able to devote an appropriate portion of their time to Company matters and this is monitored by the Chairman.

Nomination Committee

The Nominations Committee meets as required from time to time and is comprised of Andrew Doyle as Chair, the Chairman and Chief Executive, and co-opted board members. Appointments are considered by the Board as a whole upon the recommendation of the Committee.

Shares and Shareholdings

The interests of Directors are set out on page 52.

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Nominations Committee of the Board oversees the process and makes recommendations to the Board on all new Board appointments. Board appointments are considered on merit having due regard to the balance of skills required on the Board and the individual skills and experience of any proposed appointment, as well as the benefits of being able to draw on diverse experiences and backgrounds.

Professional, industry and sector-specific experience are considered objectively in the context of the requirements of the role.

At the end of 2019 the Board carried out a skills evaluation which was reviewed again at the end of 2020. The evaluation identified that the skills held by the Board in aggregate include a wide range of relevant skills and experience in areas of commercial, governance and financial expertise which are appropriate to the Company and its trading businesses, risks and opportunities. Following the changes to the Board during 2021, the board are due to carry out a skills evaluation during 2022 to ensure that there are no critical gaps. Several technical skills were identified within the subsidiary company boards. Arrangements are made for the Group Board to avail itself of such expertise as the requirement may arise.

Where any individual training requirements are identified the Board is fully supportive of each Director attending such training. In addition to this, individual Board members take responsibility for maintaining their own continued professional development as may be applicable.

Evaluate the Board performance based on clear and relevant objectives, seeking continuous improvement

In the last quarter of 2020, a review was carried out by the Board of the way in which the Board operates, its effectiveness and areas of potential improvement with the results collated in late 2020. In completing this process, consideration was made of the FRC's Guidance on Board Effectiveness. Each Board member was invited by the Chairman to provide responses to a series of questions with the option that responses could be treated as confidential if each individual so desired. There was no such request. The results were collated by the Chairman and common themes, observations and desired actions were circulated and discussed with the Board in early 2021. At the strategy day in July 2021, it was agreed that following the changes to the Board during 2021, the Board would not carry out their next Board evaluation until the new Non-executive Directors had been in position for at least a year.

Succession plans are required to be in place across trading subsidiaries and are submitted by each Managing Director to the Chairman and Chief Executive.

The Chairman and Chief Executive evaluates succession planning throughout the Group and will discuss with the Non-executive Directors as appropriate.

No Executive Director, nor the Chairman and Chief Executive, is present at any Remuneration Committee meeting when their own remuneration is discussed.

Promote a corporate culture that is based on ethical values and behaviours

In formulating the Group strategy, the Board has identified a number of core values and attributes which it considers key to how all companies within the Group and their employees conduct themselves, including all members of the Group Board. These core values have been communicated on the Christie Group plc website and disseminated among the management teams of the trading subsidiaries of the Group.

These core values and attributes comprise the following:

- Trustworthiness
- Compassion for people & communities
- Integrity
- Flexibility
- Collaboration
- Passion
- Innovation
- Excellence & quality
- Client-focus
- Knowledgeable

A fuller explanation of the Company's core cultural values and attributes are set out on the Company website and form an intrinsic part of the published strategy.

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

We have set out above details of our approach to Corporate Governance, the governance structures in place and why they are appropriate for the Company.

The above also sets out the roles and responsibilities of the Chair, the Chief Executive, the other Executive Directors and the Non-executive Directors and matters that are reserved for the Board.

The roles of the Board Committees setting out any terms of reference and matters reserved by the Board for their consideration can be found in the respective Committee reports and the terms of reference published on the Company's website.

In addition, the Company website contains a Corporate Governance page containing further details.

Audit Committee report

Committee composition

The Audit Committee consists of the Non-executive Directors, Simon Herrick, Andrew Doyle and Hwfa Gwyn, with Simon Herrick as Chair. Victoria Muir was a member of the Committee until she stepped down from the Board on 16 June 2021. Biographies of each Non-executive Director are set out on page 39.

Role and responsibilities

The Audit Committee meets no less than twice a year with the auditors in attendance. The Committee also assists the Board in observing its responsibility for ensuring that the Group's accounting systems provide accurate and timely information and that the Group's published financial statements represent a true and fair reflection of the Group's financial position and its performance in the period under review.

The Committee also ensures that internal controls and appropriate accounting policies are in place, reviews the scope and results of the audits, the independence and objectivity of the auditors and establishes that an effective system of internal financial control is maintained.

The Committee has primary responsibility for making a recommendation on the appointment or re-appointment of the external auditor.

Mazars LLP were appointed as statutory auditor on 17 September 2019. An effectiveness review of Mazars' own performance is carried out each year following the publication of the Annual Report and Accounts and the completion of the statutory audit process. The reappointment of statutory auditor remains subject to approval at the Company's Annual General Meeting each year.

In order to maintain the independence of the external auditors, the Board has determined guidelines as to what non-audit services can be provided by the Company's external auditors and the approval processes related to them. Under those policies, work of a consultancy nature will not be offered to the external auditor unless there are clear efficiencies and value-added benefits to the Company. Additionally, the auditor confirms its independence in writing each year. The Committee also monitors the level of non-audit fees paid to the external auditor.

Services provided by the Group's auditor

During the year, the Group obtained the following services from the Group's auditor as detailed below:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Audit services				
– audit of the Parent Company and consolidated financial statements	33	20	33	20
– audit of the subsidiary company financial statements	170	155	–	–
Total audit fees	203	175	33	20
Other services – other	–	–	–	–

Consideration of the financial statements

In making its recommendation that the financial statements be approved by the Board, the Audit Committee has considered the audit findings of Mazars LLP and discussed them with both the auditor and the Executive Directors. Specifically, the Audit Committee has considered and approved the audit approach to be undertaken by Mazars LLP and gave specific consideration to Mazars' significant findings. Those significant findings identified, examined and reported on a number of key risks and areas, including:

- Revenue recognition;
- Management override of controls;
- Recoverability of investments and intercompany debtors;
- The carrying value of goodwill;
- The assumptions used in valuing the Group's defined benefit obligations;
- Going concern;
- The accounting policies and disclosures and their compliance with International Accounting Standards; and
- Compliance with the QCA Corporate Governance Code.

The Committee also considered Mazars findings and recommendations in relation to Internal Controls, as well as ensuring that the financial statements were free from any material misstatements. It should be noted that in doing so, no material misstatements or material internal control weaknesses were identified during the audit process. Where the Committee has felt it necessary to make further enquiries on assumptions or calculations used by management, it has done to ensure it has a full understanding of the issues raised and the accounting methodologies used.

Simon Herrick

Chair of Audit Committee

Environmental reporting

Streamlined Energy and Carbon Reporting (SECR)

Summary of Energy consumption

Christie Group plc's UK energy use associated with the Group's operations during the 2021 financial year have been calculated and are detailed below. The energy use relates to activities for which Christie Group plc are responsible:

- Combustion of gas;
- Combustion of fuel for the purposes of transport; and
- The purchase of electricity by the Company for its own use, including for the purposes of transport.

Summary of Absolute Energy

Division	FY21 Energy (kWh)	FY20 Energy (kWh)
Professional & Financial Services	1,648,750	1,538,139
Stock & Inventory Systems & Services	3,354,374	4,034,636
Total	5,003,124	5,572,775

GHG Emissions Summary

GHG emissions associated with Christie Group plc's operations during the 2021 financial year have been calculated and are detailed below. The emissions are from transport for all companies within the Group and also electricity and natural gas consumption.

It can be seen in the tables above and below that the Group energy consumption has decreased by approximately 10% in FY21 from FY20. The Group's emissions have decreased by 12% since FY20.

A carbon intensity ratio has been established to assess the normalised carbon performance of operations based on the Company's annual turnover.

The establishment of a carbon ratio allows Christie Group plc to make more accurate comparisons of their carbon impact between financial years. The carbon intensity figure includes Scope 1, 2 and 3 GHG emissions and is based on the global revenue figure.

Summary of Absolute GHG Emissions

Greenhouse Gas Scope

Scope 1 emissions (tCO₂e)

Emissions from of combustion of gas
Emissions from combustion of fuel for transport

Scope 2 emissions [location-based] (tCO₂e)

Emissions from purchased electricity

Scope 3 emissions (tCO₂e)

Emissions from business travel in employee-owned vehicles where company is responsible for purchasing the fuel

Total emissions (tCO₂e)

Summary of Carbon Intensity Ratio

(tonnes CO₂e per £ turnover)

Normalisation	FY2021	FY2020
TCO ₂ e/£ turnover	0.000020	0.000032

Energy management and energy efficiency measures undertaken

Christie Group plc continuously work to reduce energy consumption and improve energy efficiency across the Group. As transport contributes to the largest proportion of the total greenhouse gas emissions, we have focused our efforts in this area with one of our companies looking to introduce fleet requirements centred around Hybrid and EV vehicles in future years. In the most recent reporting period, a number of our companies have used video conferencing to conduct meetings that would otherwise be face to face and are still conducting hybrid working arrangements.

Quantification methodology

This assessment is produced in line with UK Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance (March 2019). The methodology used is the GHG Protocol Corporate Standard for quantification and reporting of greenhouse gas emissions and removals. The operation control approach was taken to determine the organisational boundary.

The assessment measures, where possible, the carbon dioxide equivalent (CO₂e) emissions associated with business activities. CO₂e includes the six main GHGs covered by the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), hydrofluorocarbons (HFCs), nitrous oxide (N₂O), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). It is considered important to report these GHGs as the global warming potential (GWP) of certain GHGs may be many times greater than that of CO₂.

Greenhouse gas emissions have been calculated from energy consumption records reported by suppliers and mileage data from the internal finance team. Where actual data is not available, an estimated energy usage figure has been calculated by pro-rata extrapolation or from a comparable time frame.

	FY2021			FY2021		
	Professional & Financial Services	Stock & Inventory Systems & Services	Group	Professional & Financial Services	Stock & Inventory Systems & Services	Group
Scope 1 emissions (tCO ₂ e)						
Emissions from of combustion of gas	56.7	1.1	57.8	76.6	1.0	77.6
Emissions from combustion of fuel for transport	18.9	339.8	358.7	16.5	612.8	629.3
Scope 2 emissions [location-based] (tCO ₂ e)						
Emissions from purchased electricity	96.5	41.3	137.8	110.7	23.8	134.5
Scope 3 emissions (tCO ₂ e)						
Emissions from business travel in employee-owned vehicles where company is responsible for purchasing the fuel	200.8	442.8	643.6	146.3	376.1	522.4
Total emissions (tCO ₂ e)	372.9	825.0	1,197.9	350.1	1,013.7	1,363.8

Directors' report

for the year ended 31 December 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Business review

The Strategic report provides a review of the Group's performance during the year, its strategy, its key performance indicators, and a description of the principal risks and uncertainties facing the business. The Chairman and Chief Executive's review of the year is included in the Strategic report section on pages 2 to 5.

Results and dividends

The results for the year are set out in the consolidated income statement on page 60, and the consolidated Statement of Comprehensive Income on page 61. The Directors recommend the payment of a final dividend of 2.0p (2020: 0.0p) per share which together with the interim dividend of 1.0p (2020: 0.0p) per share, makes a total of 3.0p (2020: 0.0p) per share totalling £780,000 (2020: £nil) for the year. The profit for the year before tax and before other comprehensive income was £3,891,000 (2020: £6,339,000 loss) and the profit attributable to equity holders of the Group for the financial year, after taxation and including other comprehensive income, was £13,426,000 (2020: £11,378,000 loss).

Important events since the end of period and likely future developments

As permitted under section 414C(11) of the Companies Act 2006, the Directors have chosen to include in the strategic report (on pages 2 to 37) particulars of important events affecting the Group which have occurred since the end of the period and an indication of likely future developments in the Group's business.

Directors

The Directors of the Company in office at the date of this report, together with their biographical details, are shown on pages 38 to 39. During the year Chris Day and Victoria Muir stepped down from the Group Board and all related Committees on 16 June 2021. Simon Herrick was appointed on 1 May 2021 and Andrew Doyle was appointed on 1 June 2021 to the Group Board during the year and all other Directors served throughout the year. Simon Hawkins and Hwfa Gwyn retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting. Directors' interests are shown in the Remuneration Report. During the year under review and as at the date of the Directors' report, appropriate Directors' and officers' insurance was in place.

Director indemnities

Directors' and Officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. Where considered appropriate, deeds have been executed which indemnify certain Directors of the Company as a supplement to the Directors' and Officers' insurance cover. The indemnities, which constitute a qualifying third-party

indemnity provision as defined by section 234 of the Companies Act 2006, were first enacted from 21 November 2019 and remain in force for all current and past Directors of the Company to whom an indemnity has been awarded.

Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Group performance. The Company operates an employee share ownership scheme which provides eligible employees with the opportunity to become a shareholder in Christie Group plc and further align their own interests in the Group's performance and share price. In terms of employee information and updates, each individual employer within the Group engages with employees and workers as the Board of each business considers appropriate and to the extent that is permissible noting Christie Group plc's obligations to comply with the requirements of AIM and the Market Abuse Regulations.

The Group is committed to providing equality of opportunity to all employees and workers regardless of sex, gender, marital status, race, religion, nationality, age, disability or sexual orientation. When recruiting, all of the Group's businesses do so on the basis of an objective assessment of applications received and whether candidates have the appropriate skills and experience required for the role. Promotions and appointments are made on the basis of merit and should be without regard to any other factors. Each of the Group's businesses is committed to the continual development of its employees and workers where that development is considered appropriate in enabling the better performance of an individual's role.

The importance of the interests of all Group employees and workers is recognised by the Directors and reflected in the Strategic Values of the Group. One of the Group's five key strategic values is the reward, retention and development of people, and the Directors place a number of core values and attributes at the heart of its strategy.

Customer and Supplier Interests

The core values and attributes of the Group, as set out on page 44, capture the Directors' fundamental beliefs on how the Group does business.

Acquisition of Own Shares

During the year the Company funded the purchase of 224,000 (2020: 124,000) of its own ordinary shares, through an Employee Share Ownership Trust, for a consideration of £223,000 (2020: £89,000). To enable it to meet awards under its SAYE and other share schemes; the Company also sold 51,000 (2020: 51,000) of its own ordinary shares during the year, through an Employee Share Ownership Trust, for a consideration of £35,000 (2020: £68,000). The total holding of the Employee Share Ownership Trust as at 31 December 2021 was 513,000 shares (2020: 339,000 shares), which represents 1.96% (2020: 1.28%) of the current issued share capital.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. See note 3 for information.

Health, safety and the environment

The Directors consider the health, safety and environmental protection aspects of the business to be of great importance, as the prevention of personal injury, the avoidance of damage to health and the protection of the environment are important business and social responsibilities. Management practices within the Group are designed to ensure so far as is reasonably practicable, the health, safety and welfare at work of employees, contractors and visitors and the implementation of environmentally aware and friendly policies.

Going concern

The Directors have considered detailed and extensive financial forecasts, in light of the disruption caused by Covid-19. Those forecasts cover a period up to 31st December 2023, using the information available to management at the time.

Having reviewed these forecasts and reviewed the implications of them in terms of cash flow and the available cash resources, management believe the Company has sufficient resources to continue as a going concern for the foreseeable future.

These financial forecasts were produced in November & December 2021 and reviewed in March 2022 and therefore reflect actual financial performance up to that date, with forecasts for the subsequent period up to 31st December 2023.

These financial forecasts and going concern assessments have been shared with the statutory auditors, Mazars LLP.

Viability statement

The Directors have assessed the prospect of the Group over a longer period than the 12 months required under the traditional 'going concern' assessment. The Board made its assessment by reference to three-year plans relating to each of the trading subsidiaries of the Group and in doing so considered the following:

- The achievability of those three-year plans;
- The inherent headroom within those plans, allowing for reasonable adjustments for foreseeable risks;
- The ensuing cash generative ability of each business relative to its projected profitability; and
- The diversified spread of revenue streams, currencies, market risks and geographical diversification inherent in the conglomerated composition of the Group.

In doing this, the Board also considers the following:

- The strength and continual promotion of our trading company brands;
- The recurrent nature of certain of our business services;
- The opportunity to raise further capital as an AIM listed enterprise;
- The qualifications, expertise and skills of our multi-discipline workforce;
- The wide age range and diversity of our staff;
- Our proactive recruitment, training & succession plans;
- Our continuous systems development for both internal & external application;
- The general policy of incurring short-term leasing commitments;
- The performance and productivity link to variable commission and bonus payments;
- Our protection of Copyright & Trademarks & our retention of Intellectual Property Rights; and
- The maintenance of our operational policies, procedures & protocols.

The Group Board's conclusions on going concern as set out above are consistent with this viability statement.

Post balance sheet event

On 24 February 2022, Russian military forces entered Ukraine. We confirm that we have since carried out an assessment of the potential impact of this military conflict on the trading activities of each subsidiary in the Group, including the impact of mitigation measures and uncertainties. The precise impacts on our trading outlook for 2022 and longer term remain uncertain and may remain so as long as the war continues, although to the extent that any impact arises or has already arisen, we would currently anticipate that the most likely impact will be on those operations within our Professional and Financial Services Division where the pace and progress of transactions may be affected by ongoing war in the region. In the event of military conflict in Ukraine extending beyond those country borders and into central and Eastern Europe, all of our businesses – both in the UK and Internationally – are not immune to the direct and indirect macro-economic consequences of war in any country or continent in which we operate.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution proposing Mazars LLP be re-appointed as auditor of the Company will be put to the Annual General Meeting.

Disclosure of Information to Auditor

Directors of the Group have confirmed that in fulfilling their duties as a Director:

- so far as they are each aware, there was no relevant audit information of which the auditor is unaware; and
- they have taken all reasonable steps that a Director ought to have taken to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of s.418 of the Companies Act 2006.

This report was approved by the Board on 22 April 2022.

C E French

Company Secretary

Whitefriars House
6 Carmelite Street
London EC4Y 0BS

Registered No. 01471939

Remuneration Committee report

The Remuneration Committee meets no less than twice a year and is responsible for determining main Board Directors' and subsidiary company Managing Directors' remuneration together with the terms and conditions of their service contracts. It has access to relevant comparable information in respect of similar businesses.

The Committee is also responsible for the allocation of options under the Company's executive share option scheme. The Committee also maintains a watching brief over the general employment terms and pay structures, existing or proposed, for the subsidiary trading companies. The Remuneration Committee consists of the Non-executive Directors, Hwfa Gwyn, Andrew Doyle and Simon Herrick, with Hwfa Gwyn as Chairman.

Part 1 of this report sets out the Company's remuneration policies for the Directors for the year ended 31 December 2021. These policies are likely to continue to apply in future years, unless there are specific reasons for change, in which case shareholders will be informed in future reports. Part 2 sets out details of the remuneration received by Directors during the year ended 31 December 2021.

Part 1. Remuneration Committee (not subject to audit)

The Remuneration Committee, which consists solely of Non-executive Directors, makes recommendations to the Board on the framework of executive remuneration and determines specific remuneration packages on their behalf. The Chairman and Chief Executive normally attends the Remuneration Committee meetings. Attendance by any other Director is by invitation only. Neither the Chairman and Chief Executive, nor any other attending Executive Director is present when their own remuneration is being considered by the Committee.

- Base salary is reviewed annually and in setting salary levels the Remuneration Committee considers the experience and responsibilities of the Executive Directors and their personal performance during the previous year. The Committee also takes account of external market data, as well as the rates of increases for other employees within the Company.
- Annual bonuses for Executive Directors of the Christie Group plc are calculated by reference to the consolidated operating profit of the Group. Operating profit is considered an appropriate measure of performance as it is expected to correlate to cash generation and earnings per share, and in doing so align with enhancing shareholder value. Bonuses for Executive Directors are normally uncapped so as not to disincentivise the achievement of significant outperformance potential, where that may exist. Where Christie Group plc Executive Directors have responsibility

for the operational performance of a particular trading subsidiary or subsidiaries within the Group, an appropriate element of their bonuses is determined by reference to the performance of those particular trading subsidiaries. Bonuses are designed to incentivise performance and to contribute a significant proportion of an individual's total earnings. Remuneration arrangements across the Group's various business are intended to reflect this approach. Bonus arrangements are subject to annual review by the Remuneration Committee.

- Benefits are primarily the provision of cars, pensions and health insurance.
- Share options are granted having regard to an individual's seniority within the business and, together with the Group's Save As You Earn scheme (SAYE), are designed to give Executive Directors an interest in the Group's share value.

Service contracts and/or letters of appointment

Executive Directors

It is the Group's policy to appoint Executive Directors under service agreements terminable by either party giving a minimum of six months' notice. David Rugg has a two-year notice period that was agreed on flotation of the Company and this is still considered appropriate.

There are no predetermined provisions for compensation on termination within Executive Directors' service agreements. However, the Group believes that severance arrangements should be restricted to base pay and consequential payments such as bonus and pension accrual. Nevertheless, the circumstances of the termination and the individual's duty and opportunity to mitigate loss would be considered.

Non-executive Directors

The Non-executive Directors have a letter of appointment, which specifies an initial appointment of 12 months. Their appointment is subject to Board approval and election by shareholders at the Annual General Meeting following appointment and, thereafter, re-election by rotation. There are no provisions for compensation payments on early termination in the Non-executives' letters of appointment.

The fees of the Non-executive Directors are determined by the Chairman and Chief Executive and are designed to reflect the time and experience which the Non-executive Directors bring to the Company.

Outside directorships

None of the Executive Directors hold external Non-executive directorship positions.

Part 2. Directors' Emoluments (Information required to be audited)

	Salary, commissions & fees £'000	Long-term share schemes £'000	Bonus £'000	Benefits £'000	Pensions £'000	2021 £'000
David Rugg	420	–	165	46	–	631
Dan Prickett	208	–	104	12	14	338
Paul Harding	218	–	54	15	20	307
Simon Hawkins	162	–	78	13	11	264
Hwfa Gwyn	32	–	–	–	–	32
Chris Day*	15	–	–	–	–	15
Victoria Muir*	15	–	–	–	–	15
Simon Herrick*	21	–	–	–	–	21
Andrew Doyle*	19	–	–	–	–	19
	1,110	–	401	86	45	1,642

* Disclosed Directors' emoluments are only for the period that they were a Director of Christie Group plc.

	Salary, commissions & fees £'000	Long-term share schemes £'000	Bonus £'000	Benefits £'000	Pensions £'000	2020 £'000
David Rugg	232	–	33	60	–	325
Chris Day	200	–	–	14	10	224
Dan Prickett	172	–	33	11	9	225
Paul Harding	178	–	31	12	10	231
Simon Hawkins	136	–	33	12	6	187
Hwfa Gwyn	27	–	–	–	–	27
Laurie Benson*	24	–	–	–	–	24
Victoria Muir	27	–	–	–	–	27
	996	–	130	109	35	1,270

* Disclosed Directors' emoluments are only for the period that they were a Director of Christie Group plc.

Salaries, commission and fees shown above for 2020 recognise voluntary reductions in Executive Directors' salaries and Non-executive Directors' fees which took effect from 1 April 2020. Chris Day's emoluments reflect his service during the year as an Executive Director initially, prior to his appointment as a Non-executive Director on 1 September 2020.

Directors' pension entitlements

At the year end the highest paid Director had accrued benefits under Company pension schemes as set out below:

	2021 £'000	2020 £'000
Defined benefit arrangement:		
Accrued annual pension at end of year	57	55

Chris Day is a deferred member of the Christie Group plc Pension & Assurance Scheme administered by the Broadstone Group. Since ceasing active membership on 31 March 2019, Chris received salary in lieu of pension contributions, included within the pension's column of his 2020 remuneration as set out above and this remained the case until 5 June 2020.

Dan Prickett and Simon Hawkins receive employer contributions as members of the Group defined contribution scheme and, to the extent that those contractual contributions exceed their annual pension allowance limits, the excess is paid as salary in lieu subject to income tax and national insurance deductions. All such contributions, whether paid as direct contributions into the defined contribution scheme or as salary in lieu of pension, are reported above within the pension column.

Paul Harding receives salary in lieu of pension contributions which are reported above within the pension's column above.

Remuneration Committee report continued

Directors' interests

Details of the Directors' interests in the ordinary shares of the Company are set out below:

	31 Mar 2022	31 Dec 2021	31 Dec 2020
David Rugg (*)	1,291,804	1,291,804	1,272,760
Paul Harding	337,870	337,870	337,870
Dan Prickett	75,000	75,000	75,000
Simon Hawkins	126,240	126,240	126,240
Chris Day	–	–	762,847
Hwfa Gwyn	1,026,535	1,026,535	–
Victoria Muir	–	–	10,000
Simon Herrick	–	–	–
Andrew Doyle	–	–	–

(*) Included within the 4.87% shareholding shown above for David Rugg is a 4.76% beneficial holding of Mrs T C Rugg. Individually Mr Rugg holds 0.11% and holds no beneficial interest in Mrs Rugg's 4.76% shareholding.

In addition to interests shown above the following Directors hold share options under Company share option schemes:

Dan Prickett holds 150,000 share options, 50,000 granted in October 2013 at 75.0p and 100,000 granted in May 2015 at 127.5p, exercisable between October 2016 and May 2025.

Paul Harding holds 100,000 share options, granted in May 2014 at 134.5p, exercisable between May 2017 and May 2024.

David Rugg, Dan Prickett, Paul Harding and Simon Hawkins are all participating members of the Group's SAYE scheme.

The market price of the shares at 31 December 2021 was 97.5p (31 December 2020: 90.5p) and the range during the year was 84.5p to 128.5p (year to 31 December 2020: 57.5p to 128.5p).

Hwfa Gwyn

Chair of Remuneration Committee

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are also responsible for ensuring that they meet their responsibilities under AIM rules.

Independent auditor's report

To the members of Christie Group plc

Opinion

We have audited the financial statements of Christie Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Company Statement of Changes in Shareholders' Equity, the Company Statement of Financial Position, the Company Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- Evaluating the key assumptions used and judgements applied by the Directors in forming their conclusions on going concern;
- Examining the headroom between the available and required cash resources of the Group under the base case forecasts and evaluating whether the Directors' conclusion that liquidity headroom remained was reasonable; and
- Reviewing the appropriateness of the Directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	How our scope addressed this matter
Revenue recognition (Group and Parent Company) Refer to Accounting Policies (Note 2) and Note 5 of the financial statements. There is a presumed significant risk in relation to revenue recognition. We pinpointed this risk to revenue cut off, being the potential to inappropriately shift the timing and basis of revenue recognition. Specifically: • The Parent Company trades exclusively with holding entities within the Group. As these revenues are typically invoiced on a monthly or quarterly basis, the risk principally concerns the cut off of such revenues. • Stocktaking revenues are recognised immediately after the occurrence of the counting event. Accordingly, the risk of inappropriate revenue recognition primarily concerns cut off. • Licence fees arise from contractual licensing agreements in place with customers, which licence the use of software systems over a given period of time. These revenues are deferred and subsequently released over the lifetime of a contract. There is a cut off risk in relation to the deferral and subsequent release of such revenues. • Agency, consultancy and valuation fees are contract-based and can be long-term, spanning one or several financial year ends. Accordingly, the risk of revenue recognition primarily concerns cut off.	Our audit procedures included, but were not limited to: • Reconciling intercompany revenues earned by the Parent Company to the corresponding expenditure incurred by other entities within the Group; • For the stocktaking division, focusing on ensuring revenues were recognised immediately after performance of a stock count by performing sample testing which included: – Agreeing sales invoice details to revenues recognised in the general ledger; – Agreeing payments to bank statements; and – For stocktaking revenues recognised either side of the year end, agreeing the ledger details back to customer satisfaction forms, as signed by the customer on the date of the count, to ensure these revenues had been recognised in the correct period; • Agreeing a sample of licence fees to the related contracts in place, and recalculating the deferral and subsequent release of such income to ensure revenues were being recognised in the correct financial year; • For agency, consultancy and valuation fees: – Testing the operating effectiveness of a key control related to matching invoices raised per the job costing software to the revenue recognised within the finance module; and – For a sample of revenue recognised either side of the year end, verifying that the revenue recognised corresponded with the date the related service was provided to the customer. Our observations On the basis of the audit procedures we performed, we are satisfied that revenue has been recognised appropriately.
Recoverability of investments and intercompany receivables (Parent Company) Refer to Accounting Policies (Note 2) and Notes 16 and 20 of the financial statements. There is a risk that the carrying value of investments in subsidiaries may be impaired and intercompany receivable balances may not be recovered due to a deterioration in financial performance during the year due to Covid-19 related factors. Significant provisions have been made in the past against both investment values and amounts due from subsidiaries. Management perform impairment reviews of all investments held by the Parent Company. Where required, investment values will be impaired. Management regularly assess the recoverability of intercompany receivables. Where recoverability is deemed unlikely, provisions are raised against balances owed. These assessments involve judgement and estimation uncertainty. We therefore identified these areas as a significant risk of material misstatement and a key audit matter.	Our audit procedures included, but were not limited to: • Assessing management's impairment reviews and their conclusions, including whether any adjustments were required to the carrying value of investments based on the three-year subsidiary forecasts included within managements' impairment review; • Assessing the accuracy of management's forecasts by reviewing post year end management accounts; • Carrying out a review over the companies from which material intercompany receivables are owed and in which material investments are held to assess the completeness of provisions in place at the year end; and • Understanding, through discussions with management, the workings of provisions against intercompany loans and balances and the need for a provision. Our observations On the basis of the audit procedures we performed, we are satisfied that investments and intercompany receivables are being held at appropriate carrying values.

Independent auditor's report continued

Key audit matter	How our scope addressed this matter
Carrying value of goodwill (Group) Refer to Accounting Policies (Note 2) and Note 26 of the financial statements. There is a risk that the fair value of goodwill arising on investments made by the Group exceeds its recoverable amount and may therefore be impaired due to a deterioration in financial performance during the year due to Covid-19 related factors. Management produce an annual board paper to support the carrying value of goodwill or any impairment they consider necessary. This has been based upon a 3-year forecast, a long-term growth rate and discount rates. The value in use calculations involve judgement and estimation uncertainty. We therefore identified the valuation of goodwill as a significant risk of material misstatement and a key audit matter.	Our audit procedures included, but were not limited to: • Reviewing the annual board paper produced by management, including forecasts and calculations supporting the carrying value of goodwill; • Assessing the key assumptions in the board paper, including revenue growth rates and projections; • Reviewing the sensitivity analysis performed by management to ensure it was sufficiently robust and modelled reasonably possible scenarios; and • Ensuring information used in management's impairment assessment was consistent with that used by the Directors in their going concern assessment. Our observations On the basis of the audit procedures we performed, we are satisfied that goodwill is being held at an appropriate carrying value at the year end.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality	
Overall materiality	£611,980
How we determined it	1% of total revenues
Rationale for benchmark applied	We used total revenues as a benchmark because it is the most stable measure which best represents the underlying trading activities of the Group and is a key metric to users of the financial statements.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £458,985, which represents 75% of overall materiality.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £18,359 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent Company materiality	
Overall materiality	£460,010
How we determined it	1% of Total Assets
Rationale for benchmark applied	Total Assets has been taken as the benchmark for materiality of the Parent Company due to the significant number of investments held; specifically when compared to its trading activity, which is limited exclusively to within the Group.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £345,007, which represents 75% of overall materiality.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £13,800 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the Directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Group and the Parent Company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our Group audit scope included an audit of the Group and the Parent Company financial statements. Based on our risk assessment, of the Group's 26 reporting components, 18 were subject to full scope audits for the Group purposes. For 8 components, we performed desktop analytical procedures to assess whether there were any significant risks of material misstatement within these entities. These procedures were performed by the Group audit team.

At the Parent Company level, the Group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the Annual Report 2021 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 53, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to Covid-19, and for certain components in the Group, beaches of regulatory requirements of the FCA or of duties to report on payment practices.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the Parent Company, the industry in which they operate, and the structure of the Group, and considering the risk of acts by the Group and the Parent Company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the Directors, management and, where appropriate, those charged with governance, as to whether the Group and the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- Inspecting correspondence with relevant licensing or regulatory authorities;
- Reviewing minutes of Directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of goodwill, investments, intangibles, pension scheme assets & liabilities and deferred tax assets, recovery of intercompany balances, revenue recognition (which we pinpointed to the cut off assertion, and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Eames

(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

22 April 2022

Consolidated income statement

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	5	61,252	42,224
Other income – government grants	6	2,592	8,182
Employee benefit expenses	7	(44,332)	(40,338)
		19,512	10,068
Impairment release/(charge)	22	14	(120)
Other operating expenses		(14,332)	(14,303)
Operating profit/(loss) before restructuring costs		5,194	(4,355)
Restructuring costs	8	–	(672)
Operating profit/(loss) post restructuring costs		5,194	(5,027)
Finance costs	9	(1,329)	(1,316)
Finance income	9	26	4
Total finance costs	9	(1,303)	(1,312)
Profit/(loss) before tax	10	3,891	(6,339)
Taxation	11	(316)	1,277
Profit/(loss) after tax		3,575	(5,062)
Profit/(loss) for the period after tax attributable to:			
Equity shareholders of the parent			
		3,575	(5,062)
Earnings per share			
Basic	13	13.71	(19.32)
Diluted	13	13.34	(19.32)

All amounts derive from continuing activities.

The accompanying notes are an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2021

	Note	2021 Total £'000	2020 Total £'000
Profit/(loss) after tax		3,575	(5,062)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		100	(34)
Net other comprehensive income/(losses) to be reclassified to profit or loss in subsequent years		100	(34)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	28	13,181	(8,052)
Effect of asset ceiling	28	(1,788)	–
		11,393	(8,052)
Income tax effect on defined benefit plans		(2,089)	1,770
Income tax effect of asset ceiling		447	–
		(1,642)	1,770
Net other comprehensive income/(losses) not being reclassified to profit or loss in subsequent years		9,751	(6,282)
Other comprehensive income/(losses) for the year net of tax		9,851	(6,316)
Total comprehensive income/(losses) for the year		13,426	(11,378)
Total comprehensive income/(losses) attributable to:			
Equity shareholders of the parent		13,426	(11,378)

The accompanying notes are an integral part of these financial statements.

Consolidated statement of changes in shareholders' equity

As at 31 December 2021

	Share capital £'000	Other reserves £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2020					
Balance at 1 January 2020	531	5,443	620	(6,628)	(34)
Loss for the year after tax	–	–	–	(5,062)	(5,062)
Items that will not be reclassified subsequently to profit or loss	–	–	–	(6,282)	(6,282)
Items that may be reclassified subsequently to profit or loss	–	–	(34)	–	(34)
Total comprehensive losses for the year	–	–	(34)	(11,344)	(11,378)
Movement in respect of employee share scheme	–	(27)	–	–	(27)
Employee share option scheme – value of services provided	–	46	–	–	46
Dividends paid	–	–	–	–	–
Balance at 31 December 2020	531	5,462	586	(17,972)	(11,393)

	Share capital £'000	Other reserves £'000	Cumulative translation reserve £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2021					
Balance at 1 January 2021	531	5,462	586	(17,972)	(11,393)
Profit for the year after tax	–	–	–	3,575	3,575
Items that will not be reclassified subsequently to profit or loss	–	–	–	9,751	9,751
Items that may be reclassified subsequently to profit or loss	–	–	100	–	100
Total comprehensive profit for the year	–	–	100	13,326	13,426
Movement in respect of employee share scheme	–	(278)	–	–	(278)
Employee share option scheme – value of services provided	–	62	–	–	62
Dividends paid	–	–	–	(260)	(260)
Balance at 31 December 2021	531	5,246	686	(4,906)	1,557

The accompanying notes are an integral part of these financial statements.

Consolidated statement of financial position

At 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Intangible assets – Goodwill	14	1,800	1,855
Intangible assets – Other	15	1,043	1,038
Property, plant and equipment	16	1,346	1,819
Right-of-use assets	17	5,106	5,774
Deferred tax assets	19	3,460	5,114
Other receivables	20	2,555	2,263
		15,310	17,863
Current assets			
Inventories	21	15	24
Trade and other receivables	22	12,502	10,624
Current tax assets		946	976
Cash and cash equivalents	23	8,167	10,284
		21,630	21,908
Total assets		36,940	39,771
Equity			
Share capital	24	531	531
Other reserves	25	5,246	5,462
Cumulative translation reserve	26	686	586
Retained earnings	26	(4,906)	(17,972)
Total equity		1,557	(11,393)
Liabilities			
Non-current liabilities			
Trade and other payables	27	546	50
Retirement benefit obligations	28	8,997	20,136
Lease liabilities	29	7,488	7,999
Borrowings	30	1,000	3,000
Provisions	31	1,352	1,004
		19,383	32,189
Current liabilities			
Trade and other payables	27	10,863	13,316
Lease liabilities	29	1,170	1,296
Current tax liabilities		299	–
Borrowings	30	2,568	3,206
Provisions	31	1,100	1,157
		16,000	18,975
Total liabilities		35,383	51,164
Total equity and liabilities		36,940	39,771

The accompanying notes are an integral part of these financial statements.

These consolidated financial statements of Christie Group plc, registered number 01471939, have been approved for issue by the Board of Directors on 22 April 2022.

D B Rugg
Chairman & Chief Executive

S J Hawkins
Group Finance Director

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Cash generated from operations	33	3,197	2,503
Interest paid		(982)	(1,081)
Tax received/(paid)		96	(197)
Net cash generated from operating activities		2,311	1,225
Cash flow from investing activities			
Purchase of property, plant and equipment		(147)	(899)
Proceeds from sale of property, plant and equipment		22	15
Intangible asset expenditure		(388)	(184)
Interest received		26	4
Net cash (used in) investing activities		(487)	(1,064)
Cash flow from financing activities			
Proceeds from bank loan		–	6,000
Repayment of bank loan		(2,000)	(1,000)
Repayment of other loan		–	(910)
Drawdown/(repayment) of invoice finance		81	(476)
Repayment of lease liabilities		(1,036)	(825)
Dividends paid		(260)	–
Net cash (used in)/generated financing activities		(3,215)	2,789
Net (decrease)/increase in cash		(1,391)	2,950
Cash and cash equivalents at beginning of year		9,565	6,625
Exchange gains on euro bank accounts		(7)	(10)
Cash and cash equivalents at end of year	23	8,167	9,565

The accompanying notes are an integral part of these financial statements.

Company statement of changes in shareholders' equity

As at 31 December 2021

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2020				
Balance at 1 January 2020	531	3,678	4,980	9,189
Loss for the year after tax	–	–	(728)	(728)
Items that will not be reclassified subsequently to profit or loss	–	–	(245)	(245)
Total comprehensive losses for the year	–	–	(973)	(973)
Movement in respect of employee share scheme	–	22	–	22
Employee share option scheme	–	–	–	–
– value of services provided	–	1	–	1
Dividends paid	–	–	–	–
Balance at 31 December 2020	531	3,701	4,007	8,239

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
For the year ended 31 December 2021				
Balance at 1 January 2021	531	3,701	4,007	8,239
Profit for the year after tax	–	–	882	882
Items that will not be reclassified subsequently to profit or loss	–	–	118	118
Total comprehensive income for the year	–	–	1,000	1,000
Movement in respect of employee share scheme	–	(190)	–	(190)
Employee share option scheme	–	–	–	–
– value of services provided	–	3	–	3
Dividends paid	–	–	(260)	(260)
Balance at 31 December 2021	531	3,514	4,747	8,792

The accompanying notes are an integral part of these financial statements.

Company statement of financial position

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Intangible assets	15	2	3
Right-of-use assets	17	2,033	2,192
Investments in subsidiaries	18	10,105	8,355
Deferred tax assets	19	277	400
Other receivables	20	2,555	2,263
		14,972	13,213
Current assets			
Trade and other receivables	22	14,583	15,091
Tax asset		–	85
Cash and cash equivalents	23	1,270	2,544
		15,853	17,720
Total assets		30,825	30,933
Equity			
Share capital	24	531	531
Other reserves	25	3,514	3,701
Retained earnings	26	4,747	4,007
Total equity		8,792	8,239
Liabilities			
Non-current liabilities			
Retirement benefit obligations	28	1,448	1,636
Lease liabilities	29	2,027	2,153
Borrowings	30	1,000	3,000
Provisions	31	1,128	836
		5,603	7,625
Current liabilities			
Trade and other payables	27	13,887	11,995
Lease liabilities	29	408	355
Current tax liability		135	–
Borrowings	30	2,000	2,719
		16,430	15,069
Total liabilities		22,033	22,694
Total equity and liabilities		30,825	30,933

The accompanying notes are an integral part of these financial statements.

As permitted by section 408 of the Companies Act 2006 the Income Statement and Statement of Comprehensive Income of the Parent Company is not presented as part of these financial statements. The Parent Company made a profit after tax of £882,000 (2020: loss £728,000).

These Company financial statements, of Christie Group plc, registered number 01471939, have been approved for issue by the Board of Directors on 22 April 2022.

D B Rugg
Chairman and Chief Executive

S J Hawkins
Group Finance Director

Company statement of cash flows

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Cash generated/(used in) from operations	33	932	(737)
Interest paid		(367)	(69)
Tax received/(paid)		220	(150)
Net cash generated/(used in) from operating activities		785	(956)
Cash flow from investing activities			
Interest received		368	356
Dividend received		2,375	–
Purchase of investment in wholly owned subsidiary		(1,750)	(750)
Net cash generated/(used in) from investing activities		993	(394)
Cash flow from financing activities			
Proceeds from bank loan		–	6,000
Repayment of bank loan		(2,000)	(1,000)
Repayment of lease liabilities		(73)	(123)
Dividends paid		(260)	–
Net cash (used in)/generated financing activities		(2,333)	4,877
Net (decrease)/increase in cash		(555)	3,527
Cash and cash equivalents at beginning of year		1,825	(1,702)
Cash and cash equivalents at end of year	23	1,270	1,825

The accompanying notes are an integral part of these financial statements.

Notes to the consolidated financial statements

1. General information

Christie Group plc is a public limited company incorporated in and operating from England. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional & Financial Services and Stock & Inventory Systems & Services. Professional & Financial Services principally covers business valuation, consultancy &

agency, business mortgages & insurance services and business appraisal. Stock & Inventory Systems & Services covers stock audit & counting, consultancy, compliance, inventory preparation & valuation and hospitality & software solutions.

The Financial Statements are presented in pounds sterling, the currency of the primary economic environment in which the Company operates and rounded to the nearest £'000.

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2021

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated and Company financial statements of Christie Group plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated and Company financial statements have been prepared under the historical cost convention with the exception of the defined benefit pension scheme, and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and Company financial statements are disclosed in note 4.

The Group has chosen, in accordance with the options provided by IAS 1, to present an income statement and a statement of comprehensive income as two separate statements to improve the presentation of the primary statements.

Going concern

Having reviewed the Company's detailed monthly budgets, projections and funding requirements to 31 December 2023, taking account of reasonable possible changes in trading performance over this period, particularly in light of Covid-19 risks and counter measures, the Directors believe they have reasonable grounds for stating that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

New and amended standards adopted by the Group

Several new standards and amendments apply for the first time in 2021. However, they do not materially impact the annual consolidated financial statements of the Group.

New Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group or Company's accounting periods beginning after 1 January 2022 or later periods and have not been early adopted.

- IAS 1 (amended) Presentation of Financial Statements (effective 1 January 2022)
- IFRS 17 Insurance contracts (effective 1 January 2023)

It is anticipated that none of these new standards, amendments and interpretations currently in issue at the time of preparing the financial statements will have a material effect on the consolidated financial statements of the Group.

2.2 Consolidation

The Consolidated financial statements include the results of Christie Group plc and all its subsidiary undertakings on the basis of their financial statements to 31 December 2021. The results of businesses acquired or disposed of are included from or to the date of acquisition or disposal.

A subsidiary is an entity controlled, directly or indirectly, by Christie Group plc. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

When the Group disposes of a subsidiary any gains/losses recognised at the date of disposal are taken to the Statement of Comprehensive Income.

2. Summary of significant accounting policies continued

2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in sterling, which is the Group's and Company's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- (b) income and expenses for each Statement of Comprehensive Income are translated at average exchange rates; and
- (c) all resulting exchange differences are recognised as a separate component of equity as a cumulative translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the Statement of Comprehensive Income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Revenue recognition

To determine whether to recognise revenue, the Group follows the IFRS 15 five step process. Revenue from contracts with customers is recognised when the Group satisfies a performance obligation for a contracted service.

Revenue from principal activities are assessed using the following model:

- (1) Identify the contract
- (2) Identify performance obligations
- (3) Determine the transaction price
- (4) Allocation of the transaction price; and
- (5) Recognise revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services provided in the ordinary course of the Group's activities.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct service or a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

Services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer, and they are separately identifiable in the contract.

Where performance obligations require certain targets to be achieved, revenue is only recognised once the promised has been fulfilled.

Transaction price

At the start of the contract, the total transaction price is estimated as the fair value of consideration to which the Group expects to be entitled to for satisfying performance obligations and transferring the promised services to the customer, including expenses and excluding value added taxes and discounts.

The transaction price is generally determined by the stand-alone selling price. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices.

2. Summary of significant accounting policies continued

Revenue recognition

Performance obligations can be satisfied in a variety of ways through completion of specific obligations, or as services are rendered. Revenue recognised is the value allocated to the satisfied performance obligation over time or at a point in time.

Revenue derived from the Group's principal activities (which is shown exclusive of applicable sales taxes or equivalents) is recognised as follows:

Professional & Financial Services

Agency

Net agency fees are recognised as income on exchange of contract at which point the Group becomes contractually entitled to its agency fee.

Consultancy

Consultancy income is recognised in the accounting period in which the service is rendered, assessed on the basis of actual service provided as a proportion of the total agreed upon service, consistent with the Group's entitlement to recognise the revenue.

Valuation and appraisal

Valuation revenue is recognised once the report has been prepared and provided to the customer. Appraisal income is recognised in the accounting period in which the report has been issued, as the rewards of ownership exist with the customer.

Where a report spans a period end, revenue is assessed on the basis of the proportion of the actual service completed against the final deliverable. At this point the Group has an enforceable right to recognise revenues for works performed.

Business mortgage broking

Fee income is taken either when a loan offer is secured or when the loan is drawn down, dependant on the end beneficiary of the brokering arrangement.

Insurance broking

Insurance brokerage is accounted for when the insurance policy commences.

Stock & Inventory Systems & Services

Software solutions

Software revenues are recognised on delivery or as otherwise specified in the terms of the contract. Revenues on maintenance contracts are recognised over the period of the contracts. Revenue in respect of services, such as implementation, training, consultancy and e-ticketing, are recognised when the services are performed.

Stock & inventory services

Fees are recognised on completion of the visit to client's premises, as the promises associated with the performance obligation have been fulfilled by the SISS companies.

Where a visit spans a period end, revenue is assessed on the basis of the proportion of the actual service provided against the overall requirements. At this point the Group has an enforceable right to recognise revenues for works performed.

Other

Dividend income

Dividend income is recognised when the right to receive payment is established.

Government grants

Government grants have been recognised in the consolidated income statement, under the category 'Other income – government grants', as they are received. Government grant income is recognised once grant requirements are fulfilled.

2.5 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Group operating segments are defined as Professional & Financial Services, Stock & Inventory Systems & Services, and Other, notably central service companies. Within these segments, the Board of Directors distinguish between European-based operations and those operations based in the rest of the world on the basis that the risks and returns may vary depending on the economic environment.

Segment assets and liabilities include items that are directly attributable to a segment plus an allocation on a reasonable basis of shared items. Any current and deferred tax assets and liabilities are not included in business segments and are thus unallocated.

All transactions between reportable segments are at arm's length.

2. Summary of significant accounting policies continued

2.6 Intangible assets

Goodwill

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises on the acquisition of subsidiary undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill arising on acquisitions is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. Goodwill arising on acquisitions prior to the date of transition to IFRS has been retained at previous UK GAAP amounts as permitted by IFRS 1 'First time adoption of International Accounting Standards'.

Other

Intangible fixed assets are stated at cost, whether purchased or developed internally, net of amortisation and any provision for impairment. Amortisation is calculated to write down the cost of all intangible fixed assets to their estimated residual value by equal annual instalments over their expected useful economic lives.

Trademarks	1 – 10 years
Software	3 – 5 years

Amortisation is charged to the Statement of Comprehensive Income.

2.7 Property, plant and equipment

Tangible fixed assets are stated at cost, net of depreciation and provision for any impairment. Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are as follows:

Leasehold property	Lease term
Fixtures, fittings and equipment	5 – 10 years
Computer equipment	2 – 5 years
Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold property	Lease term
Motor vehicles	4 years

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses an incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2. Summary of significant accounting policies continued

Sale and leaseback

The transfer of an asset is accounted for as a sale or purchase, when both the seller-lessee and the buyer-lessor apply the requirements in IFRS 16. As control of the underlying asset passes to the Group, the transaction is accounted for as a sale or purchase of the asset and a lease liability.

Short-term lease and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.9 Impairment of assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is based on the present value of the future cash flows relating to the asset and is determined over periods which are deemed to appropriately reflect the minimum expected period that the cash generating unit will operate for. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units), and their carrying value assessed against management's projection of the present value of cash flows arising over a projected period of three years from the Statement of Financial Position date using growth rates determined by management.

Any assessment of impairment based on value in use takes account of the time value of money and the uncertainty or risk inherent in the future cash flows. The discount rates applied reflect current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

2.10 Investments

The Group classifies its investments depending on the purpose for which the investments were acquired. Management measures investments on purchase, at cost and re-evaluates this designation at every reporting date. Fixed asset investments in subsidiaries are shown at cost less any provision for impairment.

The Group assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2.11 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

2.12 Trade receivables

Trade receivables are measured using the expected credit loss model, less any provision for impairment. The Group applies the IFRS 9 simplified approach to measuring forward-looking expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and accrued income, including contract assets. Expected credit losses are recognised from initial recognition based on the Group's historical credit loss experience, factors specific for each receivable, the current economic climate and expected changes in forecasts of future events. Changes in expected credit losses are recognised in the Consolidated Income Statement.

To measure the expected credit losses, trade receivables have been grouped based on a shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of the 12 months preceding 31 December 2021.

2.13 Cash and cash equivalents

Cash and cash equivalents are recognised initially at fair value and subsequently measured at amortised cost. Cash and cash equivalents comprise cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the Statement of Financial Position.

2.14 Borrowings

Borrowings are recognised initially at fair value. Borrowings are subsequently stated at amortised cost; any difference between proceeds and the redemption value is recognised in the Consolidated Income Statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

2. Summary of significant accounting policies continued

2.15 Taxation including deferred tax

Tax on Company profits is provided for at the current rate applicable in each of the relevant territories.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This is reviewed annually.

2.16 Share capital and share premium

Ordinary shares are classified as equity. Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium, net of any related income tax benefits.

2.17 Investment in own shares

Where any Group company or the Employee Share Ownership Trust (ESOT) purchases the Company's equity share capital (own shares), the consideration paid, including any directly attributable incremental costs (net of taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of as an investment in own shares reserve. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Company's equity holders. Such shares are held at cost.

The Group and Company offsets the cost of own shares held, as a debit within the own shares reserve. These shares are held at cost and are typically used to satisfy share awards, at which point the cost is credited to the share-based payment reserve.

2.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. In respect of interim dividends, which are paid prior to approval by the Company's shareholders, they are recognised on payment.

2.19 Invoice finance

Trade receivables which are subject to an invoice finance facility are secured against such receivables where an advance has been received. The carrying value is stated at the fair value of the amount repayable at the date of the Statement of Financial Position. Trade receivables are not derecognised until payment is received from the customer.

2.20 Employee benefits

Pension obligations

The Group has both defined benefit and defined contribution schemes. A defined benefit scheme is a pension scheme that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. A defined contribution scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. The schemes are generally funded through payments to insurance companies or trustee-administered funds, and in the case of defined benefit schemes, determined by periodic actuarial calculations.

Pension obligations – Defined benefit schemes

The liability recognised in the Statement of Financial Position in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of scheme assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Where the present value of the minimum funding contributions exceed the present value of the defined benefit obligation and the amounts are not available as a refund or reduction in future payments, the Company will adjust the retirement benefit obligation to match the present value of the minimum funding contributions. The liability recognised in the Statement of Financial Position, will reflect the present value of the minimum funding contributions. A corresponding charge will be recognised in other comprehensive income, as 'effect of asset ceiling' in the period which they arise.

2. Summary of significant accounting policies continued

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the Statement of Comprehensive Income.

Pension obligations – Defined contribution scheme

Group companies contribute towards a personal pension scheme for their participating employees. These employees are currently entitled to such contributions after a qualifying period has elapsed. Payments to the scheme are charged as an employee benefit expense as they fall due. The Group has no further payment obligations once the contributions have been paid.

Share-based compensation

The fair value of employee share option schemes, including Save As You Earn (SAYE) schemes, is measured by a Black-Scholes pricing model. Further details are set out in note 24a. In accordance with IFRS 2 'Share-based Payments', the resulting cost is charged to the income statement over the vesting period of the options. The value of the charge is adjusted to reflect expected and actual levels of options vesting.

Commissions and bonus plans

The Group recognises a liability and an expense for commissions and bonuses, based on formula driven calculations. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Employee benefit trust

The Group operates an equity-settled, long term incentive plan designed to align management interests with those of shareholders. The fair value of the employee's services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each Statement of Financial Position date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income, and a corresponding adjustment to equity.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Income Statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.22 Restricted access financial assets

Restricted access financial assets are measured at fair value and are recognised where the Company has made payments to a separate legal entity but retains an entitlement to the risk and reward associated with those payments, subject to the contractual arrangements under which the payments have been made. They are included in non-current assets as management does not intend to realise those assets for at least 12 months from the Statement of Financial Position date, although those assets may be applied to offset the cost of utilising or satisfying certain provisions.

The Group assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of restricted access financial assets, the fair value of the assets is arrived at by assessing their cash equivalent fair value at the date of the Statement of Financial Position and no such impairment is therefore considered necessary.

3. Financial risk management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits and overdrafts and various items such as trade receivables and payables, which arise directly from operations.

3.1 Financial instruments

The Group does not trade in financial instruments.

3.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

At 31 December 2021, if sterling had strengthened by 10% against the Euro, with all other variables held constant, the post-tax profit for the year would have been £117,000 lower (2020: £87,000 lower) mainly as a result of foreign exchange gains/losses on translation of Euro denominated trade receivables, cash and cash equivalents, and trade payables. Applying the same variables to foreign exchange differences recognised directly in equity, the effect would be a reduction in equity of £62,000 (2020: £57,000).

(b) Credit risk

The Group has credit limits in place and monitors the credit history of all clients, but the Group is not immune from credit risk. Diversification of the client base means that it is unusual for any single trade debtor to represent more than 2% of Group annual revenue.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The Group uses an invoice financing arrangement in a group undertaking to mitigate liquidity risk. The Group ensures it has adequate cover through the availability of bank overdraft facilities.

At 31 December 2021 total borrowings by the Group amounted to £3,568,000 (2020: £6,206,000), with additional available unutilised credit facilities at 31 December 2021 of £5,250,000 (2020: £4,531,000). The maturity of financial liabilities is detailed in note 30.

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Total cash and cash equivalents held by the Group at 31 December 2021 were £8,167,000 (2020: £10,284,000).

(d) Cash flow and interest rate risk

The Group finances its operations through a mix of cash flow from current operations together with cash on deposit and bank and other borrowings. Borrowings are generally at floating rates of interest and no use of interest rate swaps has been made.

The Group's interest rate risk arises from cash balances and borrowings subject to variable interest rates. For the year ended 31 December 2021, assuming all other variables remained equal, but interest rates were 0.25% higher or lower throughout the year, the impact on post tax profits would be a maximum increase or decrease of £18,000 (2020: £19,000).

3.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure appropriate for its growth plans. The capital structure of the Group consists of cash & cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or alter debt levels.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill and investments

Goodwill and investments are subject to an impairment review both annually and when there are indications that the carrying value may not be recoverable, in accordance with the accounting policies stated in note 2.6 and 2.9. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as set out in note 14.

(b) Retirement benefit obligations

The assumptions used to measure the expense and liabilities related to the Group's defined benefit pension plans are reviewed annually by professionally qualified, independent actuaries, trustees and management as appropriate. Management base their assumptions on their understanding and interpretation of applicable scheme rules which prevail at the statement of financial position date. The measurement of the expense for a period requires judgement with respect to the following matters, among others:

- the probable long-term rate of increase in pensionable pay;
- the discount rate; and
- the estimated life expectancy of participating members.

The assumptions used by the Group, as stated in note 28, may differ materially from actual results, and these differences may result in a significant impact on the amount of pension expense recorded in future periods. In accordance with IAS 19, the Group recognises all actuarial gains and losses immediately in other comprehensive income.

4.2 Critical accounting judgements and assumptions

The critical judgements made in the process of applying the Group's accounting policies during the year that have the most significant effect on the amounts recognised in the financial statements are set out below.

(a) Deferred taxation

Deferred tax assets are recognised to the extent that the Group believes it is probable that future taxable profit will be available against which temporary timing differences and losses from previous periods can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, as set out in note 19.

(b) Revenue recognition

In determining the amount to be recognised on incomplete contracts it is necessary to estimate the stage of completion and the amount of variable consideration. An element of judgement and estimate is inherent in this process.

(c) Property, plant and equipment

Depreciation is derived using estimates of its expected useful life and residual value, which are reviewed annually. Management determines useful lives and residual values based on experience with similar assets.

(d) Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR therefore reflects what the Group 'would have to pay', which requires an estimate when no observable rates are available.

5. Segment information

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

The segment results for the year ended 31 December 2021 are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Total gross segment sales	43,882	17,480	3,454	64,816
Inter-segment sales	(110)	–	(3,454)	(3,564)
Revenue	43,772	17,480	–	61,252
Operating profit/(loss)	7,565	(2,371)	–	5,194
Finance costs	(843)	(239)	(221)	(1,303)
Profit/(loss) before tax	6,722	(2,610)	(221)	3,891
Taxation				(316)
Profit for the year after tax				3,575

The segment results for the year ended 31 December 2020 are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Total gross segment sales	26,320	16,014	3,123	45,457
Inter-segment sales	(110)	–	(3,123)	(3,233)
Revenue	26,210	16,014	–	42,224
Operating loss	(1,863)	(3,164)	–	(5,027)
Finance costs	(824)	(227)	(261)	(1,312)
Loss before tax	(2,687)	(3,391)	(261)	(6,339)
Taxation				1,277
Loss for the year after tax				(5,062)

Revenue recognised in the period has been derived from the provision of services provided when the performance obligation has been satisfied.

Depreciation and amortisation are included in the income statement for the years ended 31 December 2021 and 2020 are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
31 December 2021				
Depreciation and amortisation	708	1,152	122	1,982
31 December 2020				
Depreciation and amortisation	913	1,114	127	2,154

Notes to the consolidated financial statements continued

5. Segment information continued

The segment assets and liabilities at 31 December 2021 and capital expenditure for the year then ended are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Assets	14,525	6,341	11,668	32,534
Deferred tax assets				3,460
Current tax assets				946
				36,940
Liabilities	18,814	5,044	7,658	31,516
Borrowings				3,568
Current tax liabilities				299
				35,383
Capital expenditure	90	364	81	535

The segment assets and liabilities at 31 December 2020 and capital expenditure for the year are as follows:

	PFS £'000	SISS £'000	Other £'000	Group £'000
Assets	13,039	6,901	13,741	33,681
Deferred tax assets				5,114
Current tax assets				976
				39,771
Liabilities	26,544	9,271	9,143	44,958
Borrowings				6,206
Current tax liabilities				–
				51,164
Capital expenditure	106	795	182	1,083

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude taxation.

Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment, intangible assets and excludes right-of-use leased assets.

The Group manages its operating segments on a global basis. The UK is the home country of the parent. The Group's revenue is mainly generated in Europe.

Revenue is allocated below based on the entity's country of domicile. No single customer accounted for more than 10% of total revenue.

	2021 £'000	2020 £'000
Revenue		
Europe	61,202	42,174
Rest of the World	50	50
	61,252	42,224

5. Segment information continued

Total segment assets are allocated based on where the assets are located.

	2021 €'000	2020 €'000
Total segment assets		
Europe	36,909	39,719
Rest of the World	31	52
	36,940	39,771

Capital expenditure is allocated based on where the assets are located.

	2021 €'000	2020 €'000
Capital expenditure		
Europe	535	1,083

2021	PFS €'000	SISS €'000	Other €'000	Group €'000
Analysis of revenue by category				
Sale of goods	–	50	–	50
Revenue from services	43,772	17,430	–	61,202
	43,772	17,480	–	61,252

2020	PFS €'000	SISS €'000	Other €'000	Group €'000
Analysis of revenue by category				
Sale of goods	–	68	–	68
Revenue from services	26,210	15,946	–	42,156
	26,210	16,014	–	42,224

6. Other income – government grants

The Group has benefited from the Government support due to the Covid-19 business disruption, utilising the furlough scheme from its commencement which has provided financial assistance towards employee salaries in 2021. During 2021, £2,592,000 (2020: £8,182,000) Government grants have been recognised in the Consolidated Income Statement, under the category Other income – government grants.

7. Employee benefit expenses

Employee costs for the Group during the year	2021 €'000	2020 €'000
Wages and salaries	38,705	35,575
Social security costs	4,476	4,061
Post-employment benefits	1,075	1,265
Other long-term benefits	14	19
Cost of employee share scheme	62	46
	44,332	40,966
Amounts shown in restructuring costs	–	(628)
	44,332	40,338

The pension cost charge represents contributions payable by the Group to the fund and amounted to £700,000 (2020: £680,000).

7. Employee benefit expenses continued

Average actual number of people (including Executive Directors) employed by the Group during the year was

	2021 Number	2020 Number
Operational	1,146	1,258
Administration and support staff	245	278
	1,391	1,536

Average full-time equivalent number of people (including Executive Directors) employed by the Group during the year was

	2021 Number	2020 Number
Operational	734	834
Administration and support staff	239	273
	973	1,107

8. Restructuring costs

	2021 £'000	2020 £'000
Restructuring costs	–	672
	–	672

During the year, the Group incurred restructuring costs of £nil (2020: £672,000), including £nil (2020: £628,000) of employee related termination costs.

9. Finance costs

	2021 £'000	2020 £'000
Interest payable on bank loans and overdrafts	64	45
Other interest payable	89	79
Interest payable on lease liabilities	917	976
Pension scheme finance costs	259	216
Total finance costs	1,329	1,316
Bank interest receivable	(26)	(4)
Total finance credit	(26)	(4)
Net finance costs	1,303	1,312

10. Profit/(loss) before tax

	2021 £'000	2020 £'000
Profit/(loss) before tax is stated after charging/(crediting):		
Depreciation of property, plant and equipment		
– owned assets	592	628
– right-of-use assets	1,007	1,190
Amortisation of intangible fixed assets	383	390
Profit on sale of property, plant and equipment	(14)	(5)
Leases with remaining lease terms of less than 12 months	241	336
Impairment (release)/charge of trade receivables	(14)	120
Loss on foreign exchange	11	28

Amounts paid to the auditor in respect to services provided has been disclosed within the Audit Committee Report.

11. Taxation

	2021 £'000	2020 £'000
Current tax		
UK corporation tax at 19% (2020: 19%)	(156)	(8)
Foreign tax	(21)	(2)
Adjustment in respect of prior years	(127)	(49)
Losses carried back to previous periods	–	641
Total current tax (charge)/credit	(304)	582
Deferred tax		
Origination and reversal of timing differences	(419)	624
Impact of change in UK corporation tax rate	407	71
Total deferred tax (charge)/credit	(12)	695
Tax (charge)/credit on profit/(loss) on ordinary activities	(316)	1,277

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 19% as follows:

	2021 £'000	2020 £'000
Profit/(loss) before tax	3,891	(6,339)
Tax at standard rate of UK corporation tax at 19% (2020: 19%)	(739)	1,204
Effects of:		
– surrender of tax losses	–	(109)
– net income and expenses not deductible for tax purposes	(554)	495
– unutilised losses	699	(974)
– foreign tax	(2)	(2)
– Group losses carried back	–	641
– tax in respect of previous years	(127)	(49)
– remeasurement of deferred tax due to changes in the UK corporation tax rate	407	71
Total tax (charge)/credit	(316)	1,277

12. Dividends

A dividend in respect of the year ended 31 December 2021 of 2.00p per share (2020: 0.00p), amounting to a total dividend of £520,000 (2020: £nil) is to be proposed at the Annual General Meeting on 15 June 2022.

In the year the Group paid an interim dividend of 1.00p per share (2020: 0.00p) totalling £260,000 (2020: £nil).

13. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, which excludes the shares held in the Employee Share Ownership Plan (ESOP) trust.

	2021 £'000	2020 £'000
Profit/(loss) attributable to equity holders of the Company	3,575	(5,062)
	Thousands	Thousands
Weighted average number of ordinary shares in issue	26,071	26,220
Adjustment for share options	729	843
Weighted average number of ordinary shares for diluted earnings per share	26,800	27,063
	Pence	Pence
Basic earnings per share	13.71	(19.32)
Diluted earnings per share	13.34	(19.32)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares – share options.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

14. Intangible assets – goodwill

Group	Total £'000
Cost	
At 1 January 2021	1,855
Foreign currency translation effects	(55)
At 31 December 2021	1,800
Group	Total £'000
Cost	
At 1 January 2020	1,810
Foreign currency translation effects	45
At 31 December 2020	1,855

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. The carrying amounts of goodwill by segment as at 31 December 2021 are as follows:

	2021		2020	
	PFS £'000	SISS £'000	PFS £'000	SISS £'000
Goodwill	178	1,622	178	1,677

During the year, the acquired goodwill was tested for impairment in accordance with IAS 36 on the basis of the relevant CGUs. Following the impairment tests there has been no change to the carrying values. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on current business plans. The key assumptions for the value-in-use calculations are those regarding revenue growth rates, discount rates & long-term growth rates over a period of 3 years from the Statement of Financial Position date and thereafter. Management determined revenue growth based on past performance and its expectations for the market development. Discount rates were determined using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Terminal value is calculated as cash flows beyond the three-year period extrapolated using estimated long-term growth rates. Additionally, these value-in-use calculations were stress tested on a more prudent basis (assuming a mixture of 50% or 90% of revenue growth dependent upon the relevant CGU) and gave rise to no change in the carrying value of goodwill.

The revenue growth rate does not exceed the long-term average growth rate for the businesses in which the CGUs operate.

	2021		2020	
	PFS £'000	SISS £'000	PFS £'000	SISS £'000
Discount rates	10.0	10.0	10.0	10.0
Long-term growth rates	2.5	2.5	2.5	2.5

Notes to the consolidated financial statements continued

15. Intangible assets – other

Group	Trademarks £'000	Software £'000	Total £'000
Cost			
At 1 January 2021	87	3,063	3,150
Additions	12	376	388
At 31 December 2021	99	3,439	3,538
Accumulated amortisation			
At 1 January 2021	35	2,077	2,112
Charge for the year	10	373	383
At 31 December 2021	45	2,450	2,495
Net book amount at 31 December 2021	54	989	1,043

Group	Trademarks £'000	Software £'000	Total £'000
Cost			
At 1 January 2020	86	2,886	2,972
Additions	1	183	184
Disposals	–	(6)	(6)
At 31 December 2020	87	3,063	3,150
Accumulated amortisation			
At 1 January 2020	25	1,704	1,729
Charge for the year	10	379	389
Disposals	–	(6)	(6)
At 31 December 2020	35	2,077	2,112
Net book amount at 31 December 2020	52	986	1,038

Amortisation is charged to the consolidated income statement within other operating expenses.

Company	2021 £'000	2020 £'000
Cost		
At 1 January	3	3
Additions	–	–
At 31 December	3	3
Accumulated amortisation		
At 1 January	–	–
Charge for the year	1	–
At 31 December	1	–
Net book amount at 31 December	2	3

Intangible assets held by the Company relate to trademarks.

16. Property, plant and equipment

Group	Short leasehold property £'000	Fixtures, fittings, computer equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2021	51	6,203	6,254
Additions	–	147	147
Disposals	–	(95)	(95)
Foreign currency translation effects	–	(9)	(9)
At 31 December 2021	51	6,246	6,297
Accumulated depreciation			
At 1 January 2021	47	4,388	4,435
Charge for the year	2	590	592
Disposals	–	(71)	(71)
Foreign currency translation effects	–	(5)	(5)
At 31 December 2021	49	4,902	4,951
Net book amount at 31 December 2021	2	1,344	1,346

Group	Short leasehold property £'000	Fixtures, fittings, computer equipment and motor vehicles £'000	Total £'000
Cost			
At 1 January 2020	51	5,383	5,434
Additions	–	899	899
Disposals	–	(79)	(79)
At 31 December 2020	51	6,203	6,254
Accumulated depreciation			
At 1 January 2020	45	3,832	3,877
Charge for the year	2	626	628
Disposals	–	(70)	(70)
At 31 December 2020	47	4,388	4,435
Net book amount at 31 December 2020	4	1,815	1,819

Notes to the consolidated financial statements continued

17. Right-of-use assets

Group	Leasehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2021	8,552	1,485	10,037
Additions	336	64	400
Disposals	(363)	(604)	(967)
Foreign currency translation effect	(85)	(19)	(104)
At 31 December 2021	8,440	926	9,366
Accumulated depreciation			
At 1 January 2021	3,301	962	4,263
Charge for the year	707	300	1,007
Disposals	(363)	(593)	(956)
Foreign currency translation effect	(42)	(12)	(54)
At 31 December 2021	3,603	657	4,260
Net book amount at 31 December 2021	4,837	269	5,106

Group	Leasehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2020	8,461	2,356	10,817
Additions	158	108	266
Disposals	(137)	(995)	(1,132)
Foreign currency translation effect	70	16	86
At 31 December 2020	8,552	1,485	10,037
Accumulated depreciation			
At 1 January 2020	2,705	1,463	4,168
Charge for the year	708	482	1,190
Disposals	(137)	(995)	(1,132)
Foreign currency translation effect	25	12	37
At 31 December 2020	3,301	962	4,263
Net book amount at 31 December 2020	5,251	523	5,774

Company – leasehold property	2021 £'000	2020 £'000
Cost		
At 1 January	2,391	2,391
Additions	–	–
Disposals	–	–
At 31 December	2,391	2,391
Accumulated depreciation		
At 1 January	199	40
Charge for the year	159	159
At 31 December	358	199
Net book amount at 31 December	2,033	2,192

18. Investments in subsidiaries

Company	Total €'000
Cost	
At 1 January 2021	11,951
Additions	1,750
Disposal	(1,000)
At 31 December 2021	12,701
Provision for impairment	
At 1 January 2021	3,596
Charge for the year	–
Disposal	(1,000)
At 31 December 2021	2,596
Net book amount at 31 December 2021	10,105

Company	Total €'000
Cost	
At 1 January 2020	11,201
Additions	750
At 31 December 2020	11,951
Provision for impairment	
At 1 January 2020	3,586
Charge for the year	10
At 31 December 2020	3,596
Net book amount at 31 December 2020	8,355

Investment in subsidiary additions related to further investment in existing wholly owned Group companies.

Disposals in the year relate to 100% owned dormant Group companies which were struck off in the year. These investments had been fully provided for.

Subsidiary undertakings

At 31 December 2021 the subsidiaries were as follows:

Company	Principal place of business and country of incorporation	Registered address (***)	Ownership	Nature of business
Operating subsidiaries				
Christie, Owen & Davies Ltd (trading as Christie & Co) (*)	UK	Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS	100%	Business valuers, surveyors and agents
Christie & Co (Holdings) Limited	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Holding company
Christie & Co SAS (*)	France	10 rue La Fayette, 75009 Paris	100%	Business valuers, surveyors and agents
Christie & Co GmbH (*)	Germany	Schillerstraße 12, 60313 Frankfurt	100%	Business valuers, surveyors and agents

Notes to the consolidated financial statements continued

18. Investments in subsidiaries continued

Company	Principal place of business and country of incorporation	Registered address (***)	Ownership	Nature of business
Christie, Owen & Davies SL (*)	Spain	Paseo de Gracia 11, Esc B, 4° 3a, 08007 Barcelona	100%	Business valuers, surveyors and agents
Christie & Co Oy (*)	Finland	Technopolis Ruoholahti 2/ Energiakuja 3, 00180 Helsinki	100%	Business valuers, surveyors and agents
Christie & Co Austria GmbH (*)	Austria	Stallburggasse 2/3a, 1010 Vienna	100%	Business valuers, surveyors and agents
Christie Group Central Services Limited	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Other professional activities
Pinders Professional & Consultancy Services Ltd	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Business appraisers
Christie Financial Services Ltd	UK	Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS	100%	Holding company
RCC Business Mortgage Brokers plc (*) (trading as Christie Finance)	UK	Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS	100%	Business mortgage brokers
RCC Insurance Brokers plc (*) (trading as Christie Insurance)	UK	Whitefriars House, 6 Carmelite Street, London, EC4Y 0BS	100%	Insurance brokers
Orridge Holdings Ltd	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Holding company
Orridge International Ltd	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Holding company
Orridge & Co Ltd (*)	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Stocktaking and inventory management services
Orridge Supply Chain Services Ltd (*)	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Stocktaking and inventory management services
Orridge PS Ltd (*)	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Stocktaking and inventory management services
Reedwall Limited (*)	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Holding company
Orridge Inventory Service GmbH (*)	Germany	Godesberger Allee 189, 53175 Bonn, Germany	100%	Stocktaking and inventory management services
Inventory Service Austria GmbH (*)	Austria	Karl Waldbrunner Platz 1, 1210 Vienna, Austria	100%	Stocktaking and inventory management services

18. Investments in subsidiaries continued

Company	Principal place of business and country of incorporation	Registered address (***)	Ownership	Nature of business
Ridgecop Limited (*)	UK (**)	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Stocktaking and inventory management services
Venners Ltd	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Licensed stock and inventory auditors and valuers
Vennersys Ltd	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	EPoS, head office systems and merchandise control
Vennersys Corp (trading as Vennersys)	Canada	100 King Street West, 1 First Canadian Place, Suite 1600, Toronto	100%	EPoS, head office systems and merchandise control
Venpowa Limited	UK	Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS	100%	Renting and leasing of office machinery and equipment
Atrium Holdings Limited (*)	Guernsey	Martello Court, Admiral Park. St Peter Port, Guernsey, C.I., GY1 3HB	100%	Holding company
P.H. UK Limited (*)	Guernsey	Martello Court, Admiral Park. St Peter Port, Guernsey, C.I., GY1 3HB	100%	Ownership and letting of freehold property

Company	Principal place of business and country of incorporation	Ownership	Nature of business
Non-trading subsidiaries			
Orridge Business Sales Limited (*)	UK	100%	Dormant
West London Estates Limited (*) (****)	UK	100%	Dormant
Pinderpack Limited	UK	100%	Dormant
Christie Consulting International Limited	UK	100%	Dormant
Christie Insurance Services Limited	UK	100%	Dormant
Venners Computer Systems (R&D) Limited (*****)	UK	100%	Dormant
Fourdean Limited (****)	UK	100%	Dormant
Guardlevel Limited (****)	UK	100%	Dormant
Quest for Quality Limited	UK	100%	Dormant
Nashdome Limited (****)	UK	100%	Dormant
Courtmist Limited (****)	UK	100%	Dormant
Orridge BV	Holland	100%	Dormant
Christie Corporate Finance Limited	UK	100%	Dormant

The registered office of all dormant companies is Pinder House, 249 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DS.

(*) The Company directly or indirectly owns ordinary share capital of each of the above companies. Those designated with an asterisk represent indirect ownership.

(**) The place of business of Ridgecop Limited is Benelux and France.

(***) Registered office listed is as at the date of signing the accounts.

(****) The company was dissolved in April 2022.

(*****) The company has an active proposal to strike off.

19. Deferred tax

Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

The movements in deferred tax assets (prior to offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred tax assets comprise:				
Decelerated capital allowances	9	41	–	–
Losses not yet utilised	202	691	137	263
Short-term timing differences	1,000	556	(221)	(174)
Deferred tax asset/(liability)	1,211	1,288	(84)	89
Deferred tax asset on pension	2,249	3,826	361	311
At 31 December	3,460	5,114	277	400

Movements in the deferred tax assets:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At 1 January	5,114	2,649	400	156
(Charge)/credit to income statement	(12)	695	(211)	153
(Charge)/credit to other comprehensive income	(1,642)	1,770	88	91
At 31 December	3,460	5,114	277	400

Amounts charged to other comprehensive income of £1,642,000 (2020: income of £1,770,000) relate to movements in the pension scheme liability and deferred tax rate. All other movements are recognised in the consolidated income statement.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The UK government has announced future changes to the Corporation tax rate. These changes will result in an increase in the standard rate of corporation tax to 25% from 1 April 2023. As at 31 December 2021 all such changes have been substantively enacted and have therefore been reflected in the calculation of deferred tax for the year ended 31 December 2021.

20. Other receivables

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Non-current assets				
Restricted access financial assets	2,555	2,263	2,555	2,263

The Company's non-current other receivables are denominated in sterling.

Restricted access financial assets are recognised where the Company has made payments to a separate legal entity but retains an entitlement to the risk and reward associated with those payments, subject to the contractual arrangements under which the payments have been made. Further details are set out in note 2.22.

21. Inventories

	2021 £'000	2020 £'000
Group		
Finished goods and goods for resale	15	24

22. Trade and other receivables

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade receivables	6,716	4,985	3	–
Less: provision for impairment of trade receivables	(667)	(681)	–	–
Amounts owed by Group undertakings	–	–	14,954	15,388
Less: provision for impairment of amounts owed by Group undertakings	–	–	(1,127)	(1,041)
Work in progress	2,040	1,411	–	–
Contract assets	213	100	–	–
Other debtors	1,225	1,519	459	398
Prepayments	2,975	3,290	294	346
	12,502	10,624	14,583	15,091

The fair values of trade and other receivables approximates to the carrying value as detailed above.

Notes to the consolidated financial statements continued

22. Trade and other receivables continued

Movements on the Group's provision for impairment of trade receivables are as follows:

	2021 £'000	2020 £'000
Provision at 1 January	681	561
Amounts provided in previous period not utilised	(128)	(120)
Provided in the period	114	240
(Reversal)/impairment recognised in the consolidated income statement	(14)	120
Provision at 31 December	667	681
Amounts written off in the year	2	–

Amounts are written off when there is no expectation of recovering additional cash.

The following summary details Group trade receivables that are not overdue (where payment terms have not been exceeded) as well as an analysis of overdue amounts and related provisions.

	2021 £'000	2020 £'000
Not overdue	3,166	2,064
Amounts past due:		
← 1 month	2,282	1,456
1 – 3 months	514	678
3 – 6 months	374	227
6 – 12 months	164	337
→ 1 year	216	223
Amounts past due	3,550	2,921
Trade receivables	6,716	4,985
Provision for impairment of trade receivables	(667)	(681)
Amounts past due but not impaired	2,883	2,240

The carrying value of trade receivables is reviewed and amounts not provided for are considered recoverable. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over a period of 12 months and the corresponding historical credit losses experienced within this period. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and diverse. Due to this, management believe there is no further credit risk provision required in excess of the normal provision for doubtful receivables.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Sterling	10,924	9,114	14,583	15,091
Euros	1,559	1,489	–	–
Other	19	21	–	–
	12,502	10,624	14,583	15,091

23. Cash and cash equivalents

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash at bank and in hand	8,167	10,284	1,270	2,544

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash and cash equivalents	8,167	10,284	1,270	2,544
Bank overdrafts	–	(719)	–	(719)
	8,167	9,565	1,270	1,825

The Group operates a centrally-controlled treasury function where the use of overdraft facilities is concentrated with the ultimate Parent Company. As a result, at 31 December 2021 the ultimate parent undertaking had utilised bank overdrafts to the value of £nil (2020: £719,000).

24. Share capital

	2021		2020	
	Number	£'000	Number	£'000
Ordinary shares of 2p each				
Authorised, allotted and fully paid: At 1 January and 31 December	26,526,729	531	26,526,729	531

The Company has one class of ordinary shares which carry no right to fixed income.

Investment in own shares

The Group has established an Employee Share Ownership Plan (ESOP) trust in order to meet its future contingent obligations under the Group's share option schemes. The ESOP purchases shares in the market for distribution at a later date in accordance with the terms of the Group's share option schemes. The rights to dividends on the shares held have been waived.

At 31 December 2021 the total payments by the Company to the ESOP to finance the purchase of ordinary shares were £3,497,000 (2020: £3,302,000). This figure is inclusive of shares purchased and subsequently issued to satisfy employee share awards. The market value at 31 December 2021 of the ordinary shares held in the ESOP was £500,000 (2020: £307,000). The investment in own shares represents 513,000 shares (2020: 339,000) with a nominal value of 2p each.

24. Share capital continued

24a. Share-based payments

Certain employees hold options to subscribe for shares in the Company at prices ranging from 67.0p to 138.5p under share option schemes for the period from May 2012 to October 2021.

The remaining options outstanding under approved schemes (unapproved options marked *) at 31 December 2021 are shown below:

Number of shares		Option exercise price	Date granted	Option exercise period
2021	2020			
–	20,000	58.5p	Sep 2011	Sep 2014 – Sep 2021
9,000	19,000	67.0p	May 2012	May 2015 – May 2022
52,000	52,000	67.5p	Sep 2012	Sep 2015 – Sep 2022
–	22,833	75.0p	Oct 2013	Oct 2016 – Oct 2023
22,833	52,167	75.0p	*Oct 2013	Oct 2016 – Oct 2023
52,167	20,000	134.5p	May 2014	May 2017 – May 2024
20,000	100,000	134.5p	*May 2014	May 2017 – May 2024
100,000	6,000	125.0p	Oct 2014	Oct 2017 – Oct 2024
3,000	142,176	127.5p	May 2015	May 2018 – May 2025
–	264,190	127.5p	*May 2015	May 2018 – May 2025
125,176	36,000	138.5p	Sep 2015	Sep 2018 – Sep 2025
264,190	80,000	101.5p	May 2016	May 2019 – May 2026
36,000	42,000	101.5p	*May 2016	May 2019 – May 2026
–	10,000	92.5p	Oct 2016	Oct 2019 – Oct 2026
77,000	28,000	88.5p	May 2017	May 2020 – May 2027
42,000	–	88.5p	*May 2017	May 2020 – May 2027
10,000	61,501	113.5p	Oct 2017	Oct 2020 – Oct 2027
–	52,499	113.5p	*Oct 2017	Oct 2020 – Oct 2027
25,000	84,000	133.0p	May 2018	May 2021 – May 2028
–	23,000	133.0p	*May 2018	May 2021 – May 2028
38,070	12,000	106.5p	Oct 2018	Oct 2021 – Oct 2028
3,930	6,000	106.5p	*Oct 2018	Oct 2021 – Oct 2028
74,000	15,000	98.5p	Apr 2019	Apr 2022 – May 2029
13,000	94,000	97.5p	May 2019	May 2022 – May 2029
9,000	6,000	97.5p	*May 2019	May 2022 – May 2029
6,000	3,000	95.0p	Oct 2019	Oct 2022 – Oct 2029
15,000	6,000	95.0p	*Oct 2019	Oct 2022 – Oct 2029
84,000	108,000	76.0p	Nov 2020	Nov 2023 – Nov 2030
–	19,000	76.0p	*Nov 2020	Nov 2023 – Nov 2030
3,000	–	103.0p	Apr 2021	Apr 2022 – Apr 2031
3,000	–	103.0p	*Apr 2021	Apr 2022 – Apr 2031
98,000	–	105.0p	Oct 2021	Oct 2022 – Oct 2031
16,000	–	105.0p	*Oct 2021	Oct 2022 – Oct 2031
1,201,366	1,384,366			

Under the Share Option Scheme, the Christie Group plc Remuneration Committee can grant options over shares to employees of the Group. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. The contractual life of an option is 10 years. Awards under the Share Option Scheme are generally reserved for employees at senior management level. Options granted under the Share Option Scheme will become exercisable on the third anniversary of the date of grant. Exercise of an option is subject to continued employment and the performance conditions attached to the options being achieved.

The ultimate holding company, Christie Group plc, also operates a Save As You Earn (SAYE) scheme which was introduced in 2002 and in which Company employees participate. Under the SAYE scheme eligible employees can save up to £500 per month over a three or five year period and use the savings to exercise options granted between 67.0p to 127.0p.

24. Share capital *continued*

Share options (including SAYE schemes) were valued using the Quoted Companies Alliance (QCA) share option valuer, which is based on Black-Scholes. No performance conditions were included in the fair value calculations. The key assumptions used in the calculations are as follows:

	2021	2020
Share price at grant date	67.0 – 138.5	58.5 – 138.5
Exercise price	67.0 – 138.5	58.5 – 138.5
Expected volatility	29.5% – 82.9%	29.5% – 82.9%
Expected life	3 – 5 years	3 – 5 years
Risk free rate	0.0% – 1.6%	0.0% – 1.6%
Dividend yield	0.0% – 3.2%	0.0% – 3.2%
Fair value per option	12.9p – 100.6p	12.9p – 100.6p
Range of weighted average exercise price	67.0p – 134.5p	58.5p – 134.5p

The expected volatility is based on historical volatility over the last five years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

A reconciliation of share option movements in the Company (excluding SAYE schemes) over the year to 31 December 2021 is shown below:

	2021		2020	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	1,384,366	108.87p	1,373,366	109.26p
Granted	165,000	103.78p	127,000	76.72p
Exercised	(33,000)	64.98p	(23,000)	50.15p
Forfeited	(150,000)	114.10p	(93,000)	112.56p
Outstanding at 31 December	1,366,366	106.81p	1,384,366	108.87p
Exercisable at 31 December	982,366	111.86p	1,008,366	109.01p

Excluding SAYE schemes there were 33,000 share options exercised during the year (2020: 23,000). The weighted average share price at the date of exercise of these options was 121.39p (2020: 73.82p). The total charge for the year relating to employee share-based payment plans was £62,000 (2020: £46,000), all of which related to equity-settled share-based payment transactions. The weighted average remaining contractual life of share options outstanding at 31 December 2021 was 5.01 years (2020: 5.47 years).

Notes to the consolidated financial statements continued

25. Other reserves

Group	Share premium £'000	Share-based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other reserves £'000
At 1 January 2021	4,831	962	(341)	10	5,462
Employee share option scheme: value of services provided	–	62	–	–	62
Movement in respect of employee share scheme	–	(105)	(173)	–	(278)
At 31 December 2021	4,831	919	(514)	10	5,246

Group	Share premium £'000	Share-based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other reserves £'000
At 1 January 2020	4,831	926	(324)	10	5,443
Employee share option scheme: value of services provided	–	46	–	–	46
Movement in respect of employee share scheme	–	(10)	(17)	–	(27)
At 31 December 2020	4,831	962	(341)	10	5,462

Company	Share premium £'000	Share-based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other £'000	Other reserves £'000
At 1 January 2021	4,831	(888)	(341)	10	89	3,701
Employee share option scheme: value of services provided	–	3	–	–	–	3
Movement in respect of employee share scheme	–	(17)	(173)	–	–	(190)
At 31 December 2021	4,831	(902)	(514)	10	89	3,514

Company	Share premium £'000	Share-based payments £'000	Own shares £'000	Capital redemption reserve £'000	Other £'000	Other reserves £'000
At 1 January 2020	4,831	(928)	(324)	10	89	3,678
Employee share option scheme: value of services provided	–	1	–	–	–	1
Movement in respect of employee share scheme	–	39	(17)	–	–	22
At 31 December 2020	4,831	(888)	(341)	10	89	3,701

Share premium – The balance on the share premium reserve represents the amounts received in excess of the nominal value of the ordinary shares.

Share-based payments – The balance on the share-based payments reserve represents the value of services provided in relation to employee share ownership schemes.

Own shares – Own shares represents Company shares held in the Employee Share Ownership Plan (ESOP) to meet the future requirements of employee share-based payment arrangements.

Capital redemption reserve – The balance on the capital redemption reserve represents the aggregate nominal value of all the ordinary shares repurchased and cancelled.

26. Reserves

Cumulative translation reserve – The balance on the cumulative translation reserve relates to exchange differences arising from translating non-monetary assets and liabilities at the current rate at balance sheet date rather than at historical rates are taken directly to the foreign currency translation reserve.

Retained earnings – Retained earnings include the realised gains and losses made by the Group and the Company.

27. Trade and other payables

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Current				
Trade payables	1,655	2,568	814	1,310
Amounts owed to Group undertakings	–	–	11,083	8,166
Other taxes and social security	2,838	6,358	961	1,625
Other creditors	625	505	47	145
Contract liabilities	280	218	–	–
Accruals	5,465	3,667	982	749
	10,863	13,316	13,887	11,995

Contract liabilities are of a short-term nature and will be recognised as revenue within 12 months.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £157,000 (2020: £277,000) were payable to the fund at the Statement of Financial Position date.

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Non-current				
Accruals	546	50	–	–
	546	50	–	–

The carrying value of all amounts shown above corresponds to their fair value.

Amounts due to Group undertakings are repayable on demand.

The carrying amounts of trade and other payables are denominated in the following currencies:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Sterling	10,080	12,425	13,887	11,995
Euros	1,299	863	–	–
Other	30	78	–	–
	11,409	13,366	13,887	11,995

28. Retirement benefit obligation

The amounts recognised in the Statement of Financial Position are determined as follows:

	2021 £'000	2020 £'000
United Kingdom	8,997	20,136

The obligation outstanding of £8,997,000 (2020: £20,136,000) includes £1,312,000 (2020: £1,449,000) payable to David Rugg by Christie Group plc, and £7,685,000 (2020: £18,687,000) relating to pension benefits payable to members of the Christie Group Pension and Assurance Scheme and the Venners Retirement Benefits Scheme. The reduction in the pension liability attributable to David Rugg's pension arises entirely from a change in the actuarial assumptions used and the discount rate applied. There have been no changes to the amounts payable to David Rugg.

The Group operates two defined benefit schemes (closed to new members) providing pensions based on final pensionable pay. The contributions are determined by qualified actuaries based on triennial valuations using the projected unit credit method.

When a member retires, the pension and any spouse's pension is either secured by an annuity contract or paid from the managed fund. Assets of the schemes are reduced by the purchase price of any annuity purchase and the benefits no longer regarded as liabilities of the scheme.

	2021 £'000	2020 £'000
Present value of obligations	83,058	88,510
Fair value of plan assets	(75,849)	(68,374)
Liability pre effect of asset ceiling	7,209	20,136
Effect of asset ceiling	1,788	–
Liability in the statement of financial position	8,997	20,136

The principal actuarial assumptions used were as follows:

	2021 %	2020 %
Discount rate	1.90	1.40
Inflation rate	3.40	2.95
Future salary increases	1.00 – 2.00	1.00 – 2.00
Future pension increases	2.25 – 3.60	2.10 – 3.30

Assumptions regarding future mortality experience are based on advice from published statistics and experience. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2021 Years	2020 Years
Male	21.7 – 22.1	22.4 – 23.1
Female	23.9 – 24.1	24.6 – 24.7

28. Retirement benefit obligation continued

The movement in the defined benefit obligation is as follows:

	2021 £'000	2020 £'000
At 1 January	88,510	79,030
Interest cost	1,208	1,558
Current service cost	417	375
Benefits paid	(2,103)	(3,933)
Actuarial (gains)/losses on assumption changes	(4,068)	9,908
Actuarial (gains)/losses on experience	(906)	1,572
At 31 December	83,058	88,510
Attributable to:		
Present value of funded obligations	75,849	68,374
Present value of unfunded obligations	7,209	20,136
	83,058	88,510

The movement in the fair value of plan assets is as follows:

	2021 £'000	2020 £'000
At 1 January	68,374	67,019
Return on plan assets less interest income	8,207	3,428
Net interest income	947	1,342
Employee contributions	81	86
Employer contributions	286	377
Benefits paid	(2,046)	(3,878)
At 31 December	75,849	68,374

The movement in the asset ceiling is as follows:

	2021 £'000	2020 £'000
At 1 January	–	–
Movement in Other Comprehensive Income	1,788	–
At 31 December	1,788	–

The amounts recognised in the income statement and the Statement of Comprehensive Income are as follows:

	2021 £'000	2020 £'000
Current service cost	417	375
Total included in employee benefit expenses	417	375
Net interest cost	259	216
Total included in finance costs	259	216
Actuarial gains/(losses)	13,181	(8,052)
Effect of asset ceiling	(1,788)	–
Total included in other comprehensive income/(losses)	11,393	(8,052)

28. Retirement benefit obligation continued

Plan assets are comprised as follows:

	2021			2020		
	Quoted* £'000	Unquoted £'000	Total £'000	Quoted* £'000	Unquoted £'000	Total £'000
Equity	53,149	–	53,149	46,194	–	46,194
Debt	–	11,093	11,093	–	11,638	11,638
Property**	–	3,535	3,535	–	3,289	3,289
Other	–	8,072	8,072	–	7,253	7,253
	53,149	22,700	75,849	46,194	22,180	68,374

* Plan assets are held in unit trusts.

** Property assets include Whitefriars House, a leasehold property owned by Carmelite Property Ltd (see note 34).

Through its defined benefit pension plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility – The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will increase the current scheme deficits but, by contrast, if plan assets outperform this yield the scheme deficits will be reduced. The Group's pension schemes currently hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the plans mature, it is probable that the schemes' trustees will seek to reduce the level of investment risk by investing more in assets that better match the liabilities. Currently, the Group believes that due to the long-term nature of the plan liabilities and the strength of the supporting Group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plans efficiently.

Changes in bond yields – A decrease in corporate bond yields will increase the present value of plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk – Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, for most such liabilities there are inflation cap mechanisms in place which significantly reduce this risk. The majority of the plan's assets are not directly affected by inflation although may be correlated to the impacts that inflation may have on macroeconomic factors, such as increases in interest rates which might be used if monetary policy were employed to reduce inflation.

Life expectancy – The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the UK plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

28. Retirement benefit obligation continued

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(7.60%)	8.50%
Salary growth rate	0.50%	0.10%	(0.00%)
Pension growth rate	0.25%	2.60%	(2.60%)
		Increase by 1 year in assumption	Decrease by 1 year in assumption
Life expectancy		3.70%	(3.80%)

The above sensitivity analyses are based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit pension obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the Statement of Financial Position. Salary growth assumption sensitivity recognises the enactment of appropriate indexation caps on future pensionable salary increases.

Expected Company contributions to UK post retirement benefit schemes for the year ending 31 December 2022 are £1,192,000.

The weighted average duration of the defined benefit obligation is 16.5 years (2020: 17.5 years).

Expected maturity analysis of undiscounted pension benefits:

As at 31 December 2021	Less than 1 year £'000	Between 1-2 years £'000	Between 2-5 years £'000	Over 5 years £'000	Total £'000
Pension benefits	2,721	2,884	7,925	103,815	117,345

Company

The movement in the liability recognised in the Company Statement of Financial Position for the Group scheme is as follows:

	2021 £'000	2020 £'000
Beginning of the year	(1,636)	(1,360)
Expenses included in income statement	(10)	(12)
Employer contributions	111	16
Pension paid	57	55
Actuarial gains/(losses) included in statement of comprehensive income	75	(335)
Effect of asset ceiling included in statement of comprehensive income	(45)	–
End of the year	(1,448)	(1,636)

Notes to the consolidated financial statements continued

29. Lease liabilities

At 31 December 2021 the Group has liabilities under lease agreements for the leased assets disclosed in note 17. The maturity of these liabilities is as follows:

Group	2021 £'000	2020 £'000
Undiscounted lease liabilities		
Due within 1 year	1,745	1,801
Due between 1 and 5 years	5,932	5,660
Due after 5 years	6,792	8,342
Total undiscounted lease payments	14,469	15,803
Interest component	(5,811)	(6,508)
Lease liabilities	8,658	9,295
Current	1,170	1,296
Non-current	7,488	7,999

The following are the amounts recognised in the income statement:

Group	2021 £'000	2020 £'000
Depreciation expense of right-of-use assets	1,007	1,190
Interest expense on lease liabilities	917	976
Expense relating to short-term leases	241	336
Total amount recognised in the income statement	2,165	2,502

The maturity of these liabilities is as follows:

Company	2021 £'000	2020 £'000
Undiscounted lease liabilities		
Due within 1 year	408	355
Due between 1 and 5 years	1,368	1,725
Due after 5 years	2,284	2,284
Total undiscounted lease payments	4,060	4,364
Interest component	(1,625)	(1,856)
Lease liabilities	2,435	2,508
Current	408	355
Non-current	2,027	2,153

The table below shows the maturity of lease liabilities.

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Due less than one year	1,170	1,296	408	355
Due 1 – 2 years	1,128	1,119	355	355
Due 2 – 5 years	2,163	2,440	1,013	1,066
Due over 5 years	4,197	4,440	659	730
Total lease liabilities	8,658	9,295	2,435	2,506

30. Borrowings

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Non-current				
Bank loan	1,000	3,000	1,000	3,000
	1,000	3,000	1,000	3,000
Current				
Bank overdrafts	–	719	–	719
Bank loan	2,000	2,000	2,000	2,000
Invoice finance (secured against debtors)	568	487	–	–
	2,568	3,206	2,000	2,719
Total borrowings	3,568	6,206	3,000	5,719

On the 1 June 2020, the Group drew down a £6.0m CLBILS loan and this is repayable over 36 months on a monthly linear basis. Interest is accrued on a straight line basis.

The Group is not subject to any contractual repricing.

The carrying amounts of current borrowings approximate to their fair value.

The table below shows the maturity of borrowing.

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Due less than one year	2,568	3,206	2,000	2,719
Due 1 -2 years	1,000	2,000	1,000	2,000
Due 2 – 5 years	–	1,000	–	1,000
Total borrowings	3,568	6,206	3,000	5,719

31. Provisions

Group	Employee benefits £'000	Dilapidations and other £'000	Total £'000
At 1 January 2021	1,118	1,043	2,161
Provided in the year	26	360	386
Released in the year	(95)	–	(95)
At 31 December 2021	1,049	1,403	2,452
Group	Employee benefits £'000	Dilapidations and other £'000	Total £'000
At 1 January 2020	1,186	647	1,833
Provided in the year	68	396	464
Released in the year	(136)	–	(136)
At 31 December 2020	1,118	1,043	2,161

Notes to the consolidated financial statements continued

31. Provisions continued

Analysis of total provisions:

	2021 £'000	2020 £'000
Non-current	1,352	1,004
Current	1,100	1,157
	2,452	2,161

Company	Dilapidations and other £'000	Total £'000
At 1 January 2021	836	836
Provided in the year	292	292
At 31 December 2021	1,128	1,128

Company	Dilapidations and other £'000	Total £'000
At 1 January 2020	473	473
Provided in the year	363	363
At 31 December 2020	836	836

Analysis of total provisions:

	2021 £'000	2020 £'000
Non-current	1,128	836
	1,128	836

(a) Employee benefits

Employee benefits includes both i) long term benefits for employees as determined in line with the projected unit credit method and ii) additional costs which may arise in the event of changes in the interpretation and application of national minimum wage regulations. Discounting of these benefits is not considered to be material.

(b) Dilapidations and other

Provisions are held in respect of dilapidations arising on leasehold premises over the length of the lease in accordance with the lease terms. Other provisions relate to potential economic outflows which the Board considered probable at the Statement of Financial Position date, in accordance with IAS 37.

The non-current liabilities are estimated to be payable over periods from one to fifteen years. Discounting of these benefits is not considered to be material.

32. Financial instruments

The Group has the following financial instruments:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Assets				
Other receivables	2,555	2,263	2,555	2,263
Trade and other receivables	9,527	7,234	14,289	14,745
Cash and cash equivalents	8,167	10,284	1,270	2,544
	20,249	19,781	18,114	19,552

32. Financial instruments continued

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Liabilities				
Lease liabilities	8,658	9,295	2,425	2,508
Trade and other payables	8,291	7,008	12,926	10,370
Borrowings	3,568	6,206	3,000	5,719
	20,517	22,509	18,351	18,597

The carrying value of financial instruments is a reasonable approximation of fair value due to the short-term maturities of these instruments.

33. Notes to the cash flow statement**Cash generated from operations**

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Profit/(loss) for the year after tax	3,575	(5,062)	882	(728)
Adjustments for:				
Taxation	316	(1,277)	211	154
Finance costs	1,303	1,096	362	357
Interest received	–	–	(368)	(351)
Dividends received	–	–	(2,375)	–
Depreciation	1,599	1,818	159	159
Amortisation of intangible assets	383	390	1	–
Impairment of investments in subsidiaries	–	–	–	(10)
Profit on sale of property, plant and equipment	(14)	(5)	–	–
Increase in provisions	291	328	292	363
Payments to ESOT	(175)	–	(175)	–
Foreign currency translation	143	45	–	–
Share option charge	62	46	3	1
Movement in retirement benefit obligation	(168)	(143)	(168)	(63)
Movement in non-current other receivables	(292)	(362)	(292)	(362)
Movement in working capital:				
Decrease in inventories	9	11	–	–
(Increase)/decrease in trade and other receivables	(1,878)	4,290	508	(1,841)
(Decrease)/increase in trade and other payables	(1,957)	1,328	1,892	1,892
Cash generated from operations	3,197	2,503	932	(737)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group In £'000	Bank overdraft	Bank loan	Other loans and borrowings	Invoice finance	Lease liabilities	Total
Balance at 1 January 2021	719	5,000	–	487	9,295	15,501
Proceeds from borrowings	–	–	–	81	–	81
Repayment of borrowings	–	(2,000)	–	–	–	(2,000)
Net lease liabilities movement	–	–	–	–	(1,036)	(1,036)
Total changes from financing cash flows	–	(2,000)	–	81	(1,036)	(2,955)
Liability related						
Change in bank overdraft	(719)	–	–	–	–	(719)
Interest expense	2	61	–	29	917	1,009
Interest paid	(2)	(61)	–	(29)	(518)	(610)
Total liability related changes	(719)	–	–	–	399	(320)
Balance at 31 December 2021	–	3,000	–	568	8,658	12,226

Notes to the consolidated financial statements continued

33. Notes to the cash flow statement continued

Group In £'000	Bank overdraft	Bank loan	Other loans and borrowings	Invoice finance	Lease liabilities	Total
Balance at 1 January 2020	3,182	–	910	963	9,859	14,914
Proceeds from borrowings	–	6,000	–	–	–	6,000
Repayment of borrowings	–	(1,000)	(910)	(476)	–	(2,386)
Net lease liabilities movement	–	–	–	–	(825)	(825)
Total changes from financing cash flows	–	5,000	(910)	(476)	(825)	2,789
Liability related						
Change in bank overdraft	(2,463)	–	–	–	–	(2,463)
Interest expense	3	38	6	26	957	1,030
Interest paid	(3)	(38)	(6)	(26)	(696)	(769)
Total liability related changes	(2,463)	–	–	–	261	(2,202)
Balance at 31 December 2020	719	5,000	–	487	9,295	15,501

Company In £'000	Bank overdraft	Bank loan	Lease liabilities	Total
Balance at 1 January 2021	719	5,000	2,508	8,227
Repayment of borrowings	–	(2,000)	–	(2,000)
Net lease liabilities movement	–	–	(73)	(73)
Total changes from financing cash flows	–	(2,000)	(73)	(2,073)
Liability related				
Change in bank overdraft	(719)	–	–	(719)
Interest expense	2	61	232	295
Interest paid	(2)	(61)	(232)	(295)
Total liability related changes	(719)	–	–	(719)
Balance at 31 December 2021	–	3,000	2,435	5,435

Company In £'000	Bank overdraft	Bank loan	Lease liabilities	Total
Balance at 1 January 2020	3,182	–	2,385	5,567
Proceeds from borrowings	–	6,000	–	6,000
Repayment of borrowings	–	(1,000)	–	(1,000)
Net lease liabilities movement	–	–	(115)	(115)
Total changes from financing cash flows	–	5,000	(115)	4,885
Liability related				
Change in bank overdraft	(2,463)	–	–	(2,463)
Interest expense	3	38	238	279
Interest paid	(3)	(38)	–	(41)
Total liability related changes	(2,463)	–	238	(2,225)
Balance at 31 December 2020	719	5,000	2,508	8,227

The bank overdraft is held for cash management purposes.

Details of other loans and borrowings are set out in note 30.

34. Related-party transactions

Group

There is no controlling interest in the Group's shares.

The Group Executive Directors are considered to be the persons who have the authority and responsibility for planning, directing and controlling the Group. Details of the remuneration of the Group Executive Directors is included in the Directors' remuneration report on page 51, along with details of remuneration for Non-executive Directors.

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. In the opinion of the Board, the Company's key management comprises the Directors and information regarding their emoluments stated in accordance with IFRS is set out below:

	2021 €'000	2020 €'000
Directors' remuneration per remuneration committee report	1,642	1,270
Employers' NI	224	168
Total remuneration	1,866	1,438
	2021 €'000	2020 €'000
Dividends paid to Directors	29	–

The income statement charge in respect of share options held by Directors is €3,000 (2020: €3,000).

Company

Transactions with Group undertakings:

	2021 €'000	2020 €'000
Provision of services	6,124	5,453
Purchase of services	1,530	1,457

Sales and purchases to Group undertakings were carried out on commercial terms and conditions.

Year end balances arising from sales and provision of services to Group undertakings are disclosed in notes 22 and 27.

See note 22 for provisions against amounts due from Group undertakings.

During the period rental costs of €485,000 (2020: €478,000) were payable to Carmelite Property Limited, a company incorporated in England and Wales, and jointly owned by The Christie Group Pension and Assurance Scheme, The Venners Retirement Benefit Fund and The Fitzroy Square Pension Fund, by Christie Group plc in accordance with the terms of a long-term lease agreement.

35. Post balance sheet event

On 24 February 2022, Russian military forces entered Ukraine. We confirm that we have since carried out an assessment of the potential impact of this military conflict on the trading activities of each subsidiary in the Group, including the impact of mitigation measures and uncertainties. The precise impacts on our trading outlook for 2022 and longer term remain uncertain and may remain so as long as the war continues, although to the extent that any impact arises or has already arisen, we would currently anticipate that the most likely impact will be on those operations within our Professional and Financial Services Division where the pace and progress of transactions may be affected by ongoing war in the region. In the event of military conflict in Ukraine extending beyond those country borders and into central and Eastern Europe, all of our businesses – both in the UK and Internationally – are not immune to the direct and indirect macro-economic consequences of war in any country or continent in which we operate.

Five-year record

Consolidated income statement

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Revenue	61,252	42,224	78,041	76,090	71,635
Operating profit/(loss) before restructuring items	5,194	(4,355)	5,771	4,083	3,768
Restructuring items	–	(672)	–	–	–
Finance costs	(1,303)	(1,312)	(1,349)	(484)	(622)
Profit/(loss) on ordinary activities before tax	3,891	(6,339)	4,422	3,599	3,146
Taxation	(316)	1,277	(409)	(661)	(699)
Profit/(loss) on ordinary activities after tax	3,575	(5,062)	4,013	2,938	2,447
Non-controlling interest	–	–	–	(18)	49
Profit/(loss) attributable to equity holders of the parent	3,575	(5,062)	4,013	2,956	2,496
Earnings per share					
Basic	13.71p	(19.32)p	15.30p	11.23p	9.47p
Dividends per ordinary share (payable in respect of the year)	3.00p	0.00p	1.25p	3.00p	2.75p

Consolidated statement of financial position

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Non-current assets	15,310	17,863	15,809	11,829	11,960
Current assets	21,630	21,908	24,996	19,701	19,594
Non-current liabilities	(10,386)	(12,053)	(9,791)	(1,205)	(1,792)
Current liabilities	(16,000)	(18,975)	(19,037)	(18,586)	(19,323)
	10,554	8,743	11,977	11,739	9,646
Retirement benefit obligations	(8,997)	(20,136)	(12,011)	(14,119)	(14,241)
Net assets/(liabilities)	1,557	(11,393)	(34)	(2,380)	(4,595)

Shareholder information

Company information

Investor and shareholder-related information can be found on our website at: www.christiegroup.com

Online copy

An electronic version of this annual report is available on our website in the Investors/Reports section at: www.christiegroup.com/investors/reports/year-2021

Board of Directors

David Rugg	Chairman and Chief Executive
Dan Prickett	Chief Operating Officer
Simon Hawkins	Group Finance Director
Paul Harding	Executive Director
Hwfa Gwyn	Non-executive Director
Andrew Doyle	Non-executive Director
Simon Herrick	Non-executive Director

Company Secretary

Charlotte French

Registered office

Whitefriars House
6 Carmelite Street
London
EC4Y 0BS

Registered number

01471939

Nominated adviser and broker

Shore Capital

Principal solicitors

Dentons

Auditors

Mazars LLP

Financial calendar

Annual General Meeting

Whitefriars House	Wednesday
6 Carmelite Street	15 June 2022
London EC4Y 0BS	at 10:00am

Announcements

Half year results for 2022	September 2022
Preliminary full year results for 2022	April 2023

Dates are correct at the time of printing, but are subject to change.

Final dividend 2021

Ex-dividend	9 June 2022
Record date	10 June 2022
Payment date	8 July 2022

Dates are correct at the time of printing, but are subject to change.

Registrars

All administrative enquiries relating to shareholdings and requests to receive corporate documents by email should, in the first instance, be directed to:

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

- By phone – You may call Link on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
- By email – enquiries@linkgroup.co.uk

Shareholders who receive duplicate sets of Company mailings because they have multiple accounts should write to Link Group to have their accounts amalgamated.

Voting online and the shareholder portal – www.signalshares.com

You will need your investor code, which can be found on your share certificate(s) to register for the shareholder portal.

Once you have registered, you can immediately:

- Cast your proxy vote online when resolutions are put to shareholders.
- Elect to receive shareholder communications electronically.

And, after you have activated your account, you can benefit from a number of other online services:

- View your holding balance and indicative share price and valuation.
- View transactions on your holding and dividend payments you have received.
- Update your address or register a bank mandate instruction to have dividends paid directly to your bank account.
- Access a wide range of shareholder information including downloadable forms.

If you need any help with voting online, please contact the Link Group Shareholders Helpline, either:

- By phone – You may call Link on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
- By email – enquiries@linkgroup.co.uk
- By post – Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

ShareGift

ShareGift is a charity share donation scheme for shareholders who may wish to dispose of a small number of shares where the market value makes it uneconomic to sell them on a commission basis. The scheme is administered by the Orr Mackintosh Foundation. For further information, please contact the foundation: 020 7930 3737.

www.sharegift.org/donate-shares

Unauthorised brokers ('boiler room' scams)

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turns out to be worthless or high risk shares in US or UK investments. These are commonly known as 'boiler rooms'.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA before getting involved. You can check at: <https://register.fca.org.uk>
- Report the matter to the FCA by calling 0800 111 6768.
- If the calls persist, hang up.

Details of any share dealing facilities that Christie Group endorses will only be included in Company mailings.

Identity theft

Tips for protecting your shares in the Company:

- Ensure all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee.
- Keep correspondence from us and Link in a safe place and destroy any unwanted correspondence by shredding.
- If you change address, inform Link in writing or update your address online via the shareholder portal. If you receive a letter from Link regarding a change of address but have not moved, please contact them immediately.
- Consider having your dividend paid directly into your bank. This will reduce the risk of the cheque being intercepted or lost in the post. If you change your bank account, inform Link of the details of your new account. You can do this by post or online via the shareholder portal.
- If you are buying or selling shares, only deal with brokers registered and authorised to carry out that type of business.
- Be wary of phone calls or e-mails purporting to come from us or Link asking you to confirm personal details or details of your investment in our shares. Neither we nor Link will ever ask you to provide information in this way.

Directory

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Christie Finance

The addresses are the same as Christie & Co with the exception of the Chester office which is only occupied by Christie Finance.

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